# THE TAX CODE
# OF THE REPUBLIC OF TAJIKISTAN
**(as amended by the Law of the Republic of Tajikistan №1867 of 18.03.2022)**

This Code defines the organizational, legal and economic framework for the establishment, change, cancellation, calculation and payment of taxes, the fulfillment of tax obligations, and is aimed at the formation, development and stimulation of economic activity.

# GENERAL PART

## PART 1. GENERAL PROVISIONS

## SECTION 1. THE PRINCIPLES, SUBJECTS OF TAX RELATIONS, TAXATION SYSTEM, RIGHTS AND OBLIGATIONS OF THE TAXPAYER

## CHAPTER 1. GENERAL PROVISIONS

### Article 1. The Tax legislation of the Republic of Tajikistan and its scope

1. **The tax legislation of the Republic of Tajikistan** (hereinafter, the tax legislation) is based on the Constitution of the Republic of Tajikistan, consists of this Code, other regulatory legal acts, as well as international legal acts recognized by the Tajikistan as regulating tax relations.

2. Taxation is carried out in accordance with the tax legislation in force at the time of the occurrence of tax liabilities, unless other provisions are provided for in this article.

3. Concepts and terms of civil, family and other branches of legislation of the Republic of Tajikistan used in this Code shall be applied in the sense in which they are used in those branches of legislation, except as provided by this Code.

4. Relations on payment of customs duties and taxes on goods and vehicles transported across the customs border of the Republic of Tajikistan are regulated by this Code and the customs legislation of the Republic of Tajikistan.

5. Relations on payment of the state duty and other obligatory payments to the budget are regulated by the relevant laws and this Code.

6. Contradictions between the provisions of this Code and other normative legal acts of the same level shall be resolved in accordance with the provisions of the Law of the Republic of Tajikistan "On normative legal acts".

7. Acts of tax legislation establishing new taxes, aggravating the situation of taxpayers and/or establishing liability for tax offences, defining new obligations for taxpayers and other participants in the relations governed by tax legislation, do not have retroactive effect.

8. The acts of tax legislation that exclude or mitigate responsibility or liability for violation of tax legislation, or provide additional guarantees to protect the rights of taxpayers, tax agents and their representatives, shall have retroactive effect.

9. In the case of ambiguity (different interpretation of the norms) and (or) presence of two or more provisions and (or) contradictions between the provisions of this Code and (or) the absence (insufficiency) of the necessary provisions for regulating tax relations, the tax and (or) judicial authorities shall take a decision in the interests (benefit) of the taxpayer.

10. It shall be prohibited to include provisions on tax relations other legal acts, except for: provisions:

1) concerning administrative offenses provided by legislation on administrative offenses;

2) concerning crimes in the field of taxes provided by criminal legislation;

3) concerning the priority of tax obligations provided by bankruptcy legislation;

4) concerning taxes provided by customs legislation;

5) provided by legislation on state duties;

6) provided by legislation on other mandatory payments to the budget;

7) provided by the Law of the Republic of Tajikistan on the State Budget of the Republic of Tajikistan for the relevant fiscal year;

8) on taxes stipulated by investment, concession and credit (grant) agreements, as well as other international legal acts with foreign states or international organizations approved by the Majlisi Namoyandagon of Majlisi Oli of the Republic of Tajikistan.

11. For foreign states and governments, international organizations, diplomatic and consular missions of foreign states and governments, and their diplomatic and consular employees, as well as representative offices of international organizations, their employees and family members of the above persons, exemption from taxes and the use of other tax benefits provided in in accordance with this Code, or provided for by international legal acts recognized by Tajikistan, are provided in the manner established by the Government of the Republic of Tajikistan.

12. A resident of a foreign state with which the Republic of Tajikistan has signed an international agreement on avoidance of double taxation has the right to apply such an agreement only if the main (ultimate) owner is a person or persons - residents of this foreign state for the purposes of the agreement, as well as if one of the following conditions is met:

1) the principal class of shares or other stakes of an entity is regularly traded on a stock exchange in a given foreign country;

2) both of the following conditions are met:

a) an entity is active in a given foreign country through its employees and premises in that country;

b) income received by an entity from sources in Tajikistan is associated with its active operations in a given foreign state;

3) the agreement provides for the restriction of benefits or other provisions preventing the abuse of this agreement are present

**Article 2. Basic concepts used in this Code**

This Code uses the following basic concepts:

1) **tax administration** - a set of measures carried out by the tax authority in compliance with the requirements of this Code and other regulatory legal acts aimed at ensuring the application of regulatory legal acts regulating tax relations, state duty and mandatory payments to the budget;

2) **special tax regime** - a special taxation procedure established for certain groups of taxpayers, providing for simplified methods for calculating and paying certain types of taxes, as well as for submitting tax reports.

3) **general tax regime** - the procedure for calculating and paying national and local taxes established by this Code, with the exception of special tax regimes.

4) **assets** - resources at the disposal or under control of individuals and legal entities from which economic benefits are expected, having a measure of value. In particular, property (other tangible and intangible assets), monetary funds or property rights that make up the total amount of fixed and current assets (funds) of a person, any value belonging to a person, an accounting category that includes the value of the subject's own property, as well as including funds and reserves intended for the payment (repayment) of debts (liabilities).

5) **fixed assets** - are the assets simultaneously meeting the following conditions:

a) their service life is more than one year;

b) used as a means of labor in the production of goods (performance of work, provision of services) or for the management of an organization;

c) the value of fixed assets shall comply with the thresholds and limits established by accounting law;

d) are subject to depreciation.

6) **tax arrears** - calculated (accrued) amounts of taxes, accrued interest and imposed fines recognized by the taxpayer, but not paid to the budget within the established and (or) amended period;

7) **prizes** - any kind of income, rewards and benefits in kind and in money, received by taxpayers at contests, competitions (olympiads), festivals, lotteries, draw games, including draws on deposits and debt securities.

8) grant - monetary funds and (or) other property provided on a gratuitous and irrevocable basis to achieve certain goals provided from the following sources:

a) by foreign states (governments of foreign states), international organizations, individuals and legal entities of the Republic of Tajikistan and the Government of the Republic of Tajikistan;

b) by individuals and legal entities to the relevant state bodies for eliminating the consequences of natural disasters or solving other social problems;

c) international and foreign organizations, foreign non-governmental public organization and foundations whose activities are charitable and (or) international in nature and do not contradict the Constitution of the Republic of Tajikistan, the Republic of Tajikistan, the Government of the Republic of Tajikistan, individuals and legal entities of the Republic of Tajikistan:

9) **foreign income** - any income derived from sources outside the Republic of Tajikistan.

10) **electronic signature of a taxpayer** - a special cryptographic means of ensuring the authenticity, integrity and authorship of electronic documents;

11) **electronic taxpayer** - a taxpayer interacting with tax authorities in electronic form on the basis of an agreement concluded with tax authorities, using and recognizing a digital signature when exchanging electronic documents through the taxpayer's personal account;

12) **work** - an activity, the results of which have a tangible expression, including construction, installation and repair work, scientific research, experimental design and project development;

13) **dividends** - any distribution of funds or property by a legal entity between its shareholders (participants), including:

a) income received by a shareholder (participant) from a legal entity-issuer at the distribution of the annual profit remaining after taxation, in proportion to the number of shares (stakes) of a shareholder (participant) in the authorized (pooled) capital of this legal entity. If a corresponding decision is made on the targeted use of these contributions to foundations in accordance with the established rules and the targeted use is ensured, such income is not subject to taxation;

b) incomes received by a shareholder (participant) from distribution of monetary funds or property in the order of redemption by a legal entity-issuer of its shares (interest) and income received by a shareholder (participant) from property during liquidation of a legal entity, less (in both cases) the value of property (shares, interest) contributed by the founder (participant) as a contribution to the authorized capital;

c) incomes received by a shareholder (participant) disguised as other payments;

d) value of any asset, service or any debt forgiven by a legal entity in favor of a shareholder (member) or a person related to a shareholder (member) is treated as an act of actual distribution of income.

14) **humanitarian aid** - goods (works, services) provided free of charge to the Republic of Tajikistan, sent from foreign countries and international organizations to prevent and eliminate the consequences of emergency situations of a military, environmental, natural, man-made and other nature, and improve living conditions and life of the population.

15) **homesteads** - land plots of settlements allocated to individuals in accordance with the norms established by the Land Code of the Republic of Tajikistan.

16) **taxpayer's income source** - an organization or an individual from whom (at expense of whom) a taxpayer receives income;

17) **bad debt** - the amount due to the taxpayer, but which the taxpayer is not able to receive in full due to the insolvency or liquidation of the debtor, or the possibility of receiving it from the debtor or a third party is unlikely and is reflected as written off in the accounting records of the

taxpayer, in accordance with International Financial Reporting Standards,. In any case, a bad debt is a debt that is considered bad on the financial accounts of the taxpayer and for the repayment of which no payment has been made to bank settlement and treasury accounts within three years from the date when such payment should have been made and or, independently of other circumstances, the taxpayer was liquidated;

18) **location of a separate subdivision of a legal entity** - the place where this legal entity carries out activities through its separate subdivision (the actual location of the separate subdivision);

19) **agricultural produce** - the initial result (product) of growing crops, cattle and other biological assets, not subjected to further processing;

20) **industrial processing of agricultural produce** - is a technological operation associated with the production of finished products from agricultural raw materials that have undergone primary processing. The following are not considered for payers of unified tax as industrial processing of agricultural produce:

− operations for the preparation of agricultural products for sale (sorting and packaging);

− combinations of different agricultural products, whose trademark does not change;

− slaughter and butchering of livestock;

− cleaning and drying of grain, grain and industrial crops (except cotton) in initial weight;

− preparation of agricultural products grain in vivo;

− drying vegetable and fruit crops, fumigation with sulfur in vivo;

21) **goods** - any any tangible property (for the purposes of the value added tax, money, land and (or) products that are transported by means of wires (with the exception of electrical energy), cables, radios, optics or other electromagnetic or similar technical systems are not considered goods;

22) **financial credit institution** - a credit institution and an Islamic credit institution carrying out activities provided for by the legislation of the Republic of Tajikistan? on the basis of a license issued by the National Bank of Tajikistan;

23) **credit institution** - legal entities (banks, non-bank credit organizations, including microfinance organizations) carrying out all or certain banking operations provided for by the legislation of the Republic of Tajikistan, on the basis of a license issued by the National Bank of Tajikistan;

24) **commodity nomenclature of foreign economic activity** - is a system of commodity classification codes adopted in accordance with the Harmonized System of Description and Coding of Goods;

25) **royalty** - payment for:

a) the right to use natural resources in the process of mining and (or) processing of technogenic formations;

b) the use of copyright, software, patents, drawings, models, trademarks or other industrial or intellectual property or the transfer of the right of use to others;

c) the use of industrial, commercial or scientific research equipment or transfer of the right of use to others;

d) the application of know-how;

e) the use of movies, videos, sound recordings or other means of recording or the transfer of the right of use to others;

f) providing additional and ancillary technical assistance in relation to the rights provided for in this paragraph;

26) **hospitality expenses** - expenses for the reception and servicing of any persons, including expenses incurred to establish or maintain mutual cooperation, as well as participants arriving to a meeting of the board of directors, the audit commission, a meeting of shareholders. Hospitality expenses include expenses for holding an official reception for these persons, buffet service during negotiations.

27) **services** - any activity preformed for remuneration, money, as well as gratuitous services, which is not the supply of goods, the performance of work, which includes, among other things:

a) trading activities;

b) financial services;

c) lease of tangible and intangible property;

d) a product delivered by means of transmitters, cables, radios, optics or other electromagnetic systems or similar technical systems.

28) **financial services (for the purposes of value added tax)** - services of a credit institution, an Islamic credit institution, and other insitutions according to the list approved by the National Bank of Tajikistan in agreement with the Ministry of Finance of the Republic of Tajikistan and an authorized state body;

29) **electronic document** - a document in the established electronic format, drawn up, transmitted, encrypted and certified by an electronic signature, having the reporting force after its receipt and confirmation of its authenticity.

30) **insurance payment (insurance indemnity, insurance amount)** - the amount paid by an insurance organization to an insured person under property insurance and liability insurance to cover damage due to insurance cases.

31) **goods production activity** - entrepreneurial activity, the income from which is derived mainly from the production and sale of goods (tangible property) produced by the entrepreneur himself from his/her own raw materials.

32) **tax arrears recognized by a taxpayer** - the outstanding amount of tax liability determined (accrued) in the following form:

a) by a taxpayer in his/her tax reporting;

b) in the decision on granting a deferral for the payment of taxes;

c) in the decision of the tax authority on the tax audit report received by the taxpayer, if the tax amount is not disputed;

d) by an effective court decision.

33) **indirect tax** - tax (value-added tax, excise tax and primary aluminum sales tax, the amount of which is collected by the taxpayer) from the consumer, or the taxpayer has the right to levy payment to the budget by including this tax in the sale price of goods, works and services.

34) **delivery of goods** - goods ownership transfer, including sale, exchange or donation, free of charge or with partial payment, payment of wages in kind and other payments in kind, as well as the transfer of ownership of goods pledged to the pledge holder.

35) **offshore (preferential) zones** - states and (or) territories that provide taxpayers (foreign individuals and legal entities) with a preferential taxation regime, do not disclose and provide information on financial and other property transactions.

36) **electronic database** - a set of secure electronic data used to determine the correct accounting of the turnover of goods and products of taxpayers and sources of taxation. The procedure for its maintenance is determined by the authorized state body.

37) **operation for revaluation of foreign currency, precious metals and stones** - an operation carried out with the aim of regulating the relevant balance sheet of an organization (enterprise, institution), regardless of its desire, due to a change in the exchange rate of the national currency in relation to foreign currency and precious metals and stones, and refers either to income or expenses of the organization depending on its positive or negative end result (final difference between income and expense of revaluation);

38) **cash registers** - electronic devices with fiscal memory and data transmission devices that record and store in their memory fiscal information about mutual settlements in cash, bank payment cards and other forms of electronic payments when selling goods, performing work and providing services, record and store in their memory and ensure their direct submission to the tax authorities through operators (online);

39) **virtual cash register** - software or a package that contains information about cash and non-cash settlements with consumers at wholesale trade (service) points, that has the ability to connect to the fiscal module, prepares and maintains fiscal documents, transmits fiscal documents in real time, performs fiscal data for the operator, prints fiscal data or transmits them electronically to the tax authority;

40) **fiscal year** - the period corresponding to the calendar year, which lasts from January 1 to December 31;

41) **Council for pre-trial dispute resolution** - an advisory body for pre-trial consideration of tax disputes between a taxpayer and a tax authority;

42) **tax consultant** - a person who provides consulting services on the correct calculation and payment of taxes, fees, other payments and submission of tax returns (declarations) established by the legislation of the Republic of Tajikistan, as well as on protection of the rights and legitimate interests of taxpayers;

43) **tax risk** - the probability of non-fulfillment or incomplete fulfillment of tax obligations by the taxpayer;

44) **interest** - any amount expressed in the form of interest, discounts, bonuses and other funds, as well as remuneration for the use of money, paid in a lump sum or periodically, including penalties for failure to pay taxes on time;

45) **owner (final beneficiary)** - one or more individuals and/or legal entities directly or indirectly owning the property;

46) **authorized capital** - a totality of financial and monetary resources (shares) of the founders (participants)), formed to create a legal entity and ensure its activities.

47) **delinquent taxpayer** - is a taxpayer who fails to meet his or her tax obligations under tax laws.

48) **diligent taxpayer** - a taxpayer who meets his/her tax obligations under tax law, and is not included in the list of delinquent taxpayers;

49) **transfer price** - a price that is formed between related parties and/or differs from the market price of transactions between independent parties when carrying out cross-border transactions;

50) **electronic fiscal receipt (electronic settlement document)** - a form of a settlement document for electronic (non-cash) payments, which has the obligatory details of a fiscal cash register receipt for goods (works, services), including the digital value of the bar code of the goods and taking into account that the electronic fiscal receipt may contain a QR code;

51) **electronic invoice** - a document issued using any electronic channels without or with the use of an electronic signature and means of electronic data exchang. The specified document with the attachment of an electronic copy of the paper invoice is transmitted through the personal account of the taxpayer or any electronic network, which creates a reliable basis for verification between the invoice and the delivery of goods (performance of work and provision of services);

52) **cashback** - is a type of a bonus returned when paying for the cost of goods (performance of work and services) by non-cash settlement (including electronic payments, bank payment cards and electronic wallets) in a certain percentage of the amount paid or a fixed amount from the credit financial institution of the organization and (or) seller to buyer.

53) bank account - for the purposes of this Code, a taxpayer accounts, with the exception of deposit (savings) accounts of individuals opened with credit financial institutions;

54) electronic means of payment - means and (or) methods with a purpose of transferring funds within the framework of the types of non-cash payments used using information and communication technologies, electronic media, including bank payment cards and other technical equipment with and without opening bank accounts for taxpayers and that allow taxpayer to develop and confirm a payment order;

55) disputed (disputable) debt - a tax debt with which the taxpayer does not agree and, in accordance with the procedure established by law, has submitted a written complaint to a

higher tax authority, the Council for Pre-trial Disputes Resolution, a court or other relevant body, prior to consideration and receipt of a response based on the results of the complaint;

56) functional currency - a currency different from the national currency/

**Article 3. Procedure for establishment, exemption from, amendment and abolition of taxes**

1. The establishment, exemption from, amendment or abolition of established taxes is carried out by introducing amendments and additions to this Code and (or) to the legislative acts provided for by part 10 of Article 1 of this Code.

2. Draft regulatory legal acts on amendments and additions to tax legislation, exemption from tax, are submitted in the prescribed manner by the authorized state body in the field of finance.

3. When establishing taxes, taxpayers, tax incentives, and all elements of taxation must be determined.

**Article 4. Procedure for calculation of terms established by tax legislation**

1. Terms established by the tax legislation are determined by the calendar date indicating the action that should be performed or will be performed after the expiry of the period of time, which is calculated by years, quarters, months or days.

2. The beginning of the calculation of the period established by tax legislation is the day following the calendar date or an event that should occur.

3. Time period, calculated in years, expires on the corresponding month and day of the last year of the term. At the same time, any period of time consisting of twelve consecutive months other than a calendar year is recognized as a year.

4. Time period, calculated in quarters, expires on the corresponding day of the last month of the term. At the same time, the quarter is equal to three calendar months, and the countdown is starts from the beginning of the calendar year.

5. Time period, calculated in months, expires on the last day of the corresponding month.

6. Time periods calculated in days shall be calculated in calendar days, unless days are calculated in this Code as working days. A working day is a day that, in accordance with the law, is not recognized as a day off or a non-working day.

7. If the last day of the term falls on a day that is considered a weekend or non-working day, the working day following this weekend or non-working day shall be considered as the last day of the term.

8. An action for which a deadline has been set may be performed before midnight of the last day of the term.

9. The deadline is not considered expired if documents (reports) have been submitted to the communication organization, and/or money, corresponding payment documents have been handed over to the credit-financial institutions before 24 o'clock of the last day of the term.

**Article 5. Tax receipt and allocation to the budget**

1. Taxes are paid in the amount and in the manner established by this Code and and by-laws adopted on its basis.

2. Customs duties are paid in the amount and in the manner established by the Customs Code of the Republic of Tajikistan, this Code and bylaws adopted on their basis.

3. Funds from national taxes are distributed between the republican budget and local budgets in accordance with the Law of the Republic of Tajikistan on the State Budget of the Republic of Tajikistan for the corresponding fiscal year. Local tax payments are allocated to the respective local budgets.

4. Administrative procedures for tax revenues, state duties and fees, as well as customs payments, are carried out by the relevant authorized bodies and tax authorities in the prescribed manner.

5. Control over the receipt of taxes specified in the special part of this Code should be provided by tax authorities, unless otherwise established by this Code.

**Article 6. Application of international tax agreements of the Republic of Tajikistan**

1. Application of international taxation agreements of the Republic of Tajikistan and general legal international tax norms shall be carried out following the procedure established by this Code.

2. The provisions of an international treaty regulating the avoidance of double taxation and prevention of tax evasion, of which the Republic of Tajikistan is one of the parties, shall apply to tax residents of one or both states that have concluded such a treaty. For this purpose, the tax resident is determined in accordance with the agreement.

3. The provisions of part 2 of this article shall not apply to a tax resident of a state with which the Republic of Tajikistan has concluded an international treaty, if the tax resident uses the provisions of this international treaty in the interests of another person who is not a tax resident of the state with which the international agreement was concluded.

**4.** A person who has the actual right to income payable by a legal entity shall be recognized as a person who has the right to independently use and (or) dispose of this income, or a person in whose interests the other person is entitled to disposeof such income. In this case, it does not matter whether this right arose due to direct and (or) indirect engagement in this legal entity or control over it or due to other circumstances**.**

5. The actual right to the income of a person conducting his/her activities without forming a legal entity is determined in accordance with the procedure established by part 4 of this article.

6. When determining the person having the actual right to income, the functions performed by the persons mentioned in part 4 of this Article and the risks to be undertaken by them shall also be taken into account.

7. A foreign entity is not recognized as having an actual right to income from sources in the Republic of Tajikistan, if it has limited powers to dispose of this income, exercises intermediary functions in relation to this income in the interests of another entity, without performing any other functions and taking no risks, by directly or indirectly paying such income (in whole or in part) to the other entity.

8. When paying income from sources in the Republic of Tajikistan to a foreign person that does not have actual right to such income, if the person who has the actual right to income (part thereof) is known, taxation of the payable income is performed in the following manner:

1) if the person, who has an actual right to payable income (part thereof) is a tax resident of the Republic of Tajikistan, taxation of the payable income (part thereof) shall be carried out in accordance with the provisions of this Code with respect to tax residents of the Republic of Tajikistan. In this case, the source of payment shall not withhold taxes for payable income (part thereof) provided that it notifies the tax authority of the place of registration. The procedure for such notification shall be established by the authorized government body;

2) if the person, who has actual right to payable income (part thereof) is a resident of the state (jurisdiction) with which there is a valid international taxation agreement of the Republic of Tajikistan, in this case the provisions of the above-mentioned international agreement shall apply to the taxation of payable income (part thereof).

3) if a person who has the actual right to receive income (or part thereof) is a tax resident of a state (jurisdiction) that does not have an international treaty with the Republic of Tajikistan, taxation of income (or part thereof) received by a non-resident is carried out in accordance with the provisions of this Code.

9. These rules are applied upon the conditions that the place of permanent residence of the person to whom the income is paid and who has no actual right to this income is the state (territory) with which the Republic of Tajikistan has valid international tax agreement.

10. If the payer does not know the entity that has the actual right to such income (or part thereof), taxation of income (or part of it) is carried out in accordance with the provisions of this Code defined in relation to non-residents.

11. The authorized body of the Republic of Tajikistan defined in the international traty, has the right to request the authorized body of a foreign state to assist in the fulfillment by a taxpayer of a foreign state of a tax obligation that has not been fulfilled in the Republic of Tajikistan.

**12.** The provisions of parts 4-11 of this article are applied to determine a person having the actual right to receive income from the source of payment in accordance with an international traty.

## CHAPTER 2. PRINCIPLES OF TAXATION

### Article 7. Principles of taxation

1. Taxation is based on the principles of legality, bindingness, soundness of taxation, and interaction of tax authorities with the taxpayer, fairness, unity of the tax system and transparency.

### Article 8. Principle of Legality

1. Taxes are established in line with this Code, and the norms of tax legislation cannot contradict the principles established by this Code.

2. No one can be charged with the obligation to pay tax that is not provided for by this Code, or established in violation of its norms.

### Article 9. Principle of bindingness

All subjects of tax legal relations are obliged to pay taxes established by this Code and comply with the norms of tax legislation.

### Article 10. Principle of soundness of taxation and cooperation of tax authorities with taxpayer:

1. Soundness of taxation means the establishment in the tax legislation of the Republic of Tajikistan of all elements of tax, grounds for, order of, performance and termination of tax obligations.

2. As part of tax relations, tax authorities are obliged to interact with the taxpayer to ensure the implementation of tax legislation of the Republic of Tajikistan. In such a case, the tax authority does not have the right to create artificial barriers to the legitimate activities of the taxpayer, and the taxpayer should facilitate tax authorities in fullfiling their powers.

### Article 11. Principle of fairness

1. Taxation in the Republic of Tajikistan is universal and all taxpayers pay taxes commensurate with income and property.

2. It is prohibited to establish differentiated tax rates, tax benefits or other preferences related to the form of ownership, citizenship of individuals and or source of financing, as well as taxes that hinder the exercise of constitutional rights of citizens.

### Article 12. Principle of unity of the tax system

1. The tax system is uniform throughout the Republic of Tajikistan.

2. It is prohibited to establish taxes breaching the single economic territory of the Republic of Tajikistan, including directly or indirectly restricting free moving of goods (works and services) or financial means on the territory Republic of Tajikistan.

**Article 13. Principle of transparency**

1. Regulatory legal acts governing legal tax relations are subject to mandatory publication.

2. Regulatory legal acts governing legal tax relations, which are not officially published, do not have legal force.

## CHAPTER 3. SUBJECTS OF TAX RELATIONS AND OTHER CONCEPTS USED IN THE PRESENT CODE

**Article 14. Subjects of tax relations**

1. Subjects of tax relations are individuals/entities that are directly or indirectly involved in tax relations, have rights and obligations, perform actions or inaction that lead to the emergence of tax liabilities.

2. For tax purposes, the following are recognized as residents of the Republic of Tajikistan:

1) if an individual has been in the territory of the Republic of Tajikistan for a period or periods in aggregate exceeding 182 days in any 12-month period beginning or ending in the current calendar year, this individual shall be considered as a resident of the Republic of Tajikistan (hereinafter, the resident) for the current calendar year, but taking into account the following:

a) an individual who is a resident in the current calendar year, but was not a resident of the Republic of Tajikistan during the previous calendar year, is considered as a resident in the current tax period, only for the period starting from the first day when the person was physically present in the Republic of Tajikistan;

b) an individual who is a resident of the Republic of Tajikistan in the current calendar year, but will not be a resident in the subsequent tax period, is considered as a resident for the current tax term only for the period ending on the last day of the physical presence of the person in the Republic of Tajikistan;

2) A national of the Republic of Tajikistan who has been in the civil service of the Republic of Tajikistan outside the Republic of Tajikistan during the calendar year is considered a resident in the current calendar year, regardless of the duration of such service;

3) individuals who are nationals of the Republic of Tajikistan;

4) individuals who are nationals of the Republic of Tajikistan, individuals who have applied for citizenship of the Republic of Tajikistan or for a permanent residence permission in the Republic of Tajikistan without obtaining citizenship of the Republic of Tajikistan, regardless of the period of their stay in the Republic of Tajikistan, are recognized as residents, unless these persons have a permanent place of residence outside the Republic of Tajikistan;

3. An individual who is not a resident of the Republic of Tajikistan in accordance with this article shall be considered a non-resident of the Republic of Tajikistan.

4. National of a foreign state is not considered to be residents of the Republic of Tajikistan, regardless of the period of their stay in the territory of the Republic of Tajikistan, if this person (or family member) has diplomatic or consular status or is an employee of an international organization or a person (or family member of such person) is in the public service of a foreign state.

5. The status of a resident and non-resident for an individual is determined for each calendar year.

6. An individual who is considered a non-resident shall be responsible for submission to tax agent or tax authority at the place of stay (residence) not later than the date of receipt of income or at the date of filing a tax report a document confirming a residency of this person in a foreign state or stateliness of a person , and a notarized translation of the identification document (passport) into the state language.

**7.** Individual entrepreneur - is an individual carrying out entrepreneurial activity without forming a legal entity based on a patent or certificate.

8. Legal entity can be a resident or a non-resident:

1) resident legal entity - a legal entity is recognized as a resident if it is established in accordance with the legislation of the Republic of Tajikistan or if its main governing body (steering body, management body) is located on the territory of the Republic of Tajikistan;

2) non-resident legal entity – a legal entity established in accordance with foreign legislation, is considered as a legal entity in the Republic of Tajikista, even if it is not a legal entity in accordance with the legislation of the state in which it is established.

**9.** A branch and representative office of a legal entity - a separate subdivision of a legal entity, regardless of its inclusion in the constituent documents or other documents of a legal entity as a whole, must meet the following requirement:

1) carries out entrepreneurial or non-entrepreneurial activities;

2) has a regional and (or) property division from a legal entity;

3) has full-time positions created for a period of more than one calendar month, and (or) personnel associated with the organization or division in relations regulated by the Labor Code of the Republic of Tajikistan.

10. Taxpayer - an individual, individual entrepreneur, legal entity, branches and their representative offices that carry out economic activities regardless of the organizational and legal form, type of activity, affiliation and form of ownership, or the object of taxation, which are obliged by law to pay taxes, state duties and fees.

11. State bodies - an integral part of the state apparatus that exercises state powers in organizational and legal forms based on the competencies and structure established by regulatory legal acts:

1) the authorized state body in the sphere of finance - the central executive body, which ensures the implementation of a unified state policy and legal regulation of financial, budgetary and other activities, coordinates the activities of state executive bodies on the implementation and compliance with tax legislation, controls the accurate, complete and timely payment of taxes, fees and other mandatory payments to the state budget and state funds by the taxpayers, and also coordinates public finance management;

2) authorized state body - the central executive body of state power, which ensures the implementation of and compliance with tax legislation provisions;

3) authorized bodies - state bodies of the Republic of Tajikistan, with the exception of tax authorities, which are authorized by the Government of the Republic of Tajikistan to calculate and (or) collect individual taxes and (or) fulfill other taxation obligations.

12. Tax agent – an organization or individual entrepreneur to whom in accordance with this Code has been assigned duties related to calculation, withholding of taxes from a taxpayer or at the source of payment and transfer of taxes to the relevant budget.

13. Tax agent is obliged to:

1) calculate, withhold and transfer to the budget the taxes and other mandatory payments withheld from a taxpayer or at the source of payment, provided for by this Code and tax legislation in full and within the established time frame;

2) keep a record of income paid to taxpayers, taxes withheld from them (or at the source of payment) and transferred to the relevant budget, maintain separate records for each taxpayer;

3) submit to the tax authority at the place of its registration a tax report in the manner established by this Code;

14. Person - any individual or legal entity, permanent establishment, branch or other separate non-resident division.

15. Organizations - legal entities established in accordance with the legislation of the Republic of Tajikistan (hereinafter, resident organizations), foreign legal entities created in accordance with the legislation of foreign states, including branches and representative offices established in the territory of the Republic of Tajikistan, international organizations (hereinafter, foreign organizations).

**Article 15. Entrepreneurial and non-entrepreneurial activities**

1. Entrepreneurial activity is an independent activity carried out at its own risk by persons, aimed at obtaining profit (income) from the use of property, sale of goods, performance of works or provision of services.

2. Entrepreneurial activities by gross income are divided into the following types:

1) activities of an individual entrepreneur and a legal entity whose total income for 12 consecutive (continuous) past calendar months is less than 1,000,000 (one million) somoni;

2) medium entrepreneurial activity - the activity of a legal entity whose total income for 12 consecutive (continuous) past calendar months is from 1,000,000 (one million) somoni to 25,000,000 (twenty-five million) somoni;

3) large entreperneurial activity - activities of a legal entity whose total income for 12 consecutive (continuous) past calendar months is more than 25,000,000 (twenty-five million) somoni;

3. Charitable activities are activities carried out in accordance with the Law of the Republic of Tajikistan "On charitable activities".

4. For taxation purposes, the provision of any assistance to persons is not considered a charitable activity, if one of the following applies**:**

1) person receiving assistance assumes an obligation of a tangible or intangible nature (other than the obligation to use the funds or property received for the designated purpose) to the person providing such assistance;

2) person receiving such assistance and person providing such assistance are considered related parties;

5. The following types of activity shall not be considered an entrepreneurial activity:

1) activity of state authorities at all levels of state power and self-government bodies of settlements and villages, directly related to the performance of state functions assigned to them;

2) charitable activities;

3) religious activities;

4) activities of public organizations;

5) activities of non-commercial organizations funded by founders of non-commercial organization;

6) performance of hired work by an individual;

6. For the purposes of taxation, the following activities of an individual, institution financed by the founder and (or) noncommercial organization shall not be recognized an entrepreneurial activity, if such activity is not the main activity of a person carrying out that activity:

1) allocation of cash assets in financial credit institutions;

2) lease of movable and (or) immovable property;

3) placement of property in trust;

4) acquisition (sale) or transfer to another person of a share in the statutory capital of a legal entity or its securities;

5) acquisition (sale) or transfer to another person of bonds or other bills;

6) acquisition (sale) or transfer to another person of a stake in a mutual investment fund or author's rights and other similar rights owned by a seller;

7) work for hire on the basis of agreements (contracts) of a civil legal character or without agreements.

7. To the extent that persons performing the activities referred to in Part 6 of this Article carry out entrepreneurial activities, the entrepreneurial activities of such persons are subject to taxation, their assets and activities directly related to the entrepreneurial activities are subject to separate (separate from the main activity) accounting.

8. Activity of a legal enitity which is a state institution, a part of special funds of which will be charged to the budget in the amount of and in the manner specified by legislation, shall not be considered entrepreneurial activity.

**Article 16. Work for hire**

1. For the purposes of this Code a concept of "work for hire" shall mean:

1) performance of duties by an individual within the context of relations regulated by civil legislation of the Republic of Tajikistan, labor legislation of the Republic of Tajikistan or legislation of the Republic of Tajikistan on public service;

2) performance of duties by an individual that are directly related to service in the ranks of the armed forces or law enforcement authorities and (or) equivalent authorities (institutions);

3) work of an individual in a management position at an enterprise or organization.

2. An individual, who has worked, is working or will work for hire, shall be referred to as an "employee" in this Code. A person, who pays for services performed by such an individual, shall be referred to as an "employer", and the payment shall be referred to as "wages".

3. For the purposes of this Code, the main place of work of an employee is the place of work, where, in accordance with the labor legislation of the Republic of Tajikistan, the employer is obliged to keep the labor record book of the employee.

**Article 17. Establishment of a permanent establishment of a non-resident**

1. Unless otherwise provided by this article, a permanent establishment of a non-resident (a foreign enterprise or a non-resident person) in the Republic of Tajikistan (hereafter to be referred as - permanent establishment) means a permanent place of business activity through which this foreign entity carries out an entrepreneurial activity in whole or in part, including activity performed by an authorized person.

2. The permanent place of activity specified in part 1 of this article shall include one of the following places:

1) any place of directorate, branch, department, bureau, office, cabinet, agency, factory, plant, production facility, workshop, laboratory;

2) place of production, processing, installation, prepacking and packaging of goods;

3) any location, inter alia, a shop or a warehouse that is used as a point of sale;

4) places used for building, sites for construction, assembly or installation works, or other places used for performing supervisory activities related thereto;

5) one of the following places, where employees provide services:

a) a place where services are provided with the involvement of employees for more than 90 calendar days during the entire continuous twelve-month period that ends in this reporting period;

b) any place where installation, commissioning and use of gaming machines (including consoles), computer networks and communication channels, recreational facilities is carried out.

6) deposits, oil or gas wells, other places of geological exploration or extraction of natural resources, quarries or areas for processing and mining natural resources;

7) place of installation of equipment or structures used for geological study (exploration), development, extraction of natural resources, but only if such equipment or structures are in operation or ready for operation for a period exceeding 182 days;

8) any place of activity (including control or monitoring) in connection with gas pipelines and other pipelines.

3. A non-resident shall be also deemed having a permanent establishment in the Republic of Tajikistan, if such a person:

1) collects insurance premiums and/or provides insurance or reinsurance of risks in the Republic of Tajikistan through an authorized agent;

2) is a party to an agreement on joint activities (simple partnership) founded in accordance with the legislation of the Republic of Tajikistan and operating in the territory of the Republic of Tajikistan;

3) holds paid exhibitions in the Republic of Tajikistan and (or) at which goods are delivered (sold);

4) gives a person the right to represent his/her interests in the Republic of Tajikistan on the basis of contractual relationship, to act and (or) enter into agreements on his/her behalf.

5) authorizes a person in the Republic of Tajikistan to store goods and perform regular deliveries on his behalf

6) the founders or managing personnel of a resident and non-resident legal entity are related parties.

4. A non-resident may conduct its activities in the Republic of Tajikistan without establishing of a permanent establishment specified in part 1 of this article, through a person authorized to act on its behalf, to conclude civil contracts. In this case, the place of business of such a non-resident is the place of business of this authorized person (in cases where this person does not have a permanent place to carry out activities, then such place of business of the non-resident is the place of permanent residence of its authorized person).

5. Subsidiary of a legal entity – nonresident, which is incorporated under the laws of the Republic of Tajikistan, shall not be considered a permanent establishment of its main non-resident enterprise.

6. Representative office and (or) branch of a registered foreign enterprise shall be considered a permanent establishment of a non-resident.

7. Activities of a foreign legal entity in the Republic of Tajikistan under the provisions of this article is considred a permanent establishment from the date of commencement of such activities.

8. For the purposes of applying the provisions of this Code, the following dates shall be the date of beginning of the activity of a foreign legal entity in the Republic of Tajikistan:

1) date of conclusion of any agreement (contract) for:

a) provision of services in the Republic of Tajikistan;

b) empowerment to act on its behalf in the Republic of Tajikistan;

c) purchase of goods in the Republic of Tajikistan for use or sale in the territory of the Republic of Tajikistan;

d) procurement of services in the Republic of Tajikistan;

2) signing of an initial labor agreement (contract) for the purpose of doing business in the Republic of Tajikistan;

3) entry of a non-resident individual into the Republic of Tajikistan as an employee or hiring a resident by a foreign legal entity in any other way to fulfill the terms of the contract (agreement) specified in the paragraphs 1) and 2) of this part.

9. If the activities of a foreign legal entity are mobile in nature (road construction project, mineral exploration and other mobile activities), in this case, the entire project is considered as a permanent establishment, regardless of its nature.

10. Where, the place of business of a non-resident is recognized as a permanent establishment of a non-resident in the Republic of Tajikistan in accordance with this Code, the non-resident is required to register with local tax authorities before the date of starting such activities in the Republic of Tajikistan and register with the tax authorities at the place of business.

11. Activity of a non-resident under the provisions of this article shall mean the establishment of a permanent establishment, regardless of whether it is registered with the tax authority or not. The permanent establishment of a non-resident for tax purposes in the Republic of Tajikistan shall be recognized a legal entity, that calculates and pays taxes to the budget in the manner prescribed by this Code, unless otherwise provided by this Code. If the permanent establishment is not registered with the tax authorities, taxes are withheld at the source of payment by the tax agent in the manner established for non-residents.

12. For tax purposes, to establish the availability of a permanent foreign establishment of a resident outside the Republic of Tajikistan, the provisions of parts 1-11 of this article are also applied, while references in these parts to a non-resident mean a resident, and references to the Republic of Tajikistan mean a foreign state.

**Article 18. Financial lease (leasing) and a leasing organization**

1. Transfer of depreciable property to another person, under a financial lease (leasing) agreement signed in accordance with law on financial leasing for a period of more than 12 months, shall be a financial lease if it meets one of the following conditions:

1) according to a financial lease agreement, the lease term exceeds 75% of the useful service life of a leased property or less than 25% of its real value at the end of the financial lease;

2) at the end of the financial lease agreement, the finance lease becomes the property of the lessee;

3) upon the expiration of the financial lease, the lessee has the right to purchase a financial lease at a price established by the financial lease;

4) current discounted value of the minimum payment for the entire financial lease period exceeds 90 percent of the market price of a property leased in accordance with financial lease;

5) property transferred for financial lease under the order of a lessee and at the end of the lease term cannot be used by a person other than the lessee.

2. For the purposes of this Code, leasing is a special type of financial lease when one party - the lessor, on behalf of the other party – the lessee, purchases the property to be leased from a third party - the seller, and transfers it on a paid basis to the lessee for possession and use under a contract that meets the requirements set forth in part 1 of this article.

3. For the purposes of income tax in accordance with this Code, the tenant (lessee) who received the leased property in possession and use under the financial lease agreement is considered to be the buyer of this property. For VAT purposes, financial lease is regarded as a periodic delivery, in which each periodic transfer is partly the supply of goods and partly the provision of interest on financial services.

4. For the purposes of this article, the lease period includes an additional term for which the lessee has the right to renew the lease in accordance with the lease agreement.

**Article 19. Investment projects of the Government of the Republic of Tajikistan**

1. Investment projects of the Government of the Republic of Tajikistan are projects envisaged on the basis of credit (grant) agreements on their financing (implementation) between the Republic of Tajikistan (the Government of the Republic of Tajikistan) and foreign states (foreign governments), local, foreign and international financial organizations and included in the register of investment projects by the authorized state body in the field of investments. This register also includes projects for the construction of social facilities donated by individuals and legal entities to the appropriate state authority. The procedure for maintaining the register of investment projects is approved by the Government of the Republic of Tajikistan at the proposal of the authorized state body in the field of investments in consultation with the authorized state body in the field of finance and the authorized state body in the field of taxes.

2. Investment projects of the Government of the Republic of Tajikistan are implemented with using concessions provided by this Code.

3. Credit (grant) agreements on financing (implementation) of investment projects of the Government of the Republic of Tajikistan providing additional tax concessions are subject to approval by the Majlisi Oli of the Republic of Tajikistan. Such agreements may not contain provisions on exemption from personal income tax and social tax of citizens of the Republic of Tajikistan.

4. In case of deterioration of the terms of taxation, affecting the implementation of investment projects of the Government of the Republic of Tajikistan prior to completion of such projects, in respect of them taxation conditions existed at the time of signing the relevant agreements shall be used.

**Article 20. Taxpayer's personal account**

1. Taxpayer's personal account (further – personal account) - is an information resource hosted on the official website of the authorized government body. The procedure for its maintenance shall be established by the authorized government body.

2. The personal account of each taxpayer is formed after registration of the taxpayer with the tax authorities.

3. The exchange of information between tax authority and a taxpayer, including a non-resident without and or with the formation of a legal entity, as well as foreign persons providing remote services, is carried out only through a personal account, through which the taxpayer and the tax authority can exercise mutual rights and obligations, with the exception of certain cases stipulated by this Code.

4. Logging into the personal account of the taxpayer is carried out through an integrated tax information system by using electronic digital signature. Electronic digital signature is issued to the taxpayer by the structural division of the authorized state body based on his/her application.

5. Following the activation of the personal account and until its suspension, the tax authorities send all documents and information to the taxpayer only through the personal account. Similarly, the taxpayer sends documents to the tax authorities.

6. When sending an electronic document to the personal account, if the tax authority establishes that the taxpayer's personal account is suspended or the use of electronic digital signature's key is stopped, this document will be sent to the taxpayer in paper form within three business days after receiving the indicated information.

7. A taxpayer who, without a valid reason, fails to submit a tax return or other document electronically through the taxpayer's personal account, as required by this article, is responsible for manual processing established by the tax authority.

**Article 21. Market prices**

1. For the purposes of taxation, the price of goods (work, services) shall be the actual price indicated (secured by valid documents, including the contract, receipt, invoices) by the parties to the contract, unless otherwise provided by this article. If the specified price for a good (work, service) differs from the market price in the cases provided for by paragraph 9 of this article, and the taxpayer does not provide justified reasons for the price discrepancy, the market price is used when taxing such transactions.

2. A market price of good (works, services) shall be the price formed on the basis of supply and demand in the market of identical goods (works, services) (in case of absence of such market – similar goods) and on the basis of transactions concluded in corresponding market between persons, who are not related persons. Transaction between related persons is considered only under the condition that their interdependence does not affect the results of such transaction.

3. The market price of goods (works, services) is determined on the basis of information on transactions concluded in corresponding market at the time of delivery of the goods (works, services), and in the absence thereof - on the nearest day to the time of sale, preceding or following the moment of selling such goods (works, services) for identical (similar) goods (works, services), including on prices, identified by the appraisers, fixed in international and other exchanges. If the market price is determined with reference to similar goods (works or services), the price is adjusted taking into account the differences between similar goods (works or services) and actual goods (works or services).

4. When selling goods (works, services), prices (tariffs) for which are regulated in accordance with the legislation of the Republic of Tajikistan, the indicated prices (tariffs) are accepted for tax purposes.

5. The market of goods (works, services) is the sphere of circulation of these goods (works, services), determined for the seller (buyer) in the nearest territory for the seller (buyer) in the Republic of Tajikistan or outside of it sale (purchase) of goods (work, services) based on the capabilities of the seller (buyer)..

6. In the absence of agreements on identical (similar) goods (works, services) in the market of goods (works, services) or absence of supply of goods (works, services) to this market the market price of goods (works, services) is determined by the prices formed on the basis of transactions concluded in respect of identical (similar) goods (works, services) in the nearest moment to the time of sale of goods (works, services), not more than 30 days prior to the moment of sale of goods (works, services) or by the price of the last transaction.

7. In case of impossibility of applying the provisions of parts 2-6 of this article the market price of goods (works, services) is determined by the cost of subsequent sale method, and the cost-plus method.

8. When determining the market price for goods (works, services), official sources of information on market prices for goods (works, services) are used, including statistical, banking and exchange information base, information provided at the request of tax authorities by taxpayers, appraisers, experts.

9. Tax authorities use the market prices in the following cases, if:

1) the contract is signed between related parties and their interconnectedness has affected the results of such an agreement;

2) the obligations of the parties are fulfilled by the exchange of goods, (works or services);

3) one of the parties to a foreign trade agreement is a resident of a country with preferential taxation in accordance with Article 223 of this Code;

4) one of the parties uses tax concession;

5) the price used by the parties to the contract differs from the official statistical price formed on the day closest to the moment of sale of goods (works, services) or following it, but not more than 30 calendar days before or after the moment of sale of such goods (works, services) ) by 30 percent. This provision applies when comparing retail prices with retail prices and wholesale prices with wholesale prices.

10. For the purposes of this article the following terms are used:

1) identical goods - different goods having the same characteristics, in particular physical characteristics, quality, reputation in the market, country of origin and manufacturer;

2) similar goods - different goods that are not identical, but have similar characteristics and consist of similar components, which allows them to perform the same functions and be commercially interchangeable.

3) professional traders –vendors, stock dealers;

4) pricing period - a period during which the average (high and low) price of goods (works and services) is established, which is necessary to determine the market price;

5) date of transfer of ownership to the buyer will be the date of completion of the goods (works, services) delivery in accordance with the transaction terms, for international operations under long-term transactions it will be the date of goods (works, services) delivery to the buyer, for the goods sold on the basis of long-term transactions it will be the moment of transaction conclusion, for lending services it will be the date of signing the credit agreement and for the performance of other works, services it will be the date of signing the contract on performance of works and provision of services;

6) exchange of goods - the moment of delivery or replacement of goods (work, services) regulated by the contract and is certified in the form of a definite document;

7) sources of information - officially recognized sources of information, information of state authorities, authorized bodies of other states and organizations, data provided by the parties to the transaction, as well as other sources of information;

8) end consumer - an independent party or a party that does not have special relations with the parties to the contract and cannot have impact on the economic results of the contract and does not transfer purchased goods (works and services) to other subject;

9) subsequent sale (resale) price method - means a method of determining the market price, in which the margin obtained upon resale between related parties (controlled transaction) is compared with the margin obtained upon resale as a result of an uncontrolled transaction;

10) “cost plus” method - means a method of determining the market price, in which the mark-up on costs directly or indirectly incurred in the supply of goods or services in a controlled transaction is compared with the mark-up on these directly or indirectly incurred costs in the supply of goods or services within a comparable uncontrolled agreement;

11) wholesale price - price of a product set by the seller to the buyer for a large batch (wholesale) for the purpose of further resale or professional use;

12) retail price - price at which goods are sold through the retail network to end consumers individually or in small batches.

11. The provisions of this article and chapter 32 of this Code do not apply to the activities of credit-financial institutions, including loans attracted by them.

12. Taxation of the lease of property, with the exception of state property, is established at the actual cost of lease, but not less than the minimum amount, in accordance with the Law of the

Republic of Tajikistan on the State Budget of the Republic of Tajikistan for the relevant fiscal year, depending on its location and other characteristics.

13. This article is not accepted if provisions of Chapter 32 are applied.

14. The procedure for applying the methods specified in this article is approved by the Government of the Republic of Tajikistan.

**Article 32. Related parties**

1. For the purposes of this Code, two parties will be considered as related if either of the following applies:

1)the relationship between the two parties is such that one party may reasonably be expected to acts in accordance with directions, requests, suggestions, or wishes of the other party;

2) both parties may act in accordance with the directions, requests, and suggestions of a third party, if such a case is confirmed by substantiated documents.

2. Two parties are not related solely by reason of the fact that one party is an employee or client of the other, or both parties are employees or clients of a third party, regardless of whether their relationship complies with parts 3 or 5 of this article.

3. In addition to the provisions of part 1 of this article, the following are treated as related parties:

1) parties directly at the management level and having kinship relationships have the right to make unilateral decisions;

2) parties are direct or indirect founders (participants) of the same enterprises of a share of each party is at least twenty five (25) percent;

3) a party directly and (or) indirectly participates in another person, and the total share of such participation is more than 25 percent;

4) parties directly or indirectly control a third party if the voting rights of each of them are at least 25 percent;

5) more than half of the board of directors or several members of the board of directors, or several executive directors or executive members of the board of directors of one party are appointed by the other party;

6) more than half of board of directors or members of board of board of directors or several executive directors or executive members of board of directors of both parties are appointed by the same third party;

7) one of the parties is the permanent establishment of the other.

4. For the purposes of the paragraphs 2-4 of part 3 of this article, a party is treated as owning the share in regulatory capital or voting rights in another party who is a related party of the first-mentioned party under the provisions of this Article.

5. For the purposes of this Code, all commercial and financial transactions performed with a resident of a low tax country as defined in Article 223of this Code will be considered as transactions with related parties. At the same time, the provisions of this part do not apply to taxpayers who provide tax authorities with information about the identity of the shareholders of the other party and prove that they are not related.

6. For the purposes of this article, the following are a “relative” of an individual:

1) spouse of the individual;

2) parents, children, brother, sister, uncle, aunt, nephew, niece, stepfather, stepmother, or adopted child of a spouse;

3) the spouse of any relative of the individual under the paragraph 2 of this part;

4) a guardian of the individual.

## CHAPTER 4. TAX SYSTEM OF THE REPUBLIC OF TAJIKISTAN

### Article 23. Taxes

The tax is a mandatory payment to the budget, provided for by this Code, made in a certain amount, having mandatory, non-refundable and irreversible nature (with the exception of social tax). Taxes are calculated in monetary terms and paid in local currency, unless otherwise provided by this Code.

### Article 24. Type of taxes

1. National and local taxes are established in the Republic of Tajikistan. Taxpayers use special tax regimes where appropriate and in accordance with this Code.

2. National taxes include:

1) income tax;

2) value added tax;

3) excise tax;

4) natural resources taxes;

5) social tax

6) sales tax on the primary aluminum

3. Local taxes established by this Code and enforced by the regulatory legal acts of local government bodies in cities and districts include the property tax.

### Article 25. Special tax regime

1. The special tax regime includes special and simplified taxation :

2. The special taxation regime includes the following:

– tax regime for the activities of free economic zones;

– taxation regime for subjects of the securities market;

– tax regime for individuals carrying out an entrepreneurial activity on the basis of a patent or certificate.

3. The simplified taxation regime includes:

– simplified tax regime for subjects of small entrepreneurship;

– simplified tax regime for producers of agricultural products (unified agricultural tax);

– simplified taxation regime for gambling business entities;

– simplified taxation regime for poultry farming, fish farming and production of combined feed for poultry and cattle;

– simplified taxation regime for innovative and technological activities.

### Article 26. Tax elements

1. A tax shall be deemed established only when a taxpayer, incentives, and all elements of this tax are defined by this Code and other bylaws adopted on its basis.

2. Tax elements include:

– object of taxation;

– tax base;

– tax rate;

– taxable period;

– tax calculation procedure;

– tax reporting procedure;

– tax payment procedure.

3. When establishing a tax, tax benefits and the grounds for their application may also be provided.

**Article 27. Object of taxation**

1. The object of taxation is property, an action, the result of an action or any other circumstance having a value, quantitative or physical nature, with the presence of which, in accordance with tax legislation, a tax liability arises for a taxpayer.

2. Each tax has an independent object of taxation, which is determined in accordance with the special part of this Code.

**Article 28. Tax base**

The tax base is a value, physical or other feature of the object of taxation. For each tax, this Code establishes the tax base and the procedure for its determining.

**Article 29. Tax rate**

1. The tax rate is the amount of tax accruals per unit of measure of the tax base as a percentage or an absolute amount.

2. Tax rates are established by this Code, unless otherwise provided by part 3 of this article.

3. The rates of excise tax, land tax, unified tax for agricultural producers, a fixed amount for individual entrepreneurs carrying out activities on the basis of a certificate with special conditions, and cost of a patent for individual entrepreneurs are approved by the Government of the Republic of Tajikistan for certain types of activities, taking into account the regional nature, and in the manner established by this Code.

**Article 30. Tax period**

1. A tax period is a calendar year or another period of time, at the end of which the tax base is determined and the amount of tax payable is calculated.

2. The tax period may consist of several reporting periods.

3. In respect of taxes for which the tax period is a calendar year, provisions of this article shall be applied taking into account the specifics provided for in parts 4-7 of this article.

4. If a legal entity was liquidated (reorganized) before the end of the calendar year, the last tax period for it shall be the period from the beginning of this year to the date of completion of the liquidation (reorganization) procedure.

5. If a legal entity established and liquidated (reorganized) during the calendar year, the tax period for it shall be the period from the date of its establishment before the date of completion of liquidation (reorganization).

6. If a foreign legal entity, the activity of which did not lead to the establishment of a permanent establishment in the Republic of Tajikistan, submits an application for registration as a tax resident of the Republic of Tajikistan, the determination of the first tax period for corporate profit tax for it shall be carried out in the following order:

– if a foreign legal entity submitted an application for registration as a tax resident of the Republic of Tajikistan from January 1 of the calendar year, then the first tax period for it shall be the calendar year in which the application is submitted;

– if foreign legal submitted an application for registration as a tax resident of the Republic of Tajikistan, then the first tax period for it shall be the period from the date of submission of this application to the tax authority until the end of the calendar year in which it is submitted. If the

application of a foreign legal for registration as a tax resident of the Republic of Tajikistan was submitted between December 1 and December 31, the first tax period for it shall be the period from the date of submission of this application to the tax authority until the end of the calendar year following the year in which it is submitted to the tax authority.

7. The provisions provided for by paragraph 6 of this article do not apply to legal entities from which one or more legal entities was separated or merged.

**Article 31. Procedure of tax calculation and payment**

1. Procedure of tax calculation determines the rules for calculating the amount of tax for a tax period based on the tax base, tax rate, and tax benefits, if any.

2. A taxpayer and a tax agent should calculate and pay taxes independently, unless otherwise provided by this Code.

3. In the cases provided for by this Code, the obligation to calculate taxes may be imposed on a tax authority or on a tax agent.

4. The tax is paid in full, unless otherwise is not provided for by this Code.

5. If the tax period for tax consists of several reporting periods, the current payments shall be made in accordance with results of each of them. For certain types of taxes, current payments, envisaged in the current Code, can also be provided. The obligation to make current payments shall be equal to the obligation to pay tax.

6. Legal entities and individual entrepreneurs pay taxes, penalty charges and interest in non-cash form.

Note: The procedure for calculating and deadlines for paying taxes are determined by the special part of this Code.

**Article 32. Tax benefits**

1. Tax benefits are recognized as the preferences offered to certain categories of taxpayers provided by tax legislation compared with other taxpayers, including the opportunity to not pay tax or pay them in a smaller amount.

2. A deferral (payment by installments) for the payment of taxes is not a tax benefit.

3. Tax benefits are provided by this Code, unless otherwise provided by part 5 of this article.

4. Tax benefits cannot be individual.

5. Additional tax benefits in priority sectors according to the normative legal acts listed in paragraphs seven and eight of part 10, Article 1 of this Code are provided in the form of a reduction in the tax rate, established by this Code, by 50 percent and for a period not exceeding 5 years.

6. The list of priority sectors for which tax incentives are provided in accordance with this Code and additional incentives in accordance with relevant normative-legal acts is approved by the Government of the Republic of Tajikistan. With the exception of newly identified priority sectors, exclusion and/or re-approval of the list of priority sectors enjoying benefits is carried out on the basis of an analysis of the effectiveness of the proposed benefits for the development of the national and regional economy.

7. Unless otherwise provided by this Code, taxpayers are entitled to use tax benefits from the moment of arising the relevant legal grounds during the entire period of their validity or refuse to use the tax concession or suspend its use for one or more tax periods, except for the sale (export) of goods (works, services) to be exempt from value added tax. If a taxpayer refuses to use tax benefits, he must notify the tax authority in writing at the beginning of the year (by January 20) and follow this decision until the end of the year.

8. Tax benefits may be granted subject to the allocation of funds exempted from taxation for specific purposes. In case of misuse of such funds, the amount of misuse shall be subject to collection to the budget with interest accrued in the prescribed manner. The amount of funds

exempted in connection with the provision of tax incentives and unused during the period of validity of these benefits may be directed to the goals determined at the time of provision of incentives within a year after the expiration of the granted concessions. In this case, unused funds shall be transferred to the budget within the specified period.

9. Value added tax benefits, including upon import to the territory of the Republic of Tajikistan, cannot be granted, provided that funds exempted from taxation will be allocated for specific purposes.

10. In the event of natural disasters (earthquakes, floods) and emergencies (epidemics and pandemics), the Government of the Republic of Tajikistan may provide tax holidays to all taxpayers or a group of taxpayers.

11. Procedure for granting and assessment of the efficiency of tax benefits is approved by the Government of the Republic of Tajikistan upon the proposal of the authorized state body in the field of finance in agreement with the authorized state body and other relevant state bodies.

## CHAPTER 4. TAXPAYER'S RIGHTS AND OBLIGATIONS. DELINQUENT TAXPAYERS

### Article 33. Taxpayer's rights

1. Taxpayer has a right:

1) to receive free consultations and information from tax authorities and other state bodies involved in tax legal relations related to the application of tax legislation, in particular, on procedures, regulations, and instructions that are developed by the authorized state body;

2) to represent and protect its interests in tax relations personally or through an authorized representative;

3) to address tax authorities, industry entrepreneurship support bodies and the Pre-trial Dispute Resolution Council to protect their rights, legitimate interests, from actions or inaction of the tax authorities' employee;

4) to receive the results of the tax control and audit conducted by tax authorities within the time limits set forth in this Code;

5) to refuse to conduct a tax audit if the notification is not submitted within the time limits established by this Code;

6) to be present during tax control and audits;

7) to obtain in tax authorities the tax statement and reporting forms in electronic format, and in the established manner to submit tax returns in electronic form;

8) based on the results of tax control and audit, provide the tax authorities with explanations;

9) to receive from tax authority in electronic form an approved report of reconciliation of the calculation and payment of taxes;

10) to receive from tax authority in the electronic form necessary certificates on tax payment, tax arrears, the amounts of income received by a non-resident from sources in the Republic of Tajikistan and taxes withheld (paid);

11) in order to fulfill tax obligations receive from tax authority relevant information about the details of payment of taxes (current account, purpose of payment, type of tax, distribution to the corresponding budget, etc.) necessary to fill out a payment document, as well as information about the method of payment;

12) to require the employee of the tax authorities to strictly comply with tax legislation in tax relations;

13) to appeal tax control reports, decisions, notifications, orders, instructions, regulatory legal acts, as well as actions and inaction of tax offocials in accordance with the provisions of this Code and other legislative acts of the Republic of Tajikistan;

14) to require the observance and preservation of the secrecy of commercial transactions by tax authorities;

15) to request an extension of the deadlines for the payment of taxes (a deferral) in the manner and on the conditions established by this Code;

16) to demand the timely credit or refund of the overpaid amounts or excessively collected taxes;

17) in line with the established procedure, demand from a tax authority a compensation for losses incurred as a result of illegal decisions and actions (inaction) of its officials;

18) not to comply with the requirements of the responsible persons of the authorized bodies of tax legal relations not provided for by this Code and/or other regulatory legal acts;

19) to independently correct the errors made in calculating and paying taxes;

20) to appeal to the court the results of tax audits, tax control, actions (inaction) of tax authorities in the manner prescribed by law and in compliance with the procedure for pre-trial dispute resolution.

21) taxpayer also has other rights provided by this Code and other regulatory and legal documents.

2. Taxpayers shall be guaranteed judicial protection of their rights and lawful interests.

3. Failure to fulfill or improper fulfillment of duties related to ensuring the rights of taxpayers shall entail liability of officials of state bodies participating in tax legal relations

**Article 34. Taxpayer's obligations**

1. Taxpayer is obliged:

1) to register at tax authorities as a taxpayer in accordance with the procedure established by the legislation of the Republic of Tajikistan

2) to register as a value-added taxpayer, in accordance with the procedure established by this Code;

3) to keep records of income (expenses) and objects of taxation; in accordance with the tax legislation

4) to fulfill tax obligations within the terms established by this Code

5) to eliminate identified violations of tax legislation and not interfere with the legitimate activities of tax authority employees;

6) on the basis of an order to allow tax officials to examine property that is subject to taxation;

7) to submit tax returns and documents established by this Code, to the relevant tax authorities;

8) to ensure the use of cash registers and other point-of-sale devices;

9) to keep accounting and tax accounting documents (information), in electronic and (or) paper form, during the period established by this Code;

10) to prepare relevant documents for verification before the deadline specified in the notice of tax audit;

11) to carry out an inventory of their property in accordance with the accounting legislation;

12) to submit to the tax authority at the place of registration the following information within 5 business days:

a) on the establishment or termination of the activities of its separate division;

b) decision on reorganization, liquidation (termination of activity) or bankruptcy;

c) on the change in the taxation system used, registration procedure, place of business (residence), contact details.

13) when committing any actions leading to the emergence of tax obligations, require the counterparty to have a document confirming state registration with the tax authority as a taxpayer

14) the taxpayer fulfills other obligations established by this Code.

2. The taxpayer is obliged to draw up reconciliation statements in writing or electronically together with the tax authority within the following terms:

1) dekhkan farms without establishing a legal entity - once based on the results of the reporting year;

2) taxpayers operating under a simplified tax regime, except for those operating on the basis of a patent - each reporting six months period;

3) taxpayers carrying out their activities on the basis of a patent - once based on the results of the reporting year;

4) taxpayers operating under the general tax regime - every reporting quarter.

3. Responsibility for non-payment or incomplete payment of the amount of taxes as a result of not including taxable income from the transaction to the tax base lies with the taxpayer.

4. The list of delinquent taxpayers is compiled by the authorized state body on the basis of an official decision and posted on its website.

After correcting the committed offences of the law and (or) providing substantiated evidence, the name of the delinquent taxpayer is excluded from this list.

5. A taxpayer is recognized as delinequent in the following cases, if:

a) he/she does not ensure the submission of tax reports and (or) payment of the amount of tax (taxes) and (or) payment of recognized tax debts for more than 3 consecutive months;

b) a value-added tax invoice was submitted when the taxable transaction was not actually carried out;

c) other actions (inaction) have been taken, the list of which is established by the authorized state body in agreement with the authorized body in the field of entrepreneurship support.

## CHAPTER 5. REGULATION OF TAX AVOIDANCE AND PREVENTION OF TAX EVASION

### Article 35. Tax Avoidance Commission

1. The Tax Avoidance Commission shall be established by an authorized public body. The Commision is an advisory, independent body with no decision making authority. The mandate of the Commission includes provision of tax authorities with advisory opinions on tax avoidance in accordance with the requirements of Article 36 of this Code.

2. The Commission consists of at least five (5) members. Each member of the commission should have significant experience in tax and business matters. Civil servants and convicted individuals cannot be members of the Commission. Commission members are appointed for one year and may be reappointed. The chairperson of the commission is elected from among the members of the Commission.

3. Tax authorities submit materials to the Commission in accordance with the established procedure for obtaining an advisory opinion in accordance with Part 2 of Article 36 of this Code. The commission provides an advisory opinion by a majority vote and if one of the Commission members has a special opinion, it is reflected in the conclusion as a special opinion. The advisory opinion of the Commission must be submitted to the tax authorities within 28 calendar days.

4. In accordance with part 4 of Article 36 of this Code, tax authorities make a final decision based on the opinion of the Tax Avoidance Commission.

5. The Regulation of the Tax Avoidance Commissionis determined by the authorized state body in agreement with the financial body.

### Article 36. Countering Tax Avoidance Schemes

1. Tax avoidance - actions that are not tax evasion, but allow the taxpayer to reduce tax liabilities within the framework of the current legislation.

2. The provisions of this article apply to the following tax avoidance schemes:

– entity taxpayer received tax benefit from the scheme or part of it;

– taking into account the nature of the scheme, it can reasonably be concluded that the taxpayer, or one of the tazpayers who entered the scheme, or carried out the scheme, did so for the sole or primary purpose of allowing that taxpayer to obtain a tax benefit.

3. If the tax authority considers such actions of a taxpayer to be a tax avoidance scheme, the tax authority should forward the materials to the Tax Avoidance Commission for an advisory opinion. The Commission shall provide the tax authority within the period established by part 3 of Article 35 of this Code with a written advisory opinion as to whether the arrangement submitted to the Commission constitutes a tax evasion scheme.The tax authority shall provide the taxpayer with a copy of the advisory opinion of the Commission within 3 business days.

4. If the Commission recognizes the arrangements as tax avoidance scheme, then the tax authority takes the following measures:

– determines the tax liability of a taxpayer again without applying tax avoidance arrangements or in a manner that reduces the tax benefit established by this Code;

– to avoid double taxation, makes compensatory adjustments to the tax liabilities of any other taxpayer affected by tax avoidance actions and incurred losses due to tax avoidance scheme.

5. The authorized state body applies to the taxpayer the alternative methods of taxation specified in paragraph one of part 4 of this article.

6. The tax authority is obliged to apply the provisions of paragraph 4 of this article in relation to taxpayers and other taxpayers who have suffered losses from tax avoidance, on the basis of the opinion of the Commission within 5 years from the last day of the tax year in which the avoidance from taxation was committed.

7. In this article:

1)“tax avoidance scheme” means an agreement, arrangement, promise, obligation, transaction or action actually completed or planned (including unilateral action), with (without) compulsory or voluntary performance;

2) "tax benefit" means:

a) reduction of a taxation;

b) postponement of a person's tax payment obligation and/or any other tax avoidance.

8. In the event that tax avoidance measures are not recognized by the Tax Avoidance Commission, the taxpayer shall be subject to taxation in accordance with the provisions of this Code.

**Article 37. Tax evasion**

1. Tax evasion - illegal and intentional non-fulfillment of tax obligations by individuals and legal entities

2. The following actions of the taxpayer are considered to be tax evasion if the taxpayer:

- does not keep accounting (tax) records and / or does no comply with its requirements;
- desttoyed accounting documents required to determine the tax liability;
- did not file tax returns for the three reporting months;
- has underestimated his/her tax obligations in the tax return (including supplementary return);
- failed to provide the tax authorities with information and documents required for calculating tax, within the period prescribed in this Code;
- submitted a VAT invoice without actually carrying out the transaction.

3. In case of tax evasion by a taxpayer, the tax authority determines the amount of his/her tax liability for a period of up to 10 years from the last day of the tax year in which the tax evasion action was committed.

4. With regard to a taxpayer who has committed tax evasion, the tax liability specified in part 3 of this article is doubled.

5. If the tax audit reveals the absence of accounting of taxable items or the taxpayer does not provide information on them, the tax authority, on the basis of the information available to it, can for the purposes of part 1 of this article calculate the estimated amount of tax, using, where appropriate, the estimated value of goods (works, services) sold, the value of property, the average level of wages and the profitability rate equal to 10 percent.

6. Depending on the nature of the activity, the tax authority may determine the amount of tax also on the basis of the results of chronometric surveys, comparable economic indicators of the activities of other taxpayers engaged in similar activities..

7. Received income (profit) is subject to taxation in accordance with this Code, regardless of the grounds on which it was received. If, in accordance with the procedure established by legislation of the Republic of Tajikistan, it is determined that any income or its part was obtained illegally and is subject to state ownership, then the amount of taxes previously withheld (paid) to the state budget from this illegal income is taken into account.

8. For the purposes of applying additional measures to combat tax evasion, the procedure for applying alternative methods of taxation is approved by the Government of the Republic of Tajikistan.

**Article 38. Priority of content over form**

The use of legal contracts to formalize transactions (operations) designed to disguise real transactions (operations) and change procedure for collecting taxes will not be taken into account as the real intent and purpose of the parties to the agreement will prevail.

**Article 39. Selection of counterparties**

1. In tax relations, taxpayers are responsible for selection of counterparties.

2. The tax authorities provide taxpayers access to information on registration of counterparties with tax authorities as taxpayers, as well as to other information in the manner determined by the authorized state body, and taxpayers using this procedure are recognized as taxpayers who have shown due diligence when concluding the agreement.

## SECTION II. PROCEDURES OF TAX ADMINIISTRATION

## CHAPTER 7. TAX PAYMENT CONTROL

### Article 40. Administrative provisions

1. Administrative provisions established by the General part of this Code shall apply to the taxpayer and to all types of taxes, custom payments and other obligatory payments to the budget, unless otherwise is provided by the legislation of the Republic of Tajikistan.

### Article 41. Tax control

1. Tax control is a form of state control and is carried out exclusively by tax authorities. It is prohibited to conduct tax control by other regulatory and law enforcement agencies, unless otherwise provided in part 2 of this article.

2. The customs authorities exercise tax control within the limits of their powers in accordance with this Code and customs legislation.

3. The tax control is carried out by tax authorities in the following forms:

1) desk audit;

2) time metering survey;

3) additional control of excise goods and other sctivities;

4) control of the electronic labeling system for goods;

5) on-site tax audit;

6) verification inspection;

7) tax monitoring;

8) transfer pricing and market pricing.

4. Control over compliance with tax legislation, with the exception of on-site tax audits, is carried out on a regular basis.

### Article 42. Desk audit

1. Desk audit is a form of tax control carried out in a tax authority without visiting the place of business of the taxpayer, based on the study and analysis of the taxpayer's (tax agent's) report and information obtained in accordance with the provisions of this Code. Desk control is an integral part of the risk management system and implemented to prevent violations of tax legislation and allows taxpayers to independently correct existing inconsistencies.

2. In accordance with the provisions of this Code, desk audit can be carried out automatically using the software.

3. It is prohibited to conduct desk audit during the periods of field tax audit, as well as in relation to taxpayers subject to tax monitoring.

4. In the event of nonconformities in tax returns, the tax authority shall send a notification to the taxpayer in written or electronic form demanding correction of the revealed nonconformities within 10 calendar days.

5. The taxpayer, within 10 calendar days from the date of receipt of the notification, is obliged to ensure its execution or has the right to provide relevant explanations with supporting documents. If there are valid reasons as illness of the responsible person or his children, close relatives, business trip, the presence of the responsible person outside the Republic of Tajikistan and other similar cases, the deadline for the execution of the notification is extended by 10 calendar days.

6. A taxpayer may appoint a consultant or other person as a representative based on a power of attorney in accordance with the procedure established by law to protect his rights and interests in relation to the materials of the desk control.

7. If, based on the results of consideration of the submitted documents and explanations, there has been a change in a taxpayer's tax obligation, the tax authority that conducted the desk control shall send a certificate and notification to the taxpayer. If a taxpayer does not fulfil his tax obligation within 5 business days after receiving the second notification, such a taxpayer is included in the risk criteria, based on which an off-site tax audit is appointed on the matter of desk control.

8. Taking into account the requirements of parts 1-6 of this article, if during desk audit, it is found out that a taxpayer made a mistake, then sanctions, including fines and interest, are not applied to such taxpayer, and the results of control are not reflected in the taxpayer's personal account.

9. In the case of desk audit, compliance with the following conditions is mandatory:

1) Desk audit of tax returns submitted to the tax authorities, which were not previously subject to desk control, is carried out in regard of the taxpayer no more than once every six consecutive months and its repeated implementation is prohibited.

2) Desk audit of tax returns of dehkan farms, established without the formation of a legal entity that has not previously been subject to desk audit is carried out once a year.

10. Desk audit over the return (refund) of the value added tax associated with the exports of goods (services) is carried out in the manner established by the authorized state body, within 30 days from the date of taxpayer's application.

**Article 43. Time metering survey**

1. Time metering survey - is a form of tax control carried out in order to establish the actual income and expenses of a taxpayer for the period subject to examination.

2. Time metering survey is carried out no more than once a year for up to 3 business days.

3. The objects of time metering survey:

− compliance of information from the fiscal memory of cash registers with the balance of funds on the day of the survey;

− accounting of financial and monetary transactions;

− maintaining income and expenses book (when carrying out activities under the simplified regime);

− number of employees

4. Time metering survey is carried out by the order of tax authorities and in the manner established by this Code for carrying out on-site inspection.

5. The use of the time metering survey results for the previous tax period is prohibited, except for the cases provided for by Part 6 of the Article 37 of this Code.

**Article 44. Additional control of excisable goods and other activities**

1. Additional control of excisable goods and other activities is carried out in the following order:

1) by labelling excisable goods;

2) by organizing tax posts in the territory (location) of a taxpayer or points of customs clearance;

3) via electronic labelling system or QR codes.

2. Tax posts are organized in the following cases:

− the manufacturer of excisable goods does not have an electronic product labelling system;

− the taxpayer systematic submits zero reporting;

− a downward trend in the financial and economic indicators of a taxpayer during 3 consecutive months;

− non-payment of tax arrears lasts for more than 6 months;

− identification of inconsistencies in tax returns with the official statistical report of natural resources users;

3. Manufacturers and importers of excisable goods are responsible for labelling of excisable goods.

4. The procedure for labelling excisable goods and establishing tax posts is determined by the Government of the Republic of Tajikistan.

5. Control over labelling of excisable goods imported into the Republic of Tajikistan under the customs regime permitted for free circulation, as well as those sold in the Republic of Tajikistan under another customs regime is fulfilled by the customs authorities of the Republic of Tajikistan.

**Article 45. Electronic labelling system control**

1. Control over the electronic labelling system of goods, including excise goods, is carried out in order to record goods imported into the territory of the Republic of Tajikistan and excisable goods manufactured in the Republic of Tajikistan, as well as to track their further turnover.

2. The manufacturer is responsible for labelling goods manufactured in the Republic of Tajikistan, the supplier is responsible for ensuring labelling requirements for imported goods, and the distributor is responsible for their sale.

3. Control over compliance with the rules for labelling goods is carried out by tax and customs authorities.

4. The procedure for electronic labelling, the activities of operators in tracking trade and the procedure for their control are established by the Government of the Republic of Tajikistan.

**Article 46. Tax Audit**

1. Tax audits are carried out in order to control compliance with tax legislation, payment of state duties and other mandatory fees. Tax audit is carried out in the form of an on-site tax audit and verification audit.

2. The basis for conducting a tax audit is an order issued by an authorized state body.

3. On the basis of one order, only one tax audit can be carried out, with the exception of a verification inspection.

4. Tax audit should not suspend a taxpayer's activities.

5. Tax audit is carried out only on business days and during business hours of the taxpayer.

6. Tax audit of economic entities whose activities are of a seasonal nature is not carried out in the following periods:

− on farms producing agricultural products - during the sowing season from April 1 to June 1 and during the harvest season from August 1 to November 1 of the calendar year;

− on enterprises for processing agricultural products - from June 20th to October 20th of the calendar year.

7. A verification audit is carried out by the tax authorities on compliance with the following requirements of tax legislation:

1) registration with the tax authorities as a taxpayer, the accuracy of information about the location of the taxpayer;

2) involvement by the employer of employees in the performance of work (services);

3) availability and use of cash registers or an integrated three-component system;

3) availability and use of cash registers or an integrated three-component system;

4) availability of equipment (devices) intended for payment using plastic cards or other forms of electronic payments;

5) a consignment note and the correspondence of the name, quantity (volume) of goods to the information specified in the consignment note;

6) availability and accuracy of electronic marking for accounting of goods imported into the territory of the Republic of Tajikistan and produced in the Republic of Tajikistan, including excisable goods;

7) compliance with the rules of bottling (packaging), labeling with excise stamps, storage, sale of excisable products and the implementation of certain types of excisable activities.

8. A verification audit is carried out by tax authorities at the place of business of entrepreneurs no more than once every six months.

9. With the introduction of labeling of goods, the validity of paragraphs 6) and 7) of part 7 of this article shall be terminated.

10. A verification audit is carried out on the basis of an order of the head of the tax authority, which is presented to the taxpayer during the audit and recorded in the audit registration log.

11. An official of a tax authority conducting a field audit shall not be entitled to request from a taxpayer information that is not related to the subject of the audit.

**Article 47. On-site tax audit**

1. On-site tax audit is carried out only for the purposes of determining the correctness of the calculation and payment of taxes and mandatory payments for a certain period of time at the place of business of a taxpayer and on the basis of the risk management system, except for the cases where the place of business of a taxpayer is his/her place of residence. In such exceptional cases and in cases of inconsistency between the taxpayer's registration address and the actual business address, on-site tax audit is carried out at tax authority.

2. On-site tax audit is carried out in regard to the high level of risk, which is determined by the risk management system based on the relevant order of the authorized body. The order should specify the name and taxpayer's identification number, full name and position of the auditor, period and purpose of the audit.

3. Tax authorities should send a notification to the taxpayer about conducting an on-site tax audit at least 10 business days before the start of the on-site tax audit. The notification is delivered to the taxpayer (tax agent) at the location specified in the registration data or sent to the taxpayer's personal account, or by registered mail.

4. The notification should indicate the grounds for conducting on-site tax audit, including the subject of the audit, tax period and audit duration.

5. On-site tax audit in case of a voluntary liquidation of the taxpayer's activities is carried out from the moment of the last audit, but not exceeding the statute of limitation.

6. The taxpayer is prohibited from making changes and additions to the tax returns for the audited reporting period during the on-site tax audit.

7. In the event that the taxpayer does not maintain accounting records in accordance with the requirements of the law, which makes it impossible to conduct audits, the tax authorities apply alternative taxation methods to determine tax liabilities.

8. It is prohibited to conduct more than one on-site tax audit for one type of tax and for the same period, with the exception of provisions provided for in Article 49 of this Code.

9. In the event of the termination of the activities of a separate subdivision of a resident legal entity, an on-site tax audit is not carried out, except for cases when the taxpayer submits an request for such an audit.

10. Instructions for conducting on-site tax audits are approved by the authorized state body in agreement with the authorized state body in the field of finance.

**Article 48. Tax audit duration, its extension and suspension**

1. On-site tax audit is carried out within the following terms unless otherwise is specified by parts 3 and 4 of this article:

− for small entrepreneurs - up to 7 business days;

− for medium-sized entrepreneurs - up to 20 business days;

− for large entrepreneurs, including:

a) legal entities with separate subdivisions and non-residents operating through permanent establishments - up to 30 business days;

b) legal entities with more than one location in the Republic of Tajikistan and taxpayers registered with the large taxpayers office - up to 60 business days.

2. The duration of a verification inspection cannot exceed 15 business days. The verification inspection of an individual taxpayer should not last more than four business hours.

3. Extension of the tax audit period is prohibited for small and medium enterprises.

4. Extension of the tax audit period for large enterprises cannot exceed 30 business days.

5. Tax audit duration is suspended in the following cases, if:

1) taxpayer has not submitted in full documents related to the subject of the audit;

2) there was a need to obtain information from a competent (authorized) foreign state body in the framework of international treaties of the Republic of Tajikistan;

3) there was a need for industry expertise;

4) translation of documents submitted in a foreign language requires additional time.

6. On the basis of the relevant order of the authorized state body, the extension of the tax audit period is allowed no more than once, and the suspension of the tax audit period - no more than two times.

**Article 49. Restrictions on conducting an on-site tax audit**

1. Repeated inspections are prohibited for tax period being audited, except for the following cases,:

– on the basis of a written taxpayer’s application;

– on an official request of law enforcement agencies for the taxpayer in respect of which there are materials or a criminal case on the grounds of crimes related to taxation;

– for internal control of the activities of the tax body that conducted the on-site tax audit.

2. Repeated audits carried out in accordance with part 1 of this article should be carried out only in relation to the period that includes the most recent on-site tax audit.

**Article 50. Access of an official to the taxpayer's place of business (territory and administrative building) for audit purposes**

1. Access of the tax authority official to place of activity of taxpayer (with the exception of residential premises), is carried out only upon presentation by this official of the order of the authorized state body and work ID.

2. In the event a taxpayer obstructs the access of an official of the tax authority to the place of his activity (with the exception of residential premises), the official of the tax authority draws up a report about this and applies to the relevant law enforcement agencies. In this case, the access of the official of the tax authority is ensured in cooperation with law enforcement agencies..

3. A taxpayer has the right not to admit tax officials to its place of activity for a tax audit purposes in cases when:

− the requirements of Articles 47 and 48 of this Code have not been complied with;

− the audit terms specified in the order have not occurred or expired;

− the tax authorities officials do not have relevant special clearances for admission to the premises with special secrecy regimes.

**Article 51. Requesting documents during the tax audit**

1. Tax authority official conducting a tax audit has the right to request from a taxpayer documents related to the audit.

2. Tax official’s documents request shall be submitted to the taxpayer, his legal representative or authorized representative in person against written acknowledgement. If it is not possible to request provision of documents this way, the request will be sent in the manner prescribed by this Code.

3. Requested documents are submitted to the tax authorities in electronic form through a telecommunications network or taxpayer's personal account, by registered mail, as well as in person or through a representative..

4. When submitting copies of paper documents requested by the tax authority, such copies must be certified by the taxpayer. It is not allowed to require notarization of copies of documents submitted to the tax authority (official), unless otherwise provided by the legislation of the Republic of Tajikistan.

5. When preparing accounting documents in electronic form, the taxpayer shall submit paper-based copies of such documents during a tax audit at the request of the tax authorities officials, with the exception of invoices registered in the information system of invoices.

6. When necessary, the tax authorities may have access to the original documents.

7. Documents requested in the course of a tax audit shall be submitted in compliance with the requirements of this article within 1 business day from the date of receipt of the relevant request. If the taxpayer does not submit the requested documents within the prescribed time period, he must notify the tax official in writing.

8. A notice of the impossibility to submit documents within the established period, indicating the reasons for non-submission of the requested documents, shall be sent by the taxpayer within one day after receiving the request for providing documents. The notice must indicate the period of time in which the taxpayer can submit the necessary documents.

9. Within two days from the receipt of notice from the taxpayer, the tax authority shall have the right to extend the deadline for submitting documents based on the notice, or refuse to extend the deadline.

10. The taxpayer's refusal to provide the requested documents shall be recorded in a formal report drawn by tax authority official. The formal report is signed by the tax authority official and the taxpayer. If a taxpayer refuses to sign the formal report, an appropriate entry shall be made. Refusal or non-submission of these documents shall serve as the basis for their seizure in the manner prescribed by Article 53 of this Code.

11. In the course of tax audit and other tax control measures, the tax authorities are not entitled to demand from the taxpayer to provide original documents that were previously submitted to the tax authorities during desk audit, on-site tax audits or tax monitoring of the taxpayer. Documents may be requested again from taxpayer if the originals were previously submitted to the tax authority, and were subsequently returned to the taxpayer, as well as in cases where the documents submitted to the tax authority were lost due to force majeure circumstances.

**Article 52. Requesting documents and information from third party**

1. Tax authority official conducting a tax audit has the right to demand from the counterparty or other persons documents and information (hereinafter, information) concerning the activities of the taxpayer being audited.

2. Information request on the activities of the audited taxpayer when reviewing tax audit items may also be based on a decision of the tax authority on the appointment of additional tax control measures.

3. The tax authority that performs tax audits or other tax control measures, shall send a request for the provision of information about the activities of the audited taxpayer to the tax authority at the place of registration of the person (s) requesting this information.

4. Within 3 days from the date of receipt of the order, the tax authority at the place of registration of the person from whom the information is requested should forward this person a request for information.

5. A copy of the information claim order is attached to the request.

6. A person who has received a request for the submission of information shall be required to fulfill it within five days from the date of its receipt or within that time shall inform that he does not have the requested information. If the taxpayer is unable to provide the necessary information within the specified period, the tax authority has the right to extend the deadline for submitting this information.

7. Required documents shall be submitted taking into account the provisions of paragraphs 3, 5 and 11 of Article 51 of this Code.

8. The procedure for requesting information provided for by this Article shall also apply when requesting information concerning members of a consolidated group of companies.

9. When exercising tax control, the tax authorities upon written request have the right to demand any entity to fulfill the following within 10 days:

– provide information on the taxpayer's income and expenses for the specified tax period and on expenses incurred in connection to relations with the taxpayer indicated in the request, except for the information available in electronic form in tax authorities software;

– arrive at the place and time specified in the request, to clarify the information available to the tax authorities, or to provide documents or other information related to the taxation of this entity and other taxpayers

10. An authorized employee of a tax authority, when conducting a tax audit for the purpose of collecting information, has the right, in accordance with the procedure established by the legislation of the Republic of Tajikistan:

– to make copies of accounting and other documents related to taxation;

– in the established manner receive accounting documents or other documents related to this tax audit;

– seal accounting and other documents and prohibit their use for a period not exceeding half the period of the audit.

11. If an authorized employee of the tax authority receives accounting or other documents based on the powers specified in part 2 of this article, the tax authorities must make copies of accounting or other documents and return the originals no later than 10 days after the receipt.

12. When requesting documents and information concerning tax agents, the procedure for requesting documents provided for in this article shall be applied.

13. A person who has received a request to provide information has the right to refuse the submission of such information if the request contradicts the provisions of this article.

14. If the taxpayer fails to comply with the requirements of this article, the authorized employee of the tax authority has the right to access the premises and property of the taxpayer, in accordance with the provisions of Article 50 of this Code.

**Article 53. Seizure of documents and items**

1. Seizure of documents and items is conducted based on the order of the tax authority official conducting the audit.

2. Seizure of documents and objects outside office hours is prohibited.

3. Documents and items shall be seized in the presence of witnesses and persons from whom documents and objects were seized. If necessary, a specialist will be invited to participate in seizure.

4. Before the seizure of documents and items the tax authority official shall show the order on the seizure of documents and items and shall explain to the participants their rights and obligations.

5. A tax authority official shall propose to the person from whom the documents and items are seized to voluntary give them, and in case of refusal, the tax authority official shall receive them following the procedure established by the legislation of the Republic of Tajikistan. Apart from that, the taxpayer is obliged to:

− provide access to the information stored on a storage device or in an electronic data storage (similar to online storage), including entering a code or other basis for confirming access to the device or means;

− ensure access to the decryption information necessary to encrypt the data requested in accordance with this article.

6. If the person from whom the seizure is carried out refuses to open the premises or other places where the documents and objects to be seized may be located, the tax authority turns to to law enforcement agencies or to the court.

7. Documents and items not related to the tax audit shall not be seized.

8. The report on seizure of documents and items shall be drawn up taking into account the requirements established by Article 59 of this Code and this article.

9. Seized documents and items shall be listed and described in the report on seizure or in the attached records with exact indication of title, quantity, special characteristics and, if possible, the value of the items.

10. If a copy of the documents of the audited person is not sufficient for conducting tax control activity and the tax authority has sufficient grounds to believe that the source documents were destroyed, hidden, corrected or replaced, the tax authority official shall have the right to receive the original documents in the manner prescribed by this article.

11. If it is impossible to copy and transfer copies at the same time as seizing documents, the tax authorities shall provide a copy to the person from whom the documents were received, within 5 days after receiving.

12. All seized documents and items shall be presented to witnesses and other participants and, if necessary, packed at the place of receiving the documents and items.

13. Seized documents shall be numbered, bound and sealed or signed by the person from whom they are seized. If the person refuses to sign or seal the seized documents, a note is made in the report on the seizure of documents.

14. A copy of the act on the seizure of documents and items is handed over against signed receipt or sent to the person from whom they were seized.

**Article 54. Engagement of a witness**

1. Any adult individual may be invited as a witness, who is aware of any circumstances related to the implementation of tax control. Witness explanations shall be recorded in the report.

2. Witness explanations can be obtained at his/her place of residence if he or she cannot come to the tax authorities due to illness, old age or disability.

3. Employees called to the tax authorities as witnesses shall retain their salary at the main place of work in the event of absence from work due to visits to the tax authorities.

**Article 55. Expert examination**

1. If necessary, an expert may be invited to participate in the process of specific tax audit activities.

2. Engagement of a person as an expert shall be carried out based on an agreement between the tax authority and the expert.

3. An expert examination is instituted if special knowledge in the field of science, technology, art or craft is required to clarify emerging issues. Special knowledge of tax authority official does not exempt from the involvement of a qualified expert.

4. The questions posed to the expert and his conclusion cannot go beyond the expert's special knowledge.

5. The decision on expert examination is made by the tax authority based on the request of official conducting the tax audit.

6. The decision shall indicate the grounds for appointing an expert examination, name of the inspection body or surname, name (patronymic) of the expert, issues and materials provided to the expert. Expert has the right to familiarize himself with the examination materials related to the subject and request for additional materials.

7. The expert gives an opinion in writing. Conducted research, conclusions and substantiated answers to the questions posed are presented in the opinion.

8. The expert has the right to refuse to give an opinion if the material provided to him is insufficient to give a reasoned opinion.

9. The tax authority official conducting the tax audit shall familiarize the taxpayer with the decision on the appointment of an expert examination, explain his rights established by part 10 of this article, and draw up a protocol.

10. When instituting and conducting an expert examination, the taxpayer has the right to:

– respond to an expert's statements;

– request for the appointment of an expert from the identified persons;

– ask additional questions to obtain the opinion of an expert;

– be present during the audit with the permission of the tax authority official and give explanations to the expert;

– get familiar with the opinion of the expert;

– provide reasonable opinions on the results of the expert examination.

11. An expert engaged by the tax authority must ensure the confidentiality of information related to the examination, on an equal basis with an employee of the tax authority.

**Article 56. Specialist engagement**

1. If necessary, the tax authority may invite a specialist to participate in tax control activities.

2. The specialist must possess special qualifications and not be interested in outcome of a case.

3. A person shall be engaged as an expert on the basis of an agreement between the tax authority and a specialist.

4. The person's engagement as an expert does not exclude the possibility of his interrogation as a witness.

5. An specialist engaged by the tax authority must ensure the confidentiality of information related to the consultation, on an equal basis with an employee of the tax authority.

**Article 57. Translator engagement**

1. If necessary, a translator can be engaged to participate in tax control activities.

2. A translator can be a person who is not interested in the outcome of a case, knows the language necessary for the translation, or understands the signs individuals with visual or hearing impairment.

3. A person shall be engaged as a translator based on an agreement between the tax authority and the translator.

4. The translator must appear at the invitation of the tax authority official and accurately complete the assigned translation.

5. A translator engaged by the tax authority must ensure the confidentiality of information on the audit, on an equal basis with an employee of the tax authority.

**Article 58. Engagement of a witness**

1. Where necessary, witnesses are involved in order to participate in tax control activities in accordance with the provisions of this Code..

2. At least two witnesses shall be engaged.

3. Any adult who is not interested in the outcome of a case shall be engaged as a witness.

4. Tax officials shall not be allowed to report as a witnesses.

5. Witnesses shall confirm in the report the facts, content and results of actions committed in their presence.

6. Witnesses have the right to comment on the actions that are indicated in the report.

7. If necessary, witnesses shall be questioned in relation to the revealed circumstances.

8. Witnesses involved in the conduct of a tax audit must ensure the confidentiality of information related to the audit, on an equal basis with an official of the tax authority.

**Article 59. General requirements for the report draw upwhile performing operations under tax control**

1. When conducting a tax control operation, a report shall be drawn up that contains the following information:

– the grounds, form and frequency of inspections;

– place and date of implementation of specific actions;

– start and end time of actions;

– position, surname, name (patronymic) of the person who drafted the report;

– surname, name (patronymic) of each person participating or presenting in the action, and their address, if necessary;

– the structure of actions and their sequence;

– f facts and circumstances revealed in execution of the action necessary for the report.

2. The report is read out to all persons who were involved or represented in the process. These persons have the right to make comments to be included in the report or attached to the materials.

3. The report is to be signed by the tax authority official, as well as by all persons who participated or were present during the audit. Photos, videos and other materials taken during the tax control activity are attached to the report.

**Article 60. Registration of the on-site tax audit results**

1. According to the results of any on-site tax audit, the authorized tax officials who conducted the audit should draw up a tax audit report.

2. The on-site tax audit report shall indicate:

1) the date of tax audit report shall be the date the report was signed by the persons conducting this audit;

2) full and abbreviated name or surname, name, patronymic of the audited person. In case of the audit of a legal entity at the location of its separate division, in addition to the legal entity's name, the full and abbreviated name of the audited separate division and its location shall be indicated;

3) surnames, names, patronymics of persons who conducted the tax audit, their positions with the tax authority's name that they represent;

4) the date and number of the order of the tax authority to conduct an on-site tax audit;

5) a list of documents submitted by the taxpayer during the on-site tax audit;

6) the period for which the field tax audit was conducted;

7) name of the tax in respect of which the on-site tax audit was conducted;

8) the start and end dates of the on-site tax audit;

9) location address of a taxpayer;

10) information on tax control measures carried out during the implementation of the on-site tax audit;

11) a detailed description of the tax violation (if any) with reference to the relevant norm of tax legislation;

12) conclusions and proposals on the results of the on-site tax audit.

3. If, based on the results of an on-site tax audit, no violations of tax legislation have been established, a correspondent entry shall be made in the tax audit report.

4. Documents confirming the facts of violations of tax legislation are to be attached to the report.

5. The form and requirements for drawing up an on-site tax audit report shall be established by the authorized state body.

6. The tax audit report shall be drafted in at least three copies.

7. All copies of the report are signed by tax authority officials who conducted the on-side tax audit. One copy of the report shall be submitted to the taxpayer within three days after its completion. The taxpayer is obliged to sign the receipt of the tax audit report on all copies of the certificate indicating the date of receipt. The copies of the report remaining with the tax authority shall be added to the materials of the tax audit.

8. The taxpayer's signature in the report does not mean that he/her agreement with the results of the audit.

9. In case of avoidance of the taxpayer (his representative) from receiving report, the tax authority official shall make an appropriate entry in the audit report about this. In this case, one copy of the report shall be sent to the taxpayer to his location by registered mail.

10. The results of on-site tax audit are based on information about the taxpayer received from the tax authorities, a third party, and collected in the course of monitoring, auditing and accounting.

**Article 61. Procedure for reviewing on-site audit materials**

1. The report of an on-site tax audit, during which violations of tax legislation were uncovered, must be considered by the tax authority that conducted the audit no later than 15 days from the date of drawing up the report of the tax audit. A decision on the results of an on-site tax audit must be made no later than 20 days after consideration of the audit materials.

2. If the taxpayer (his representative) submitted written objections to the report within the period provided for by the first sentence of part 1 of this article, these objections are also subject to consideration.

3. The tax authority shall notify the taxpayer regarding the date, time and place of the review of the audit materials at least 2 business days before the review.

4. If the taxpayer has notified the tax authority that it is not possible to be present during the review of materials of the on-site tax audit for valid reasons, the tax authority shall postpone consideration of the audit materials for a period not exceeding 5 days, of which the taxpayer shall be notified

5. A taxpayer, in respect of whom an on-site tax audit was conducted, has the right to participate in the audit materials review personally and (or) through his legal representative.

6. Failure to appear of a taxpayer's (his representative's), in respect of whom the field tax audit was carried out, who was duly notified of the time and place of the review of the audit materials, is not an obstacle to the review of the audit materials, unless the participation of this person is recognized by the tax authority as mandatory for the review of these materials.

7. Before the audit material review the tax authority must:

− determine the authorized person reviewing the case and the materials;

− ensure the attendance of persons invited to the review. Taking into account the circumstances of the failure to attend of these persons, the tax authority decides whether to proceed with the review of audit material in the absence of these persons or to postpone this review;

− check the powers to participate of the person in respect of whom the on-site tax audit was conducted;

− identify and explain to the persons participating in the review procedure their rights and obligations.

8. Upon the review of the on-site tax audit the tax audit report and, if necessary, other materials of the on-site tax audit, as well as written objections of a person, in regard to whom the audit was conducted, may be read out.

9. The absence of written objections does not deprive this person (his representative) of the right to provide his explanations during the review of the on-site tax audit materials.

10. Provided evidences, including documents, previously claimed from the person, who was audited, documents, submitted to tax authorities during tax audits of this person, and other documents available to the tax authority are examined during the revision of the tax audit materials.

11. The use of evidences obtained with the violation of this Code is prohibited.

12. Additional documents (information) on the taxpayer's activities may be considered, even if the deadline of their submission to the tax authority established by this Code was violated.

13. During the revision of tax audit and/or on-site audit materials, if necessary, the decision to engage a witness, expert or specialist can be made.

14. Upon the revision of tax audit material a report is drawn.

15. During the revision of the report of on-site tax audit the tax authority establishes:

– whether the entity in regard to whom the audit report was drawn up has committed a violation of tax legislation;

– whether the violations identified constitute a tax offence.

– whether there are grounds for holding a person accountable for a tax offence;

– the validity of the taxpayer's objections.

16. If there is a tax offence, the head (deputy head) of the tax authority identifies circumstances that exclude the person's guilt in the commission of a tax offence, or circumstances mitigating or aggravating liability for committing a tax offense.

17. Regardless of provisions of Part 1 of this Article and also in necessary cases when receiving additional evidence to confirm the fact of violation of tax legislation or absence thereof, the head (deputy head) of the tax authority has the right to make a decision on additional tax control measures within a period not exceeding 1 month.

18. The decision on additional tax control measures outlines the circumstances that necessitated such additional activities, the timing and specific form of their implementation.

19. As additional measures of tax control, the tax authority may request documents (information) in accordance with Articles 51 and 52 of this Code, interrogate witnesses and conduct expertise.

20. Commencement and termination of additional tax control measures, information on additional tax control measures, as well as additional evidence, obtained to confirm the violation of tax legislation or its absence, conclusions and proposals of auditors on the elimination of revealed violations and references to articles of this Code, if the liability for these violations stipulated in this Code, are recorded in addendum to the on-site audit report.

21. The addendum to the on-site tax audit report must be drawn up and signed by tax officials who carried out additional tax control measures within ten days from the date of completion of such measures.

22. The addendum to the on-site tax audit report with the attachment of materials obtained as a result of additional tax control measures within 3 days from the date of drawing up this addendum, must be handed over to the person (his representative) in respect to whom the audit was carried out, against receipt or by other means, confirming the date of receipt.

23. If the person (his representative) in respect to whom the audit was carried out evades receiving the on-site tax audit report, this fact is reflected in the final tax audit report. In this case, the final tax audit report is sent by registered mail to the location of the organization (separate

division) or the place of residence of an individual and is considered received on the fifth day from the date of sending the registered mail.

24. The person in respect of whom the on-site tax audit has been conducted (his representative) within 10 days from the date of receipt of the addendum to the audit report has the right to submit to the tax authority written objections to such addendum to the audit report as a whole or to its individual provisions.

**Article 62. Making decision based on the results of on-site tax audit materials and verification inspection review**

1. Based on the results of reviewing the on-site tax audit materials in the manner prescribed by Article 61 of this Code, the head (deputy head) of the tax authority makes a decision (hereinafter - the decision on the tax audit results), which provides for the following:

– additional charges of taxes and penalties or refusal to do so on the basis of tax audit materials;

– holding the taxpayer liable for committing a tax offence or refusing to do so.

2. If there are incidents and signs of an administrative offense, an administrative offense report is drawn up against the taxpayer. Administrative offences and decisions on administrative offence are considered in accordance with the procedure established by administrative legislation.

3. The decision providing for the refusal to hold accountable for tax violations shall indicate the circumstances that served as the basis for such refusal.

4. The decision on tax audit results indicates the period during which a person has the right to appeal this decision and the procedure for applying to higher tax authorities.

5. If in the course of a tax audit, the amount of tax excessively returned by the decision of the tax authority is recognized as a tax arrear for this tax, this is indicated in the decision on additional assessment of taxes. If this tax amount is returned to the taxpayer, it is recognized as tax arrear from the date of actual receipt of the tax amount, and if the tax amount is credited, from the date of crediting the tax amount.

6. After making a decision on the results of the tax audit, the head (deputy head) of the tax authority has the right to take measures to implement this decision in accordance with the procedure and terms provided by Article 121 of this Code.

7. Upon completion of the tax verification inspection, in case of detection of offenses, the tax authority implements proceedings on cases of tax offenses, carried out in the manner prescribed by Chapter 20 of this Code.

**Article 63. Entry into force of the decision on the results of on-site tax audit materials review**

1. The decision on the results of an on-site tax audit, adopted in the manner provided for in Article 62 of this Code, shall enter into force one month after the day it was delivered to the person (person’s representative) in respect of whom it was adopted.

2. The decision on the results of an on-site tax audit within two days from the date of its adoption shall be handed over to the person in respect of whom it was adopted (to his representative), against signed receipt or transferred in another way, indicating the date of receipt.

3. If the decision cannot be handed over or transferred in any other way, indicating the date of its receipt, it shall be sent by registered mail at the location of the legal entity (separate subdivision) or the place of residence of the individual. When a decision is sent by registered mail, the date of delivery shall be the fifth day from the date of sending the registered letter.

4. In the event that a complaint is filed against a decision of a tax authority, this decision shall enter into force in the manner provided for in Article 65 of this Code.

**Article 64. Features of the enforcement of tax authorities' decisions**

1. For offences identified by the tax authority for which individuals or officials of legal entities are subject to administrative liability, a competent tax authority official who conducted a tax audit or tax audit shall draw up an administrative offense report within the limits of his competence.

2. The review of cases of such violations and the application of administrative penalties against guilty individuals and officials of legal entities shall be carried out in accordance with the legislation on administrative offences.

3. If the tax authority after making a decision on holding an individual and/or officials of legal entities liable for a tax violation has sent materials to the public prosecution office, the tax authority is obliged to suspend the enforcement of the decision to hold this individual liable for a tax offence.

4. When submitting materials to the public prosecution office, the enforcement of the decision to collect administrative fine from the persons specified in parts 2 and 3 of this article shall be suspended. Such a suspension is made by decision of the head (deputy head) of the tax authority no later than the day following the day the materials are sent to the public prosecution office. At the same time, the deadlines for collection of tax debt stipulated by this Code shall be suspended for the period of suspension of the decision's enforcement to collect this tax arrears.

5. If, based on the materials sent to the prosecution authorities, a decision is made to refuse to initiate a criminal case or a decision to terminate the criminal case against individuals or officials of legal entities, the validity of the suspended decisions of the tax authority is resumed. The action shall be resumed by the decision of the head (deputy head) of the tax authority no later than the day following the day of receipt of a notification of these facts from the public prosecution office. A similar rule applies if an acquittal is issued for the relevant criminal case.

6. If the actions (inaction) of a person, which served as the basis for bringing him to responsibility for committing a tax offence, served as the basis for the conviction of this person, the tax authority cancels the decision to bring this person to responsibility for committing a tax offence.

7. Public prosecution office, sends a notification on the results of consideration of materials received from the tax authorities to the tax authorities no later than three days after the relevant decision is made.

8. Copies of the decisions of the tax authority referred to in this article shall be delivered (sent) by the tax authority to the person in respect of whom (his representative) the relevant decision was made within five days from the date of making relevant decision.

9. The provisions of this article shall apply to individuals who are taxpayers, payers of fees and (or) tax agents.

**Article 65. Enforcement of tax authorities' decisions upon appeal**

1. When filing a written complaint against a decision of a tax authority adopted as a result of a tax audit, it is suspended until the tax authority considers the complaint and sends a written notification to the taxpayer about the results of the consideration of the complaint. The unappealed part of the decision of the tax authority, adopted on the basis of the results of a tax audit, shall enter into force from the date of such a decision.

2. If a higher tax authority, on the basis of a taxpayer's complaint, cancels the decision of a lower tax authority and makes a new decision, such a decision of the higher tax authority shall enter into force from the date of its adoption.

3. If a higher tax authority refuses to consider a taxpayer's complaint, the decision of the lower tax authority shall enter into force from the date of the decision of the higher tax authority to refuse to consider this complaint, but not earlier than the expiration of the term for filing the said complaint.

**Article 66. Enforcement of tax authorities' decisions**

1. The decision on the tax audit results shall be subject to execution from the date of its entry into force.

2. Enforcement of the relevant decision shall be entrusted to the tax authority that made this decision.

3. In case of consideration of a complaint by a higher tax authority, the decision of this higher tax authority that has entered into force shall be sent to the tax authority that made the initial decision within three days from the date the decision of the higher tax authority comes into force.

**Article 67. Making decision on cases related to tax offences**

1. Based on the results of the review of report, the documents and attached materials in the manner prescribed by this Code, the head (deputy head) of the tax authority shall make a decision, which provides for the following measures:

1) additional charges of taxes, fines and penalties or refusal to do so;

2) holding the taxpayer liable for committing a tax offence or refusing to do so.

2. The decision referred to in part 1 of this article shall be taken within 10 days after reviewing the report.

3. The decision on holding a person liable for a tax offense sets out the circumstances of the offense, documents and other information confirming these circumstances, arguments brought in his defense by the person held liable, and the results of verification of these arguments. The decision shall also indicate Articles of this Code providing for these violations and the undertaken liability measures.

4. The decision to hold a person accountable for committing a tax offense shall indicate the articles of this Code and the Code of the Republic of Tajikistan on Administrative Offenses that provide for these offenses, and the application of liability measures.

5. The decision on holding a person liable for a tax violation shall indicate the period during which the person in respect of whom the decision is made has the right to appeal this decision and the procedure for appealing the decision to a higher tax authority.

6. For violations of tax laws for which persons are brought to administrative liability, the authorized person of the tax authority draws up a protocol on administrative violations. The review of cases of these violations and the imposition of administrative penalties on the persons guilty of their commission shall be carried out in accordance with the legislation on administrative offences**.**

**Article 68. Application for collection of a financial sanction**

1. After making a decision to hold individuals and officials of legal entities liable for a tax offense, the tax authority applies to the authorized state body in the field of enforcement to recover the amount of the financial sanction imposed on these persons. The same procedure for recovering the amount of financial sanctions is applied in cases where extrajudicial proceedings for the recovery of the amount of financial sanctions are prohibited.

2. The tax authority is obliged, 20 calendar days before applying to the authorized state body in the field of enforcement, to notify in writing persons held liable for a tax offense of the voluntary payment of the appropriate amount of the financial sanction.

3. Where necessary, simultaneously with filing an application for the collection of a financial sanction from a person who is liable for a tax offence, the tax authority may file a petition with court to secure the claim in the manner prescribed by law.

**Article 69. Consideration of cases and enforcement of decisions to collect financial sanctions**

1. The collection of amounts of financial sanctions upon decisions of the tax authorities, providing for the application of financial sanctions to legal entities and individual entrepreneurs, shall be performed by the tax authorities independently in the manner provided for in Articles – 144, 145 and 152 of this Code.

2. Cases on application of financial sanctions against offenders are considered by the tax authorities, and the amount of financial sanctions is collected in accordance with the requirements of this Code and procedural legislation

3. Cases on collection of financial sanctions at the request of tax authorities from individuals who are not individual entrepreneurs are considered by court.

**Article 70. Control over the authorized body**

The authorized state body exercises control over the fulfillment by authorized bodies of the requirements of tax legislation on the issues of accounting for tax objects, tax payments, duties and other obligatory payments, as well as their transfer to the state budget in a timely manner.

## CHAPTER 8. TAX MONITORING

**Article 71. General provisions of tax monitoring**

1. Tax monitoring is a voluntary action of a taxpayer and is carried out based on a mutual agreement between tax authorities and a taxpayer in order to prevent cases of non-compliance with tax legislation.

2. Tax monitoring is carried out in relation to a taxpayer whose gross income for the past reporting year is more than fifteen million (15,000,000) somoni.

3. Tax monitoring is carried out based on a taxpayer's request, and starts from January 1 of the next reporting year and covers the period specified in the agreement. The tax monitoring period shall cover at least one full fiscal year.

4. During the period of tax monitoring, it is prohibited to carry out desk audit, time metering survey and on-site tax audit.

5. The responsible person of the tax authority monthly submits an official opinion (in written or electronic form) regarding the information provided by the taxpayer as part of tax monitoring.

6. A taxpayer subject to tax monitoring is not subject to penalties for additionally assessed amounts, if the responsible person of the tax authority has not officially notified the taxpayer of the identified shortcomings.

**Article 72. Information exchange**

1. Information exchange between the tax authority and the taxpayer participating in tax monitoring is carried out based on an agreement.

2. The agreement establishes mutual obligations of the taxpayer and tax authorities to provide electronic documents and information mandatory for tax monitoring, as well as the procedure for providing the tax authorities' official an access to the taxpayer's information system.

3. A template of an agreement on information exchange between tax authorities and a taxpayer is approved by the authorized state body in agreement with state bodies in the field of finance.

**Article 73. Decision to conduct tax monitoring**

1. Decision to conduct tax monitoring is made by the authorized state body based on taxpayer's application.

2. The tax monitoring application form is approved by the authorized state body.

3. An application for tax monitoring must be submitted by the taxpayer no later than July 1 of the year before the start of the tax monitoring period.

4. A taxpayer who has submitted an application for tax monitoring may withdraw his application prior to the decision of the tax authority to conduct monitoring or reject it.

5. Based on the results of consideration of the application, before November 1 of the year in which the application is submitted, the authorized state body decides whether to conduct tax monitoring or refuse it.

6. The decision to refuse tax monitoring must be substantiated.

7. The grounds for making a decision to refuse to conduct tax monitoring are non-compliance with the following provisions provided for by Part 2 of Article 71 of this Code.

8. The decision on tax monitoring or refusal is sent to the applicant within 5 days from the date of the decision.

**Article 74. Tax monitoring procedure**

1. Tax monitoring is carried out by an official of the tax authority within the framework of his official duties and an agreement on information exchange.

2. When conducting tax monitoring, an authorized person of the tax authority has the right to demand from the taxpayer information, necessary documents, explanations related to the fulfillment of the tax obligation and mandatory payments.

3. The requested information, documents and explanations are provided by the taxpayer in writing or electronic form. Notarization of copies of documents submitted to the authorized person of the tax authority is not required, unless otherwise provided by legislation of the Repiblic of Tajikistan.

4. The request for submission of documents to the taxpayer by the authorized person of the tax authority shall be sent in electronic form.

5. Information, documents and explanations that were requested during tax monitoring in accordance with part 4 of this article shall be submitted by the taxpayer within five days after the date of receipt of the corresponding request.

6. If the request of the authorized person of the tax authority cannot be fulfilled within the prescribed period, the taxpayer officially notifies the authorized person of the tax authority about the impossibility of fulfilling it, indicating the reasons and terms during which he can submit the requested information, documents and explanations.

7. If the authorized person of the tax authority discovers a discrepancy or difference between the information provided by the taxpayer to the tax authority, in this case, the authorized person of the tax authority officially notifies the taxpayer in order to provide the necessary clarifications or appropriate corrections. The taxpayer is obliged to provide corrected information or necessary clarifications within 10 days from the date of receipt of the notification.

8. In the course of tax monitoring, tax authorities are not entitled to demand documents previously submitted to them in the form of certified copies.

9. If, after considering the explanations provided by the taxpayer, the revealed contradictions or differences are not eliminated, the authorized person of the tax authority shall draw up a reasoned opinion in accordance with the provisions of Article 76 of this Code.

**Article 75. Early termination of tax monitoring**

1. Tax monitoring is terminated early in the following cases:

1) taxpayer did not comple with the requirements of the information cooperation agreement or its failure to comply impedes carrying out of tax monitoring;

2) information provided does not correspond to the official information available to the tax authorities;

3) taxpayer failed to submit required documents (information) and explanations more than three times during tax monitoring.

2. The tax authority shall notify the legal entity in writing of the early termination of tax monitoring within ten days from the date of establishment of the circumstances provided for in part 1 of this article, but no later than June 1 of the year following the period for which tax monitoring is carried out.

**Article 76. Conclusion of the tax authority**

1. When conducting tax monitoring, the tax authority draws up a conclusion at the request of the taxpayer or on its own initiative.

2. The presented opinion reflects the position of the tax authority on the results of tax monitoring.

3. The form and requirements for the procedure for drawing up an opinion are approved by the authorized state body.

4. The conclusion of the tax authority is sent to the taxpayer within 5 days from the date of its drafting.

5. The final conclusion of the tax authority based on the results of the tax monitoring period is drawn up within 3 months, but no later than May 1 of the year after the reporting year.

6. In case of disagreement with the submitted opinion of the tax authority, the taxpayer sends a request for further consideration of the opinion to the Pre-trial dispute resolution council.

7. The taxpayer must submit to the tax authorities clarifications on the submitted opinion no later than June 1 of the period following the period of tax monitoring.

8. The reasoned opinion of the tax authority upon the request of the legal entity shall be sent to this legal entity within fifteen days from the date of receipt of the said request. This period may be extended by the tax authority for one month, in order to request from a legal entity or other persons the documents (information) necessary for the preparation of a reasoned opinion.

9. The tax authority shall notify the legal entity in writing about the extension of the deadline for submitting a reasoned opinion within three days from the date of the relevant decision.

10. The legal entity shall notify the tax authority of its consent with the reasoned opinion of the tax authority, which has drawn up this reasoned opinion within one month from the date of its receipt, with the attachment of documents confirming the fulfillment of the specified reasoned opinion (if any).

11. The taxpayer draws up a conclusion by filing an updated tax report or otherwise, taking into account the position of the tax authority, which indicates accounting (tax) accounting and tax reporting.

12. In case of disagreement with the conclusion of the tax authority, the taxpayer, within one month from the date of its receipt, shall submit his explanation to the tax authority. The tax

authority, which received such an explanation, within three days, send all available materials to the authorized state body to initiate a mutual agreement procedure.

13. The tax authority, no later than two months from the date of the completion of tax monitoring, notifies the taxpayer of the presence (absence) of unfulfilled conclusions sent to this taxpayer during tax monitoring.

**Article 77. Mutual agreement procedure**

1. After receiving the materials on the results of the conducted tax monitoring, submitted in accordance with part 12 of Article 767 of this Code, the authorized state body begins a mutual agreement procedure.

2. The mutual agreement procedure is carried out in the authorized state body within one month from the date of receipt of materials based on the results of the tax monitoring, with the participation of the taxpayer (his/her representative) and the tax authority, which has drawn up a conclusion.

3. The authorized state body, after the completion of the mutual agreement procedure, within three days, sends its official position together with a notification to the taxpayer about the change or leaving unchanged the conclusion.

4. The taxpayer officially sends his/her position to the tax body and the authorized state body, within one month from the date of receipt of the notification from the authorized state body about the change or abandonment of the conclusion.

5. In case of disagreement with the final opinion of the tax authorities and the position reflected in the notification of the authorized state body, the taxpayer hasa right to apply to the Pre-trial Disputes Resolution Council or to the judicial authorities.

## CHAPTER 9. TAXPAYERS REGISTRATION AND A UNIFIED AUTOMATED DATABASE FOR REGISTRATION, CONTROL AND MONITORING OF STATE AUTHORITIES AND TAXPAYERS' OPERATIONS

**Article 78. Registration of taxpayers**

1. In order to ensure tax control, all taxpayers, tax agents, including separate subdivisions established by them (branches, representative offices, permanent establishments, etc.), as well as citizens of the Republic of Tajikistan who have reached the age of 16 are subject to registration with tax authorities in accordance with the procedure established by this Code.

2. Registration of taxpayers is carried out on the basis of the following documents:

– written application of a taxpayer or his/her authorized representative;

– information of an authorized state body and (or) other authority;

– information of financial credit institutions;

– information of other territorial tax authorities.

3. Registration of taxpayer with tax authorities includes the following:

– registration of individuals;

– registration of legal entities;

– registration of branches and representative offices of local and foreign legal entities, as well as a permanent establishment of foreign legal entity;

– registration of diplomatic representations and representations with equivalent status, accredited in the Republic of Tajikistan;

– registration of taxpayers as payers of the value-added tax in accordance with the provisions of this Code;

– registration of taxpayers as electronic taxpayers;

– registration of taxpayers at the place of location of object of taxation.

4. Keeping of the Unified State Registry of Taxpayers (hereinafter, the Registry) is carried out by the authorized state body based on electronic registration data.

5. Keeping the Register includes:

– entry of information about a taxpayer;

– amendment and (or) addition of registration data about taxpayers;

– exclusion of information about taxpayers.

6. Document confirming registration of a taxpayer with tax authorities is a Certificate on assignment of a taxpayer identification number.

7. Registration with tax authorities and deregistration of a taxpayer is free of charge.

8. Registration with tax authorities is carried out:

1) for an individual - at the place of residence (registration) of an individual based on individual's application or information submitted by the relevant state bodies.

2) for a resident legal entity - at the place of location of its separate subdivision, as well as at the place of location of its immovable property and vehicles.

3) for a non-resident legal entity - carrying out activity through a permanent establishment, without establishing a branch or representative office - at the place that has been declared at registration, including;

a) at the place of state registration of a taxpayer acting as a permanent establishment of the given non-resident;

b) at the place of state registration of the taxpayer acting as a tax agent for the payment of taxes at income source of a non-resident in the Republic of Tajikistan;

4) for a non-resident individual (including stateless persons) - at the place of temporary residence (stay) in the Republic of Tajikistan, indicated in his migration card. If, in accordance with the provisions of international tax agreements, the migration card is not provided, then the place of stay of a non-resident natural person is recognized as the location in the Republic of Tajikistan, indicated in the application submitted to the tax authority..

5) an individual or a legal entity, including non-resident, whose activity is treated as a permanent establishment of the non-resident legal entity in accordance with the paragraph 3 of Article 11 of this Code, are obliged to file an application within tax authority for registration of its partner being a non-resident legal entity within 10 business days from the date a relevant agreement (contract) is concluded with the partner or within 10 business days from the date such activities actually begin, for the purpose of the assignment of a taxpayer identification number to the non-resident legal entity.

6) The date, when a non-resident's activities in the Republic of Tajikistan starts, shall be one of the following dates:

a) the date of execution of a contract (agreement) in the Republic of Tajikistan, including for the purchase and sale of goods (the performance of works (services)), the implementation of joint activities (participation in a simple partnership) and granting authority to another person to perform actions on his (non-resident's) behalf in the Republic of Tajikistan.

b) the date on which an individual has concluded a labor contract or other contract of a civil legal nature with an individual in the Republic of Tajikistan;

c) from the date on which purchase and sale agreement, property lease agreement (to open an office) has been concluded;

d) if in case of several contracts, the start date of the activities of non-resident in the Republic of Tajikistan shall be the date on which the first of the said contracts was concluded.

7) Diplomatic representations and equivalent representations of foreign states accredited in the Republic of Tajikistan – at their location on the basis of application and (or) information of the Ministry of foreign affairs of the Republic of Tajikistan.

9. The registration of non-resident individuals and non-resident legal entities operating in the Republic of Tajikistan without establishment of a branch and (or) a representative office cannot provide grounds for self-payment of taxes, unless otherwise provided for by this Code.

10. The tax authorities shall enter into the Registry information about:

– individual, including a foreign citizen or a stateless person – about the place of residence and (or) temporary stay;

– resident legal entity, its branches and representative offices, branches and representative offices of a non-resident legal entity - about the place of location;

– non-resident legal entity, operating in the Republic of Tajikistan through a permanent establishment, without establishing a branch and a representative office – about the place of location of the dependent agent being a person performing the functions of a permanent establishment of the non-resident;

– a non-resident individual and legal entity purchasing (selling) securities, interests, real estate in the Republic of Tajikistan - about the location of this property and (or) a resident who has the authority to maintain the Registry of Securities Owners and (or) the shares of the said resident in the Republic of Tajikistan, acquires (sells) securities, shares and (or) immovable property;

– diplomatic representations and equivalent representations of foreign state, international organizations accredited in the Republic of Tajikistan – about the place of their location;

– non-resident carrying out an activity without opening a branch or representative office acting through a permanent establishment, - about the place of registration of a person performing the functions of a permanent establishment of the non-resident;

– non-resident opening settlement account in resident financial credit institutions - about the place of location of the resident financial credit institution (tax agent);

– an individual under the age of 16 - about the place of residence and the legal or authorized representative of this person;

– aircrafts and other means of transportation – about the place of location of their owner;

– immovable property, land plots – about the actual location of immovable property, owner, land plot, title holder.

11. Information about persons who have passed the state registration in accordance with the Law of the Republic of Tajikistan "On state registration of legal entities and individual entrepreneurs" shall be entered in the Register.

12. Registration of other legal entities, branches and representative offices of foreign legal entities not provided for in paragraph 9 of this article is carried out on the basis of their application to the tax authority at their location within 30 calendar days.

13. Request to change the registration data of persons that are not envisaged in part 9 of this article shall be filed with the tax authority at the place of their registration within 10 calendar days.

14. In the event of death or recognition of an individual as legally incapable, reorganization, liquidation (or termination of activity) of persons not provided for in paragraph 13 of this article, their removal from the Register is carried out by the relevant tax authority.

15. Registration of real estate, vehicles and other objects of taxation at their location is carried out online on the basis of information provided by the authorized state body for registration of vehicles and real estate

16. In the event a taxpayer has difficulties related to defining the place of registration, the relevant decision shall be made by the tax authority serving the area in which an individual maintains its place of residence or a legal entity is located, based on data presented by the taxpayer.

17. The tax authorities independently (prior to filing of an application by the taxpayer) ensure that taxpayers are registered with the tax authorities on the basis of the available data and information provided to them by the relevant state authorities, as well as information that has become known to them, necessary and sufficient for accounting purposes.

18. Registration of individuals with the tax authorities is carried out within one business day, registration of state bodies, political parties, public associations, as well as public organizations (non-profit and non-governmental) of foreign states or registration of their branches, representative offices and religious associations is carried out within 2 business days.

19. Carrying out an activity without being registered as a taxpayer within tax authorities may be grounds for bringing to responsibility in order established by legislation of the Republic of Tajikistan.

20. Foreign persons that provide remote (electronic) services directly to individuals shall be registered (deregistered) on the basis of submission of applications and other documents in the form approved by the Government of the Republic of Tajikistan. Application for registration (deregistration) by foreign persons will be submitted to the authorized state body not later than 30 calendar days from the date of initiation (termination) of electronic services.

**Article 79. Taxpayer identification number**

1. When registering with the tax authority as a taxpayer, each taxpayer - an individual and (or) legal entity, branch and (or) representative office of a foreign legal entity, is assigned a taxpayer identification number. Also, during state registration of legal entities and individual entrepreneurs, a branch and (or) representative office of a foreign legal entity, along with the assignment of a single identification number of state registration, a taxpayer identification number is issued, and a certificate of assignment of a taxpayer identification number. Registration procedures, provision of a single identification number, taxpayer identification number and a certificate are free of charge.

2. The taxpayer identification number assigned to an individual - citizen of the Republic of Tajikistan is stamped on the passport of this individual in the manner prescribed by the authorized state body.

3. The identification number is assigned to the taxpayer only once, cannot be changed and cannot be transferred to another taxpayer (another individual or legal entity) even in the case of liquidation of the same taxpayer (its separate subdivision), termination of activities of a foreign legal entity or death of an individual taxpayer.

4. Certificate on assignment of taxpayer identification number shall be issued by the relevant tax authority to individuals, legal entities, branches and representative offices of foreign legal entities. In case of separate subdivisions of legal entities, other objects of taxation and (or) objects related to taxation, codes of the reason for registration are also established for these persons. These codes of reasons for registration shall be also set to a permanent establishment of a non-resident carrying out activity in the Republic of Tajikistan without a branch (representative office), or to its authorized agent.

5. Individuals, residents of the Republic of Tajikistan under the age of 16 can voluntarily apply to the tax authorities to obtain a taxpayer identification number. Whereas individuals who have reached the age of 16 are obliged to do so.

6. Regardless of other provisions of this Code, a non-resident individual and a legal entity having objects of taxation are registered in the Republic of Tajikistan by submitting an application starting from the moment of occurrence of the tax obligation and are provided with the taxpayer identification number.

7. Taxpayers must indicate their taxpayer identification numbers in tax reporting, correspondence with tax authorities, customs authorities or financial authorities, in relations with other authorized bodies, in customs declaration, in payment documents, bills of load, receipts, cash registers, in business documents (contracts, agreements), letterhead, and stamps.

8. Carrying out notarial transactions, including transactions with real estate and vehicles, for which the collection of state fees is provided, as well as the issuance of licenses, permits and certificates of registration of land title, employment, opening a bank account and other means of financial reporting , transfer of funds within the territory of the Republic of Tajikistan and beyond its borders, provision of goods on credit (with payment of their cost in installments), provision of loans by financial institutions, with the exception of import operations and expenses on savings (deposit) accounts of individuals and registration of foreign economic transactions without providing a taxpayer identification number is prohibited.

9. Regulations on registration, assigning of taxpayer identification number, codes of reasons for registration, as well as rules of stamps preparation, stamping and making note of taxpayer identification number in the passport of the citizens of the Republic of Tajikistan shall be approved by the Government of the Republic of Tajikistan.

**Article 80. Integrated tax information management system (ITMIS)**

1. Control and monitoring of transactions between the taxpayer and state bodies, institutions and organizations is carried out in real time (online) by the authorized state body through the Integrated tax information system for accounting, control and monitoring over the transactions of state bodies and taxpayer (hereinafter - Integrated tax information management system).

2. Information about transactions carried out between the taxpayer and governmental agencies, institutions and organizations is automatically entered in real time (online) into the Integrated Tax Information Management System.

3. The information entered into the Integrated Tax Information Management System is confidential, and the confidentiality of its content is ensured by the authorized state body.

4. The maintenance of the Integrated Tax Information System is carried out by the authorized state body together with the "electronic government" Internet portal in accordance with the legislation on public services.

**Article 81. Obligations of state bodies, institutions and organizations with regards to submitting information to the Integrated Tax Information Management System**

1. State bodies, institutions and organizations, acting within the framework of the agreement, must submit in real time (online) the following information to the Integrated Tax Information Management System:

1) on operations of state registration of legal entities, individual entrepreneurs, branches and representative offices of foreign legal entities by the state registration body;

2) on the use of tax benefits;

3) on the issuance of civil and international passports, including when changes in surnames and names, to substitute for lost or expired passports, cancelled passports by corresponding authorities;

4) on registration (re-registration) of the property right, objects of taxation and transactions related to them, including on their owners;

5) on availability of a permit, license, certificate and other similar documents on their withdrawal, suspension or termination;

6) on accreditation (termination of accreditation) of representative offices of legal entities;

7) on representative offices of international organizations and foreign non-governmental organizations, including entering corresponding records to the above mentioned Registry of representative offices international organizations and foreign non-governmental organizations;

8) on real estate purchase and sale contracts, lease contracts and lease value, on issuance of notarized certificates on inheritance, certificates on gift, on gift contracts that contain information on the degree of kinship between benefactor and gift recipient;

9) on registration (re-registration) of vehicles and their owners;

10) on registration (re-registration) of political parties, public associations, as well as public organizations (non-profit and non-governmental) of foreign states, and religious associations;

11) on registration and/or state registration of land titles and assignment of land for use;

12) on registration of migrants, foreign citizens or stateless persons at their place of residence.

13) on transactions in regard to shares in joint stock companies;

14) on export-import operations and movement (transit) of goods across the customs border, as well as temporary storage of goods in customs warehouses;

15) on storage of goods by non-residents of the Republic of Tajikistan in customs warehouses of the Republic of Tajikistan;

16) on stock exchange transactions;

17) on public procurement of goods (works and services).

2. Information specified in Part 1 of this article is provided to tax authorities free of charge by state bodies, institutions and organizations directly in real regime (online). In the absence of a technical base for transmitting information to the authorized state body, it is sent on paper and in electronic form (by e-mail).

3. Other information not specified in Part 1 of this article is submitted by state bodies, institutions, organizations based on a request from a tax authority before the 15th day of the month following the reporting month.

4. Officials of the relevant state bodies, institutions and organizations are directly responsible for provision of information on objects of taxation provided for in Part 1 and Part 3 of this article.

## CHAPTER 10. RISK MANAGEMENT

### Article 82. Risk management system

1. Risk management system is a set of rules, documents and measures for identifying, assessing risks, responding to risks, as well as monitoring and controlling their level, implemented in accordance with this Code by tax authorities in order to identify and prevent the risk of offending tax legislation, and incentivize responsible taxpayers. Tax authorities apply the appropriate form of tax control based on the results of the risk assessment.

2. Risk is the probability of non-compliance and (or) incomplete compliance of taxpayer (tax agent) with regards to his/her tax obligation, which may result in non-receipt of funds to the state budget.

3. The risk management system is applied by the tax authorities in order to prevent:

− the reduction of tax revenues in the state budget;

− the reduction of tax sources due to shrinkage of the volume of domestic and foreign entrepreneurship and investment;

− taxpayers from escaping to the shadow economy;

− decrease of the national tax system's competitiveness.

### Article 83. Criteria for risk level assessment

1. Risk assessment criteria are developed by the authorized state body together with the authorized state body in the field of entrepreneurship support, and risk level of enterpreneur’s activities are then assessed in line with them using a special program.

2. Taxpayer's risk level, including small, medium and large enterprises, based on the assessment of individual risk levels is defined as high, medium and low.

3. A group of taxpayers with a high level of risk cannot exceed 10 percent of the total number of taxpayers with a risk.

4. Once a taxpayer falls under a high level of risk, the authorized state body sends to his/her personal account information about this and the ways to improve the situation.

**Article 84. Unified Information System for Tax Audits Management**

1. The Unified Information System for Tax Audits Management is developed and maintained by the authorized state body in order to effectively manage the process of tax control, audits, and to ensure transparency of the activities of tax authorities in this area.

2. The Unified Information System for Tax Audits Management consists of the following parts:

− risk assessment and management system, which forms the basis for the planning of audits;

− annual tax audit plans;

− information on the results of each inspection that was carried out;

− taxpayer feedback mechanism based on the results of tax audit;

− information on delinquent taxpayers;

− statistics of tax offences by taxpayers.

3. Orders, notifications and decisions on audits, audit reports and decisions made on the basis of audit findings are registered in the Unified Information System for Management of Tax Audits. Inspections cannot be carried out without registering orders for conducting audits in the Unified Information System for Management of Tax Audits.

4. Information from the Unified Information System for Tax Audits Management is sent in real time (online) in line with the confidentiality regime to the Unified System for Inspections Management of the Republic of Tajikistan.

## CHAPTER 11. USE OF CASH REGISTERS

### Article 85. Use of cash registers

1. All cash turnover during the sale of goods (performance of works and provision of services) in the territory of the Republic of Tajikistan through cash, bank payment cards and other forms of electronic settlements are made with mandatory use of cash registers.

2. When using cash registers, compliance with the following requirements is mandatory:

− registration of cash registers with tax authorities at the place of business of the taxpayer before the beginning of their operation;

− issuance of a cash register receipt for each operation

− connection to the electronic accounting software.

3. The cash register receipt must contain the following information:

− name of a legal entity or full name of an individual entrepreneur;

− taxpayer identification number;

− serial number of the cash register;

− registration number of the cash register;

− counting order of the cash register receipt;

− date and time of issuance of the cash register receipt;

− name of goods (works, services), unit of measurement, quantity, price, amount per each product (work, service), tax amount taking into account the differential rate of value added tax when making cash and non-cash payments, discounts and total purchase amount;

− barcode of the cash register receipt;

− fiscal sign of the cash register.

4. The cash register receipt issued at currency exchange offices, scrap metal, glass receiving points and pawnshops should additionally contain information on the purchase and sale amount.

5. The provisions of this article do not apply to monetary settlements of the following persons:

1) taxpayers in terms of providing services to the population with the issuance of documents equivalent to strict reporting documents, including receipts, tickets, coupons, postage stamps and other documents in the form approved by the authorized state body in the field of finance;

2) sale of agricultural products grown on homesteads by individuals;

3) payers of a unified agricultural tax when selling products of their own production;

4) individual entrepreneurs operating on the basis of a certificate with special conditions in non-stationary places;

5) individual entrepreneurs operating on the basis of a patent.

6. The procedure for the use of cash registers is established by the Government of the Republic of Tajikistan.

7. The taxpayer can use virtual cash regsister that allows data to be transferred to the Unified Tax Information System.

8. The authorized state body, together with other state bodies, approve the State Registry of cash registers allowed for use in the territory of the Republic of Tajikistan.

9. It is prohibited to use machines in retail outlets and payment terminals that are not equipped with fiscal memory and data transfer functions.

10. The taxpayer can simultaneously use a cash register operating through a subscriber identification module (a SIM-card), that has a function of accepting bank cards (non-cash settlements), QR codes and other non-cash payment methods, as well as performing the functions of an electronic accountant in automatic mode.

**Article 86. Control over compliance with the procedure for using of cash registers**

1. Control over compliance with the procedure for using cash registers is carried out by tax authorities in the following areas:

− use of cash registers

− data available in the unit or in the fiscal memory of cash registers;

− registration of cash registers.

2. Test purchases is carried out by tax authorities without limitation of their frequency and only to supervise the use of cash registers and issuance of receipts to buyers in hard or soft copy and the compliance of the purchase amounts, list of goods, works and services indicated in receipt to the actual amount. The procedure for conducting test purchases is established by the authorized state body.

## CHAPTER 12. NOTIFICATION AND CLARIFICATIONS ON FULFILLMENT OF TAX OBLIGATION

### Article 87. Tax authorities notification

1. A notification is a message sent by tax authorities to a taxpayer (tax agent) in writing or in electronic form.

2. Notifications are sent to the taxpayer (tax agent) by the tax authority on the following information:

− amount of taxes calculated by the tax authority;
− results of desk audit;
− failure to file tax returns;
− payment of tax arrears;
− elimination of identified tax offences;
− inclusion of a taxpayer to the list of delinquent taxpayers indicating the grounds and the requirement to eliminate identified offenses.

3. The notification must contain the following information, unless otherwise provided for by this Code:

− taxpayer identification number;
− surname, first name, patronymic or full name of the taxpayer;
− name and address of the tax authority;
− registration date of the tax authority's notification;
− grounds for sending the notification;
− content of the notification;
− deadline for complying with notification;
− procedure for filing an appeal.

4. The notification is sent to the taxpayer (tax agent) electronically or in paper form.

### Article 88. Official interpretation of this Code and clarifications on the fulfillment of a tax obligation

1. The official interpretation of this Code is adopted by the Majlisi Namoyandagon of the Majlisi Oli of the Republic of Tajikistan.

2. Written clarifications on fulfillment of tax obligations shall be provided to a specific taxpayer by the head of authorized state body according to instructions and other legislative acts of the Republic of Tajikistan adopted in pursuance of this Code.

3. The written explanations of the authorized state body will be based on the written request of the taxpayer, if the taxpayer fully and correctly reflects the nature of all aspects of the business transaction (agreement) related to taxation and tax elements, which are further explained to him.

4. Clarifications on the most frequently asked by taxpayers issues are published in the prescribed manner on the official website of the authorized state body.

## SECTION III. ACCOUNTING AND REPORTING

## CHAPTER 13. TAX ACCOUNTING AND TAX REPORTING

### Article 89. Compilation and storage of accounting documentation

1. Tax accounting is the process of maintaining accounting records by a taxpayer in accordance with the requirements of this Code in order to systematize information about tax objects, as well as to calculate taxes and compile tax reports.

2. Accounting documentation consists of accounting documentation and tax reporting.

3. Each taxpayer is obliged to maintain accounting and tax documentation in the state language.

4. Taxpayers are required to maintain accounting documents in accordance with legislation on accounting, regulations of the authorized state body in the area of finen, the authorized state body, and the National Bank of Tajikistan.

5. During the tax audit, at the request of tax authorities, the taxpayer is obliged to provide electronic copies of paper-based accounting documents.

6. Taxpayers are obliged to keep accounting records in the Republic of Tajikistan during the limitation period. If a tax audit or appeal of a tax obligation begins before the expiration of the statute of limitations, taxpayers must keep accounting documents until the completion of the audit and appeal procedures.

7. A non-resident, carrying out activities in the Republic of Tajikistan through a permanent establishment without creation of a branch or a representative office, shall keep accounting documentation at the location of its office in the Republic of Tajikistan or, in the absence of the office, shall keep it in the office of the agent of the given non-resident in the Republic of Tajikistan.

8. In case of reorganization of a legal entity, obligations on retaining of accounting documentation of the reorganized legal entity shall be imposed on its successor.

9. In the event of liquidation or any other form of termination of the activities of a legal entity, all managers, partners and controlling shareholders of this legal entity ensure the storage of accounting documents for the period of limitation, taking into account the provisions of part 5 of this Article. Upon liquidation or other form of legal entity's business termination, these documents are transferred to the state archive in the manner established by the legislation.

### Article 90. General rules of tax accounting

1. A taxpayer is obliged to keep records of his/her income and expenses on the basis of documented information for the corresponding reporting periods using the accounting method established by this Code.

2. The taxpayer keeps tax records in the manner prescribed by this Code, using cash method or accrual method.

3. The taxpayer is obliged to ensure the accounting of all transactions related to his activities, allowing to determine their start, course and end.

4. Taxpayers who simultaneously carry out various types of activities for which different conditions and regimes of taxation are established in this Code, are obliged to keep separate accounting of taxable items based on accounting indicators in accordance with such conditions and regime.

5. Barter operations, payment by transfer of goods, performance of works or rendering services, transfer of pledged object to the pledge, by non-performance of the collateralized obligation by the debtor, for the purposes of taxation shall be treated as sale of goods, performance of works and rendering services.

6. For the purposes of taxation, any operation in a foreign currency shall be converted into the national currency of the Republic of Tajikistan, according to the discount rate of the National Bank of Tajikistan on the day of transaction. With the prior written permission of the tax authority, the taxpayer has the right to transfer taxable income and expenses into the national currency at the average exchange rate of the National Bank of Tajikistan for the tax period.

7. A foreign currency for which there is no official discount rate of the National Bank of Tajikistan, shall be defined and converted into the discount rate of the foreign currency based on the exchange rate of the respective currencies against the United States dollar (hereinafter, the USD).

8. A person receiving income and incurring expenses in a functional currency may decide to account for these amounts in the functional currency. A person can switch to using the functional currency only if both of the following conditions are met:

- the functional currency is the approved functional currency as established by the Ministry of Finance of the Republic of Tajikistan;

- the legal entity maintains financial statements in the functional currency in accordance with International Financial Reporting Standards.

9. In accordance with paragraph 8 of this article, an entity must submit an application for a decision on the use of functional currency during the reporting period to the tax authority before the date of filing a tax return for the reporting period. The decision to use the functional currency remains in effect until the person complies with the conditions of paragraph 8 of this article, or stops using the functional currency with the permission of the tax authority.

10. When generating income or incurring expenses not denominated in the functional currency (including income and expenses denominated in somoni), an entity that chose the functional currency must convert them to the functional currency based on the conversion rate used in the taxpayer's financial statements.

11. An entity that chose to use the functional currency for the reporting period must calculate taxable profit and tax payable for the period in the functional currency and either:

- convert the tax amount in the functional currency into the national currency at the average exchange rate of the National Bank of Tajikistan for the period; or

- with the written permission of the tax authority, pay the tax due in the functional currency.

12. A legal entity that makes an informed decision to use the functional currency or stops using the functional currency must comply with any transitional rules established by the Ministry of Finance of the Republic of Tajikistan.

**Article 91. Procedure for accounting of income and expenses**

1. Taxable income (profit) shall be calculated on the same basis of accounting, which is used by the taxpayer (tax agent) for its accounting, unless otherwise specified by this article.

2. Unless otherwise provided for by this Code, for the taxation purposes:

− legal entities and individual entrepreneurs taxed in accordance with Chapter 52 of this Code, with the exception of legal entities and individual entrepreneurs carrying out activities in accordance with the provisions of Part 4 of Article 375 of this Code, must use cash basis accounting;

− other persons not specified in the first paragraph of this part must use accrual basis accounting.

3. In the case of changing the accounting method used by the taxpayer, adjustments to the accounting of income, expenses and other elements that affect the amount of tax must be made in the year the change was made in the accounting method so that none of the above elements is overlooked or accounted for twice.

4. In relation to Value Added Tax and excise tax payers, income and expenses are accounted for without value-added tax and excise taxes, except for expenses for which the value-added tax credit is not allowed. The value of an asset purchased by a person registered as a Value Added Tax payer does not include the amount of Value Added Tax payable unless the Value Added Tax amount is not allowed for credit.

**Article 92. The procedure for accounting for income and expenses on a cash basis**

1. A taxpayer keeping records on a cash basis shall, in accordance with this article, take into account the income at the date of its receipt and make deductions of the expenses at the date of their actual incurrence.

2. The date of receipt of cash and the date of crediting money to the taxpayer bank account or another account, that can be operated by him/her or from which he/she can receive stated funds, is considered as the date of income acquisition.

3. If the settlement on a cash basis for the goods supplied, work performed or services rendered has not been made for a period exceeding 6 calendar months, regardless of the provisions of Part 1 of this Article, for tax purposes, the settlement shall be considered made in the last full calendar month.

4. In case of fulfillment of taxpayer's financial obligation, in particular in the case of mutual settlement, the date of income receipt is considered the date of obligation fulfillment.

5. The date when expenses were actually incurred by a taxpayer should be considered as the datewhen expenses were incurred, unless otherwise stipulated in this article.

6. If the taxpayer pays in cash, then the date of actual cash payment is considered the date of expenditure, and in the case of non-cash payment, this is considered to be the date of receipt by the financial credit institution of the taxpayer's order to conduct money transfer transaction.

7. Upon payment of interests on debt obligation or payment for the lease of property, if the debt obligation term or lease agreement covers several tax periods, the amount of interest (lease payment) due for that period is considered to be the amount of paid interest (lease payment), actually deducted for the tax period.

**Article 93. The procedure for accounting for income and expenses on an accrual basis**

1. A taxpayer keeping records on the accrual basis should account for income and expenses, at the time obtaining income right or the occurrence of the obligation to make a payment, respectively, regardless of the time of actual receipt of income or payment in accordance with this Article.

2. The right to receive income is considered to be acquired at the time when the corresponding amount is subject to unconditional payment to the taxpayer or the taxpayer has fulfilled his obligations under the transaction or contract. For these purposes, the right to receive income remains regardless of the deferral and installment plan for the fulfillment of obligations.

3. If the taxpayer performs work or provides a service, the right to receive income is deemed to have been acquired at the time of the final performance of the work or provision of the service stipulated in the contract.

4. If the contract provides for the phased performance of work or the provision of services, the right to receive income shall be deemed to have been acquired at the time of completion of this phase of work or service, unless otherwise provided by Article 96 of this Code.

5. If the taxpayer receives income or is entitled to income in the form of interest or from renting out property, the right to receive income is considered to be acquired at the time of the expiration of the debt or a lease agreement. If the term of the debt or lease agreement covers several tax periods, the income is distributed over these tax periods in accordance with the procedure of its accrual.

6. The date of payment of expenses related to a contract is the date of fulfillment of all of the following conditions, unless otherwise provided in this article:

− if the taxpayer recognizes the financial obligation;

− if the value of the financial obligation is accurately assessed;

− if the parties complied with all their obligations under the contract and the relevant amounts are subject to payment.

7. In connection with the terms provided for in part 6 of this article, a financial obligation means an obligation assumed by the taxpayer in accordance with a contract, for the purpose of which the other party participating in the contract must provide the taxpayer with the relevant income in monetary or other form.

8. When the interest is paid on a debt obligation or payments are made for leased property, the expiry date of the debt obligation or lease agreement is considered to be the moment of expiry of the term of debt obligation or lease agreement. If the term of a debt obligation or lease agreement spans several tax periods, the expense is allocated to these tax periods in the order in which it is accrued.

**Article 94. Joint ownership taxation**

In the event of a written agreement on joint ownership of the property or joint performance of entrepreneurial activity or other written agreement, providing not less than two owners, but without establishing of a legal entity, they shall be subject to taxation in accordance with their equity stakes. In the case it is impossible to determine the shares of the owners in the joint property, the owners of the property are considered to have equal shares.

**Article 95. Special features for determining incomes and deductions under long-term contracts**

1. A taxpayer entering into a long-term contract must include in the gross income for each tax period of the contract a percentage of the taxpayer's estimated total taxable income under the contract, in proportion to the share of works completed in accordance with financial reporting standards, as defined in part 2 of this article. A "long-term contract" - is a construction or engineering contract that will take more than 12 months to complete.

2. The completion rate of the long-term contract by the taxpayer for the tax period is based on the total costs incurred by the taxpayer during the period as a percentage of the total estimated contract costs.

3. The estimated total taxable income of a taxpayer under a long-term contract is the total estimated income to be received by the taxpayer during the term of the contract, less the total estimated deductible expenses incurred by the taxpayer during the term of the contract.

4. If the taxpayer suffered a loss in the last tax period under the long-term construction contract and the taxpayer cannot transfer the loss in accordance with Article 197 of this Code due to the termination of commercial activities in the Republic of Tajikistan, the taxpayer can carry back the loss to the previous tax period, and the loss is allowed as a deduction for this period. If the taxpayer cannot fully deduct the loss carried back to the immediately preceding tax period, the excess amount may be carried back to the next preceding tax period and allowed as a deduction for that period, but such loss may not be carried back to more than two periods.

5. For the purposes of part 4 of this article, the taxpayer is considered to have incurred a loss for the last tax period under a long-term contract if the proposed total taxable income to be obtained under the contract referred to in Part 3 of this article exceeds the actual total taxable income under the contract and the excess amount exceeds the amount to be included in gross income in accordance with part 1 of this article for the tax period in which the contract was executed.

**Article 96. Procedure for the inventory accounting**

1. For taxation purposes, inventory accounting is carried out in accordance with the provisions of the legislation on accounting.

2. Upon inventory accounting, the taxpayer must reflect in the tax report the cost of the goods produced or purchased by him, determined, on the basis of production costs (i.e., all costs associated with the production of goods are taken into account) or the purchase price, correspondingly, as well as the costs of their storage and transportation.

3. A taxpayer has the right to estimate and consider the cost of defective and or obsolete goods or products that for these or similar reasons cannot be sold at a price higher than the cost of their production (purchase price), based on the price at which they can be sold.

4. In respect of goods for which individual records are not maintained, the taxpayer has the right to use one of the following methods for inventory accounting:

− inventories valuation (FIFO) method, according to which, for the reporting period, goods classified as inventories at the beginning of the reporting period are considered to be sold (used) first, and then goods produced (purchased) during the reporting period in the order of their production (acquisition);

− valuation method based on the average cost of product.

5. Taxpayers are required to provide for the electronic labeling system of goods in accounting.

**Article 97. Accounting in financial lease (leasing)**

1. In cases when a lessor is an owner of depreciable tangible property before the beginning of a financial lease (leasing), the operation shall be treated as the sale of the property by the lessor and its purchase by the lessee.

2. Depreciable tangible property leased out under a financial lease (leasing) agreement shall be recorded on a lessee's balance sheet during the validity period of the financial lease (leasing) agreement, which shall give the lessee the right to make deductions related to the leased object (in particular, depreciation and repair expenses).

3. The following rules apply to depreciable tangible property leased under a financial lease (leasing) agreement:

– the lessee is recognized as the owner of the leased property, and the property is recorded on its balance sheet during the term of the financial lease (leasing) agreement;

– lessee is entitled to deduction of the costs of the rented property (especially depreciation and repair costs);

– for the lessee at the beginning of the lease, the purchase cost of the leased property is equal to the value specified in the contract. If the lessor and the lessee are related persons, then at the date of lease commencement the value of the financially leased property shall be equal to the fair market value.

– at the date of lease commencement the lessor shall be deemed to be a creditor to the lessee and the amount of the loan shall be equal to the value of the leased property;

– each financial lease payment is treated as a partial repayment of the principal amount of the loan and the partial payment of interest on the loan. The interest in terms of each financial lease payment is calculated with the reference to the interest rate specified in the lease agreement.

**Article 98. Tax reporting**

1. Tax reporting is a process that includes filing of application, calculations and returns for taxable regimes, each type of tax or income paid, as well as annexes to calculations and tax returns prepared in the manner prescribed by this Code.

2. Tax reporting consists of:

– tax returns, calculations, information that are to be prepared by a taxpayer for each type of tax;

– applications for registration or for conversion to other tax regimes;

– application for registration as value-added tax payer;

– applications for refund of overpaid or of erronesously paid tax and (or) for refund of value-added tax;

– applications for permission to apply the provisions of agreements on avoidance of double taxation and other international legal acts on taxation issues recognized by Tajikistan;

– annual accounting records, reports of conducted audits in respect of a taxpayer foreseen by audit standards;

– information on opening of accounts in financial credit institutions;

– copies of decisions on liquidation or reorganization, or bankruptcy of a legal entity;

– information on external economic activity (import and export);

– information about obtaining licenses for certain types of activities;

– information about registration of land use right and (or) any other document, which gives the right of land use.

**Article 99. The procedure for preparing tax reports**

1. The taxpayer (tax agent) or his representative, as well as tax authority and (or) other authorized bodies participating in tax relations, shall compile tax reports in electronic or paper forms in the state language and in accordance with the procedure and forms established by this Code.

2. The procedure, types and forms of tax reporting are determined by the authorized state body in agreement with the authorized state body in the field of finance.

3. Responsibility for the accuracy of the data specified in the tax reporting lies with the taxpayer.

4. Tax reporting is submitted to the relevant tax authorities in the manner and within the time limits established by this Code.

5. Taxpayers whose activities are subject to different taxation conditions, as well as those using different tax regimes, prepare and submit tax reports for each type of activity and regime within the established time limits.

**Article 100. Submission of tax reporting**

1. Tax reporting shall be submitted to a tax authority at the place of registration of the taxpayer within the deadlines established by this Code. In cases provided for by this Code tax reporting for some types of taxes also shall be submitted by a taxpayer at the place of registration of the objects of taxation.

2. Individuals not engaged in individual entrepreneurship activities shall submit a tax return to tax authority at the place of residence.

3. Tax reporting shall be deemed submitted to the tax authority if it contains the taxpayer identification number, tax period, type and amount of tax, and (or) the date of submission of tax reports. If the tax authority detects errors and (or) other inconsistencies in the submitted tax reporting, it is obliged to immediately notify the taxpayer of this error and (or) inconsistency. In this case, the taxpayer submits corrected or additional statements, or a return, and penalties for late filing of a declaration are not applied.

4. Making amendments and additions to tax reporting within the period of limitation is permitted by submitting an additional tax reporting for the tax period to which amendments and additions are related.

5. Upon submitting tax reporting with amendments and additions to the tax authority before receipt of the notification, in the established manner, on the appointment of the on-site audit, the taxpayer is exempted from the accrual and payment of a fine for the committed offense. At the same time, interest for late payment of taxes is accrued and paid in the prescribed manner.

6. Taxpayers, tax agents have the right to chose one of the following for submitting tax reporting:

− in electronic form;

− by post;

− in person or via a representative.

7. Regardless of part 6 of this article, any taxpayer who is a payer of the value added tax is required to submit tax returns electronically.

8. If, in accordance with the procedure established by the legislation of the Republic of Tajikistan, a legal entity is not liquidated or an individual entrepreneur (a separate subdivision of a legal entity) has not stopped entrepreneurial activity, then the above stated persons shall submit tax declarations to the tax authorities in accordance with the requirements of this Code, regardless of their activities.

9. Tax reporting is accepted without a preliminary desk audit. This article does not apply to an additional tax return submitted by a taxpayer in accordance with article 107 of this Code.

**Article 101. Extension of deadline for submitting tax returns**

1. For bona fide taxpayers who apply to the tax authority to extend the deadline for submitting a tax return on income of a legal entity before the deadline for submitting a tax return, if the taxpayer has paid the pre-calculated amount of tax, the deadline for submitting the declaration is extended by two months.

2. Extension of the deadline for submitting a return in accordance with part 1 of this article does not change the deadline for payment of tax and does not lead to the suspension of the accrual of interest for late payment of taxes.

3. The deadline for filing a tax return and payment of taxes in case of natural disasters (earthquakes, floods) and emergency situations (epidemic, pandemic) for all taxpayers or a group of taxpayers is extended by a resolution of the Government of the Republic of Tajikistan.

**Article 102. Provision of information on payments or other transactions**

A legal entity, a branch and a representative office of a foreign legal entity, a permanent establishment of a non-resident and an individual entrepreneur, who have made payments in favor of other persons in a calendar year, shall provide to tax authorities relevant information on the payments in the manner and in the cases established by authorized state body upon coordination with the authorized state body in the field of finance.

**Article 103. Submission of information to tax authorities**

1. When exercising tax control, tax authorities, based on a written notification, may require any person and relevant authorities within 10 days to submit the information specified in the notification, including relationship of a certain taxpayer with other taxpayers, with the exception of information available in the electronic database of the tax authorities.

2. For taxation purposes, the authorized state body has the right to request from financial credit institutions, communication service and its structures, other legal entities and individuals, information on the transfer of funds by foreign persons providing remote services in the Republic of Tajikistan, and receive a response within 5 business days. The procedure for obtaining information is determined by the authorized state body upon coordination with the National Bank of Tajikistan and the Communication Service under the Government of the Republic of Tajikistan.

3. In course of an on-site tax audit for the purpose of gathering information, an authorized official of tax authority has the right according to the procedure established by legislation of the Republic of Tajikistan:

– make a copy of any accounting and other documentation related to taxation;

– seize accounting and other documentation related to the field tax audit in the prescribed manner on the basis of a withdrawal certificate;

– seal accounting and other documentation and prohibit its use;

– take readings of electronic labelling devices and meters of goods production.

4. If the authorized employee of the tax authority seizes the originals of accounting and other documentation on the basis of the powers provided for in part 3 of this article, he/she undertakes the responsibility to return the originals of the documents to the taxpayer no later than 10 business days.

5. Access of employees of the tax authority to documents or objects containing secrets is carried out in accordance with the legislation of the Republic of Tajikistan on commercial and state secrets.

**Article 104. Retention period for tax reporting**

1. For the taxation purposes, tax reporting is retained by taxpayers (tax agents) at least for the limitation period, established by this Code.

2. In the case of legal entity reorganization, the obligations to retain tax reporting are imposed on its successor. In the case of division of a legal entity into several newly created legal entities, the obligations to retain tax reporting are assigned to the successor that owns the largest share.

**Article 105. Bank accounts and provision of information**

1. Financial credit institutions must:

– on the basis of an information letter from tax authorities, open bank accounts of individuals and legal entities, with the exception of deposit accounts of individuals, send this information to the tax authority within 5 days via the electronic communication network;

– perform all banking transactions with the indication of the taxpayer identification number;

– within 5 days, submit to tax authorities, upon their written request, the information on audited taxpayer's bank accounts, balances and cash flow in these accounts;

– when accepting payment documents on the payment of taxes, require the indication of taxpayer identification number, types of taxes paid (tax codes), and also control the accuracy of indicated bank details of the payment recipient.

– upon written request of the tax authority, within 5 days, provide the information on bank accounts, balances and cash flow on these accounts of the taxpayer concerning whom a decision was made to extrajudicially collect recognized tax arrears, and/or about taxpayers, recognized as delinquent.

2. The procedure, form and terms for providing information are established by the authorized body in agreement with the National Bank of Tajikistan.

3. For the purposes of this article, accounts of state organizations (institutions) opened in the Main Department of Treasury of the Ministry of Finance of the Republic of Tajikistan are considered equal to bank accounts.

## CHAPTER 14. ACCOUNTING OF FULFILLMENT OF TAX OBLIGATION

**Article 106. Basis for recording the fulfillment of tax obligations**

1. Recording the fulfillment of tax obligations, including the following actions, is carried out by the tax authority through maintaining the taxpayer (tax agent) personal account: ;

− opening a personal account for each type of tax

− reflecting in personal account of the estimated (accrued), credited, paid, refunded amounts of tax, fines and interest, the amount of deferral or installment plan for payment of taxes, disputed and hard-to-collect debts;

− closing a personal account.

2. The estimated tax amount is the tax amount established by this Code, calculated by the taxpayer (tax agent), tax authorities, authorized state bodies established by this Code.

3. In this Code, the amount of accrued tax (tax liability) means the amount of taxes, fines and interests accrued by tax authorities for a given tax period. The accrual of taxes, fines and interest, including an increase or decrease in liabilities, is made by tax authorities in the following cases:

− based on the results of the on-site tax audit;

− failure to comply with the deadlines for filing tax returns;

− based on the results of desk control, time metering survey or other forms of tax control;

− increase or decrease of tax liabilities following the review of the taxpayer's (tax agent's) complaint against the decision made by tax authority;

− filing additional (amended) tax return in accordance with Article 107 of this Code.

4. Tax liabilities that are not fulfilled in due time and are recognized as tax arrears, which are difficult to recover, are separately recorded by the tax authorities. The procedure for maintaining and special conditions for the fulfillment of such tax obligations are determined by the authorized state body in agreement with the authorized state body in the field of finance.

5. Recording of paid, credited, refunded taxes, fines and interest in the personal accounts of the taxpayer (tax agent) is carried out on the basis of the following payment and other documents:

− on the payment of taxes, penalties and interest;

− on credits, refunds of excessively paid amounts of taxes, fines and interest;

− on credits and refunds of the excessively accrued and (or) paid amounts of the value added tax;

− on collected amounts of tax arrears, fines, interest.

6. The amended deadline for the fulfillment of tax obligations is reflected in the bankbook of a taxpayer. During the amended period for the fulfillment of tax obligations, including payment of taxes, fines and interest, the tax authority does not apply liability and enforced collection measures against the taxpayer.

7. The amount of interest accrued in accordance with this Code, indicating the period for which it was accrued is indicated in the bankbook of a taxpayer (tax agent).

8. If there is specific information about leaving the country, transferring assets to another person, or taking other fake actions with assets that may prevent the collection of tax, the tax authority has the right to deposit the assessed amount of tax into the bankbook and demand its immediate payment if this measure is necessary to ensure the collection of tax.

9. Accounting for the receipt of taxes in the budget is carried out by tax authorities by reflecting the amounts of taxes, accrued and paid fees, as well as interest and penalties in the bankbook of the taxpayer. The procedure for maintaining a bankbook of a taxpayer is determined by the authorized state body in agreement with the authorized state body in the field of finance.

10. Accounting of the receipt of customs payments to the budget, as well as interest and fines paid in connection with the movement of goods across the customs border of the Republic of Tajikistan, is carried out by the customs authorities. The accounting procedure is determined by the Customs Service of the Republic of Tajikistan in agreement with the authorized state body in the field of finance.

11. The accounting procedure for the receipt of state duties and other payments to the budget levied by other state bodies and organizations is determined by the authorized state body in agreement with the authorized state body in the field of finance.

**Article 107. Supplementary tax return**

1. If tax authorities identify discrepancies with the tax return submitted by the taxpayer for the tax period, with the submission of a written notice, the tax authority may require the taxpayer to submit a supplementary tax return for the period specified in the notice. The tax authority may send a taxpayer a notice in accordance with this part only during the limitation period. The taxpayer must file a supplementary return in accordance with this part within the period specified in the notice.

2. If the taxpayer has submitted the supplementary tax return in accordance with part 1 of this article, the tax authority may serve the taxpayer with a notification on the supplementary tax return in accordance with part 4 of article 111 of the Code within 30 days after filing of the return.

3. A taxpayer who has filed a tax return for the period in which the provisions of paragraph 1 of Article 99 of this Code apply, may file a supplementary tax return indicating the changes, necessary in the opinion of the taxpayer, correction of self-assessment so that the taxpayer is responsible for the correct determination of the amount of tax for this period. The supplementary tax return must state the reasons for the change.

4. If the taxpayer has submitted the summpementary tax return in accordance with part 2 of this article, the tax authority should within 30 days after filing of the supplementary return:

− accept the supplementary taxpayer's return in full or in part and send to the taxpayer a notice on the supplementary (revised) tax return in accordance with part 4 of of article 111 of the Code;

− reject the supplementary (revised) taxpayer return by forwarding the taxpayer a written notice.

**Article 108. Place of tax payment and budgets to which taxes are credited**

1. National taxes are paid to the republican budget, and local taxes - to local budgets, unless otherwise provided by the legislation of the Republic of Tajikistan.

2. Calculated (accrued) taxes, fines and interest are payable:

− at the place established by the relevant tax legislation of the Republic of Tajikistan;

− at the place indicated in the notification of the tax authority about the calculation (accrual) of tax and the requirements to pay tax;

− if the tax authority notification on the calculation (accrual) of tax is not required, in the place specified in the corresponding tax legislation of the Republic of Tajikistan;

− if the place is not specified in the corresponding tax legislation of the Republic of Tajikistan, then

− at the place of residence of an individual taxpayer, at the place of business of an individual entrepreneur or at the place of state registration of a legal entity (branch and representative office of a foreign legal entity), or at the location of a tax agent (branch and representative office of a resident legal entity).

3. The Law on the State Budget of the Republic of Tajikistan for the corresponding fiscal year establishes the percentage ratio of state taxes between the republican budget and local budgets.

4. Taxes, fines and interest calculated (additionally accrued) in accordance with this Code must be paid within the time limits established by this Code, and transferred to the relevant budget in accordance with the Law on the State Budget of the Republic of Tajikistan for a corresponding fiscal year.

5. Taxes regulated in accordance with the Law on the State Budget of the Republic of Tajikistan for a corresponding fiscal year according to the established ratio are automatically distributed among the corresponding levels of budgets by transferring them to regulated accounts of the Central Treasury of the Ministry of Finance of the Republic of Tajikistan.

6. The collection of property taxes and land tax from individuals in rural areas can be carried out through the automated electronic payment system with the provision of a confirmation

receipt, including by an authorized official of the tax authority with the assistance of employees of local self-government bodies.

7. The authorized state body in the field of finance, the authorized state body in the field of taxes and financial credit institutions must regularly post on their official websites details of bank and treasury accounts to which taxes, fines and interest are paid.

8. Regardless of the provisions of parts 1-7 of this article, income tax and social tax in respect of individuals working in separate divisions of legal entities are payable to the budget at the location of separate divisions, taking into account the distribution of the amounts of these taxes between the republican and local budgets in accordance with the Law on the State Budget of the Republic of Tajikistan for a corresponding fiscal year.

**Article 109. The sequence for fulfillment of tax obligations**

1. Tax obligations of ataxpayer are fulfilled in the following order:

− calculated (additionally accrued) amounts of taxes;

− calculated interest;

− calculated fines.

2. Taking into account the provisions of Part 1 of this Article, payment of taxes, fines and accrued interest to cover the taxpayer's tax liability shall be made in the following sequence:

− firstly, tax obligations for previous years;

− subsequently, tax arrears that were accrued later;

− finally, tax liabilities for the current year.

**Article 110. General conditions for changing deadlines for tax payments**

1. The change in the deadline for paying tax in the manner established by this chapter recognized as the postponement of payment to a later date.

2. Due date of tax payment may be changed depending on the total amount of tax or its part due (hereinafter in this chapter - the amount of arrears), interest accrued on the amoun of arrears , unless otherwise provided by this chapter.

3. Tax payment due date change is carried out in the form of a tax deferral (deferral) or an installment plan (payment in installments).

4. Deferral is allowed from the first day of tax payment for the period established by Article 112 of this Code. Payments made in installments are made on the basis of an agreement between the tax authority and the taxpayer with the establishment of specific payment terms for a period not exceeding one year.

5. A deferment or installment payment may be granted on the basis of a taxpayer's application in respect of the amount of arrears that arose before the decision to grant a deferment or installment payment, or in respect of tax arrears that will arise in the future.

6. Changing the tax due date neither cancels the existing tax liability and nor creates a new tax liability.

7. It is allowed to change the tax payment due date by the decision of the authorities envisaged in article 112 of this Code, regardless of the provisions of this article, upon a surety or a bank guarantee in accordance with articles 137-138 of this Code, unless otherwise provided for in this chapter.

8. The provisions of this chapter shall also apply when granting a deferral or installment plan for the payment of interest and fines.

**Article 111. Circumstances precluding a change in deadline for tax payments**

1. Tax payment deadline is not subject to change if one of the circumstances is present:

1) if a criminal case has been initiated against the taxpayer in connection with violation of tax legislation based on the tangible elements of offence;

2) if there are sufficient grounds for the taxpayer to apply such changes to conceal money or other property in the territory of the Republic of Tajikistan, or the person intends to defect the country for permanent residence abroad;

3) if the decision to change tax payment deadline in relation to this taxpayer was canceled during the last three years before the date of filing the application due to the violation of the conditions for changing the tax payment deadlines;

4) if bankruptcy process is initiated.

2. Conditions specified in Part 1 of this article do not apply to the cases provided for by Part 2 of Article 113 of this Code.

3. In the cases provided for in Part 1 of this article, the decision to change due dates of tax payment shall not be made, and the decision made is subject to cancellation.

4. The authorized state body is obliged to notify the taxpayer and the tax authority at the place of its registration in writing within three days from the day following the date of cancellation of the decision to change the tax payment deadline.

5. A taxpayer has the right to appeal against decisions taken in accordance with the procedure established by this Code.

**Article 112. Making a decision on deferral of tax payments**

1. The decision to defer general state taxes is made by the Government of the Republic of Tajikistan on the proposal of the authorized stae body in the area offinance for a period not exceeding 1 year.

2. The decision to defer local taxes is made by the Majlis of People's Deputies of the corresponding city (district) on the proposal of the corresponding financial and tax authorities of the city (district) for a period not exceeding 6 months.

**Article 113. Conditions for granting a deferral or installment plan for payment**

1. A tax deferral or installment plan is granted to taxpayers whose financial situation does not allow them to fulfill their tax obligations for a certain reporting period, however, there are sufficient grounds to believe that in the event of a deferment or installment plan, the taxpayer will ensure the payment of the prescribed tax.

2. Regardless of provisions of Part 1 of this Article, a deferral or installment plan for the payment of tax is granted to taxpayers on at least one of the following grounds:

1) damage caused to taxpayer as a result of natural disaster, man-made disaster, or other force majeure circumstances;

2) probability of the taxpayer's bankruptcy (insolvency) in case of lump-sum payment of tax liabilities;

3) property position of an individual (excluding property, which cannot be taxed in accordance with the legislation of the Republic of Tajikistan) excludes the possibility of lump-sum payment of a tax;

4) if there are provisions established by the customs legislation of the Republic of Tajikistan in relation to customs payments in connection with the movement of goods across the customs border of the Republic of Tajikistan;

5) failure to make payments to the taxpayer within the contractual period for the execution of a state order, performance of works and (or) services for state needs and the needs of local bodies of state power from the state budget.

3. If there are grounds specified in paragraphs 1) to 4) of Part 2 of this Article, the deferral or installment plan for the payment of a tax shall apply in accordance with the following requirements:

1) legal entity - not higher than the value of the taxpayer's net assets in relation to tax liabilities;

2) individual - not higher than the value of the taxpayer's property (with the exception of property on which tax collection cannot be levied in accordance with the legislation of the Republic of Tajikistan) in relation to tax liabilities.

4. If a deferral or installment plan for payment of tax is granted on the grounds specified in paragraphs 1) or 5) of part 2 of this article, interest on such tax liabilities is not charged.

5. If a deferral or installment plan for payment of tax is applied on the grounds provided for in subparagraphs 2) - 4) of Part 2 of this article, interest is accrued on such tax obligations at the rates applicable during the deferral or installment plan period.

6. Granting deferral or installment plans in respect of taxes withheld at the source of payment and social tax is prohibited.

7. During the reorganization of a legal entity, it is prohibited to assign the rights to fulfill tax obligations under the amended terms to another person, except in cases provided for by this Code.

**Article 114. The procedure for granting deferral or installment plan for payment**

1. An application for a deferral or installment plan for the payment of tax is submitted by the taxpayer to the authorized state body.

2. The following documents should be attached to the application:

1) reconciliation statement between the tax authority at the place of registration and the taxpayer;

2) information certificate on the taxpayer's accounts with credit financial institutions;

3) statements from accounts in financial credit institutions on turnover and cash balances for 6 months prior to the application;

4) taxpayer's repayment schedule for the period of deferred payment or payment by installments;

5) documents confirming the existence of grounds for changing the due date of tax payments specified in parts 3-8 of this Article.

3. In accordance with the provisions provided for in paragraph 1) of part 2 of Article 113 of this Code, the following documents must be attached to the taxpayer's application for a deferral or installment plan for payment:

1) the conclusion of local bodies of civil defense, population protection, territorial bodies on emergency situations and local government bodies on the fact of the occurrence of force majeure circumstances in regard to the taxpayer;

2) a report of local bodies of civil defense, population protection, territorial bodies on emergency situations and local government authorities on the assessment of damage caused to a taxpayer as a result of force majeure circumstances.

4. The presence of the grounds specified in paragraph 2), part 2, Article 113,) of this Code are established by the authorized state body or its representative basing on the analysis of the taxpayer's financial situation. The procedure for conducting such an analysis is approved by the Ministry of Finance of the Republic of Tajikistan in coordination with the Ministry of Economic Development and Trade of the Republic of Tajikistan? the authorized state body, and the National Bank of Tajikistan.

5. Information on movable and immovable property of a taxpayer (with the exception of property that cannot be seized in accordance with the legislation of the Republic of Tajikistan) is attached to the application of a person concerned for granting a deferral or instalment payment plan on the grounds specified in paragraph 3), Part 2 of Article 113 of this Code.

6. Taxpayer's application for a deferral or installment plan on the grounds specified in paragraph 5), part 2, Article 113 of this Code should be accompanied by a document of the financial authority confirming the existence of such grounds and the amount due for payment from the state budget.

7. In the application for tax deferral or installment plan, the taxpayer undertakes the liability to pay interest accrued in accordance with this chapter.

8. At the request of the authorized bodies, the taxpayer submits a bank guarantee or surety issued in compliance with the provisions of the legislation of the Republic of Tajikistan.

9. At the request of the taxpayer, the authorized body has the right to decide on a temporary suspension (during the period of application review) of the tax payment and notify the taxpayer and the tax authority at the place of registration about such decision. The term for making such a decision cannot exceed 3 business days.

10. Acceptance or refusal to make a decision on granting a deferment is made by authorized bodies, and on payment by installments - by an authorized state body within 30 days from the date of receipt of the taxpayer's application.

11. The decision to grant a deferral or installment plan for the payment of tax should contain at least the following information:

1) taxpayer’s name

2) the amount of tax arrears;

3) tax, upon payment of which a deferral or installment plan is granted;

4) Term and procedure for the payment of the amount of arrears and accrued interest.

12. The decision to grant tax deferral or payment by installments becomes effective on the date specified in this decision.

13. The decision to refuse a deferral or payment by installments must be justified.

14. The taxpayer has the right to appeal against the decision to refuse the deferral or installment plan in the manner prescribed by the legislation of the Republic of Tajikistan.

15. A copy of the decision to grant or refuse a tax deferral or payment by installments is sent by the authorized body to the taxpayer and the tax authority at the place of registration within three days from the date when such decision was made.

**Article 115. Termination of tax deferral or payment by installments**

1. Tax deferral or installment plan shall be deemed terminated if:

− the accrued amounts of tax and interest have been paid before the expiry of the established period;

− the term of the decision on deferral or installment plan has expired:

− the taxpayer failed to comply with the terms of deferral or installment plan within the allotted time.

2. A notification on cancellation of a decision to grant tax deferral or installment plan is sent by the authorized state bodies and the authorized state body, respectively, to the taxpayer within five days from the date of the decision, and a copy of such a decision is sent to the tax body at the place of registration of the taxpayer in the manner established by this Code.

3. The taxpayer has the right to appeal against the decision on termination of the deferral or installment plan in the manner established by legislation of the Republic of Tajikistan.

**Article 116. General provisions on crediting and refunding the overpaid and excessively collected taxes**

1. The overpaid amount of tax, fines and interest for the tax period, with the exception of the cases provided for in Article 274 of this Code, is a positive difference between the amount paid and the amount of accrued (additionally accrued) taxes, fines and interest for that tax period.

2. The amount of overpaid or excessively collected tax shall be refunded to the taxpayer. In this case, the taxpayer has the right to use the amounts of the overpaid or excessively collected tax for forthcoming payments for this type of tax.

3. The repayment of tax liabilities by means of overpaid or excessively collected tax is carried out in the following sequence:

1) to pay arrears on interest in regard to overpaid or excessively collected tax (if such circumstances exist)

2) to pay arrears on other types of taxes and interest on them to the relevant budgets;

3) to pay fines for tax violations to the respective budgets.

4. The amount of overpaid or excessively collected tax shall be refunded to the taxpayer in whole or in part based on the taxpayer's application in accordance with the sequence established by part 3 of this article.

5. Refunds to a taxpayer of the overpaid or excessively collected tax amounts shall be carried out in accordance with parts 1-3 of this article and in the manner established by Articles 117 and 118 of this Code.

6. The credibility of the tax amounts overpaid or excessively collected is determined by drawing up a reconciliation statement between the tax authority and the taxpayer in the manner established by this Code.

7. The rules established by this chapter also apply to the credit or refund of the following overpaid or excessively collected amounts:

− advance and current payments of taxes, fees, interest and fines;

− duties, interest and fines imposed by other authorized bodies;

− taxes, interest and fines paid by mistake;

− amount of value added tax, with the exception of the provisions of Article 274 of this Code.

**Article 117. Procedure for crediting or refunding of excessively paid tax amounts**

1. Crediting the amount of overpaid tax by the taxpayer towards repayment of his tax arrears, provided for in part 2 of Article 116 of this Code, is carried out by tax authorities independently within 5 days from the date of uncoevering the fact of excessive payment (joint reconciliation statement) or from the date of entry into force of the corresponding court decision.

2. When considering the taxpayer's written application for the refund of the excess tax amount, the tax authority shall draw up a reasoned opinion within 10 days from the date of receipt of such application. If there are circumstances that require additional study, the period for submitting the opinion is extended by 5 days.

3. The taxpayer has the right to submit an application to credit or refund of the excess tax amount during the limitation period, unless otherwise provided by this Code.

4. Prior to the expiry of the period established by part 2 of this article, the tax authority shall send to the financial authority a corresponding opinion on the refund of the overpaid tax amount in the manner prescribed by this Code.

5. The tax authority is obliged to notify the taxpayer about the decision to refuse crediting or refund within 3 days from the date of such decision.

6. If tax bodies fail to comply with the provisions of Part 2 of this Article then in accordance with Article 139 of this Code, interest in favor of the taxpayer shall be accrued for each calendar day of the refund term.

7. Accrued interest is paid from the funds of the corresponding budget.

8. The amount of the erroneously paid tax, as well as interest and (or) fines, shall be returned to the taxpayer on the basis of a written request from the taxpayer or credit-financial institutions or financial authority, if a mistake was made on their part.

**Article 118. Procedure for crediting and refunding the excessively collected amount of tax**

1. The taxpayer has the right to submit an application to the tax authority to credit or refund the excessively collected tax amount within the limitation period or from the date of entry into force of the court decision.

2. The amount of overpaid tax and interest accrued in favor of the taxpayer shall be refunded based on the taxpayer's application within 20 business days from the date the tax authority receives such an application in accordance with the provisions of Article 116 of this Code.

3. Interest is accrued on the amount of overpaid tax if the taxpayer submits an application about it within 60 days or from the date of entry into force of the relevant court decision.

4. Interest is calculated from the day when the excess amount was collected until the day of the actual crediting or refund.

5. Accrued interest is paid from the relevant budget in accordance provisions of the article 139 of this Code at the rates in force for the period of collection.

6. Upon establishing the fact of excessive tax collection, the tax authority makes a decision on crediting and (or) refund of the excessively collected tax, as well as interest accrued in favor of the taxpayer in accordance with the procedure established by parts 4-5 of this article.

7. The crediting of the amount of excessively collected tax against the taxpayer's tax indebtedness or against his forthcoming payments for the same or other taxes, established by parts 2 and 3 of Article 116 of this Code, shall be carried out by the tax authorities in a manner established by parts 1-3 of Article 117 of this Code covering the crediting of the amounts of excessively paid taxes.

8. Refund procedure for excessively collected taxes is similar to the procedure provided for in Article 117 of this Code for the refund of the amounts of excessively paid taxes.

## CHAPTER 15. FULFILLMENT OF TAX OBLIGATION

### Article 119. Tax obligation

1. A tax obligation is the obligation of a taxpayer to calculate and pay taxes and levies within the deadlines established by this Code.

2. The tax obligation to calculate, withhold and transfer taxes and levies to the budget and (or) make a refund to the taxpayer, in respect of which these persons are recognized as a tax agent, are equal to the tax obligations of the taxpayer.

3. A tax liability arises, changes and terminates in accordance with the provisions of this Code or other acts of tax legislation.

4. Fulfillment of the tax obligation for each tax is imposed on the taxpayer from the moment such an obligation arises in accordance with tax legislation.

### Article 120. Procedure and deadlines for the fulfillment of tax obligations

1. A taxpayer shall fulfill his tax obligation independently, unless otherwise stipulated by this Code.

2. A tax obligation of an individual who is not an individual entrepreneur may be fulfilled by another individual. In this case, the material benefit received by an individual is not recognized as taxable income. Amounts paid for this purpose are non-refundable.

3. The tax obligatio shall be fulfilled within the period established by tax legislation.

4. The deadline for the fulfillment of tax obligation is established by a calendar date or by the expiration of a period of time (year, quarter, month and day) in accordance with this Code.

5. The period of fulfillment of the tax obligation starts from the day following the calendar date or from the day of the action that entails the emergence of the tax liability.

6. If the last day of the period for fulfilling the tax obligation falls on a weekend and/or holiday (day-off), the working day following it shall be deemed the day of the end of the period.

7. A taxpayer shall have the right to fulfill the tax obligation ahead of time.

8. The deadline for fulfillment of tax obligation is changed in the manner prescribed by Articles 110-115 of this Code.

9. In case of non-fulfillment or improper fulfillment by the taxpayer of tax obligations, the tax authority ensures the fulfillment of this obligation in the manner prescribed by Chapters 16-17-18 of this Code.

10. Fulfillment of tax obligations in the event of bankruptcy (insolvency) of a taxpayer is carried out in accordance with the provisions of the legislation of the Republic of Tajikistan.

### Article 121. Interim measures

1. Interim measures are taken by tax authorities depending on the results of tax audits and, if there is sufficient evidence to believe that failure to take these measures may make it difficult or impossible to enforce the decision and collect tax arrears.

2. A corresponding decision to take interim measures is made by the authorized state body. The period of validity of such a decision becomes effective from the day of its adoption and is valid until the day of its execution, or until the day of annulment of the decision by the court.

3. In the cases provided for in part 11 of this article, the tax authority has the right to make a decision to cancel or replace interim measures.

4. The decision to cancel (replace) the interim measures comes into force from the date of its adoption.

5. Interim measures consist of:

− suspension of operations on bank accounts in accordance with the procedure established by Article 140 of this Code;

− prohibition on alienation and (or) pledging of property without consent of the tax authority.

6. The prohibition on alienation and (or) pledge of property is carried out in relation to the following property:

− real estate not used in the production of goods and provision of services;

− vehicles, securities, office space decor items;

− other property, except for finished products and raw materials;

− finished products, excluding raw materials and perishable products, with the shelf life up to three months.

7. To fulfill the tax obligations uncovered during tax audit, the sequence of prohibition on alienation and (or) pledge of property in accordance with the provisions of part 6 of this article is applied, if the total value of property from previous groups is less than the total amount of tax debt. In this case, the value of the property is determined according to the accounting data.

8. The suspension of operations on bank accounts is applied before a ban is imposed on the alienation and (or) pledge of property.

9. At the request of the taxpayer, the tax authority has the right to replace the interim measures established by part 6 of this article with the following measures:

− bank guarantee of a financial credit institution for payment of tax arrears;

− pledge of securities traded in the organized securities market;

− surety issued in the manner prescribed by Article 137 of this Code.

10. When a taxpayer submits a bank guarantee of a reputable credit-financial institution on the payment of a tax obligation, the tax authority shall not be entitled to refuse taxpayer’s request to replace the interim measures established by Part 6 of this Article.

11. A copy of the decision to take interim measures and the decision to cancel it is sent to the taxpayer's personal account or his representative within five days from the date of its adoption.

**Article 122. Termination of tax obligation**

1. Unless otherwise provided by this article, the tax obligation is considered terminated in the following cases:

1) fulfillment of tax obligations (interest and penalties);

2) in circumstances where tax law provides for the termination of a tax liability, including:

− the expiry of the statute of limitations for the tax obligation;

− declaring a taxpayer bankrupt, unless otherwise provided by a court decision (as amended by Law of the Republic of Tajikistan dated 18.03.2022, №1867).

− writing off of the tax liability in the manner prescribed by this Code.

2. The tax obligation of an individual is terminated in the following cases, subject to the requirements of part 3 of this article:

− fulfillment of tax obligation;

− in connection with the death of an individual;

− declaration of a person as deceased, missing or incapacitated by a court decision, as well as the insufficiency of his property.

3. The tax arrears of a deceased or declared dead individual shall be paid off by the heirs within the value of property in the manner established by Article 129 of this Code.

4. The tax obligation of a legal entity shall be terminated in the following cases:

– with its liquidation \ in accordance with Article 126 of this Code;

– with its reorganization in accordance with Article 127 of this Code.

**Article 123. Period of limitation for tax obligations**

1. The limitation period for the tax obligation is 5 years.

2. During the limitation period, the tax authorities have the right to calculate (additionally charge) the amount of tax payable by the taxpayer, revise and (or) collect the amount of the calculated (additionally charged) tax for the relevant tax period.

3. The taxpayer has the right to recalculate and adjust his tax liabilities during the limitation period, as well as demand the refund or credit the amounts overpaid or collected for the relevant tax period.

4. In relation to taxpayers enjoying tax incentives the limitation period shall be extended for the duration of tax incentives determined in accordance with the regulatory legal acts of the Republic of Tajikistan, and article 37 of this Code.

5. The limitation period is suspended for the period of the moratorium on tax audits, deferral period or payment of taxes in installments.

6. Regardless of the provisions of parts 1-5 of this article, the limitation period for writing off uncollectable tax arrears, except for the provisions of parts 1 and 2 of article 131 of this Code, is 15 years (as amended by the Law of the Republic of Tajikistan dated 18.03.2022, №1867).

**Article 124. Payment of taxes**

1. The taxpayer's obligation to pay tax shall be recognized as fulfilled, unless otherwise provided by part 2 of this article:

1) from the moment the financial credit institution submits an order to transfer funds from the taxpayer account to the budget system to the corresponding treasury account - if there is a sufficient cash balance in the taxpayer account and credit financial institution on the day of payment;

2) from the moment cash is deposited with the financial credit institution's counter to be transferred to the budget system to the appropriate treasury account without opening an account with the credit-financial institution. Such a rule, provided that there is sufficient funds to pay tax, shall apply only when paying tax by individuals;

3) from the day the tax authority makes a decision on crediting the amounts of excessively paid taxes or the amounts of excessively collected taxes, penalties, fines against the obligation to pay the corresponding tax.

2. The obligation of a taxpayer to pay tax is not recognized as fulfilled in the following cases:

1) withdrawal by the taxpayer or return to him/her by a financial credit institution of an unexecuted order to transfer the corresponding funds to the budget system;

2) withdrawal by the taxpayer or return to him/her by a Treasury of an unexecuted order;

3) an incorrect indication of bank details in the funds transfer instruction, which entailed the non-transfer of these funds to the budget system to the corresponding account of the treasury;

4) if the taxpayer has other unexecuted claims on the date of the order's submission to the financial credit institution to transfer money to pay the tax, which, in accordance with civil legislation, shall be executed as a matter of priority, and if there is no sufficient balance on this account to satisfy all claims.

**Article 125. Execution by financial credit institutions of payment and collection orders**

1. Credit-financial institutions are obliged to:

1) execute payment order of the taxpayer (hereinafter referred to as the payment order) and collection order of the tax authority (hereinafter, the collection order) in the manner established by this Code and civil legislation

2) execute a collection order of a tax authority if it is sent to a financial institution with an attached decision of the authorized state body and a reconciliation report duly approved by the tax authority and the taxpayer, which provides information on the validity of the recognition of tax arrears by the taxpayer, in written or electronic form;

3) on the payment order of the taxpayer or the collection order of the tax authority, credit (transfer) the amount of taxes to the account of the Central Treasury of the Ministry of Finance of the Republic of Tajikistan no later than one day, the next day after the transaction;

4) if execution of the taxpayer's payment order and the collection order of the tax authority is impossible within the prescribed period due to the absence (insufficiency) of funds on the taxpayer's account, within the day following the expiration of the established period, notify of the non-execution (partial execution) of the taxpayer's payment order and the collection order.

2. The electronic notification form of the financial credit institution on non-execution (partial execution) of the payment order or tax authority's collection order and the procedure for the electronic transaction is established by the authorized state body in agreement with the National Bank of Tajikistan.

3. Financial credit institutions are liable for non-fulfillment or improper fulfillment of the obligations stipulated in this Article, in accordance with the legislation of the Republic of Tajikistan.

4. The application of liability measures does not exempt credit-financial institutions from the obligation to execute a payment order and collection order of tax authority.

**Article 126. Fulfillment of tax obligations in case of liquidation of a legal entity**

1. The founder(s) of a resident legal entity, its authorized body or court, within 5 business days from the date of the decision on liquidation, is obliged to notify in writing the tax authority at the place of its location.

2. The liquidated legal entity shall, within 3 business days from the date of approval of the interim liquidating balance, simultaneously submit to the tax authority at its the location the application for tax audit and liquidation tax reporting.

3. The liquidated legal entity is obliged to pay the taxes reflected in the liquidation tax returns no later than 10 calendar days from the date of its submission to the tax authority.

4. The tax obligation of the liquidated legal entity is fulfilled by the liquidator from the monetary funds of this legal entity, including proceeds from the sale of its property. The liquidation commission within 7 days from the date of liquidation officially notifies the tax authority at the location of the appointment as a liquidator.

5. The tax authority must conduct a comprehensive tax audit within 20 business days after receiving the application of the liquidated legal entity.

6. The tax arrears of the liquidated legal entity shall be paid at the expense of its funds, including those received from the sale of its property, in the order of priority established by civil legislation of the Republic of Tajikistan and this Code.

7. The persons to whom the land use right of the liquidated legal entity (any form of agricultural land) is transferred in accordance with the legislation of the Republic of Tajikistan bear proportional (equal share) responsibility according to the share of the remaining amount of the tax arrears of the liquidated legal entity.

8. If the value of the liquidated legal entity, including the proceeds from sale of its property, is not sufficient to pay off its tax arrears, the outstanding arrears are paid off by participants of the legal entity in the manner prescribed by law, if the founding documents establish joint obligations.

9. The sequence of fulfillment of tax obligations of a liquidated legal entity at the expense of other creditors of this legal entity is carried out by mutual settlements in accordance with civil legislation.

10. The amount of tax (interest, penalties) paid in excess or the excessively collected amounts of the liquidated legal entity shall be credited by the tax authority to pay off tax arrears for other taxes in the manner established by this Code or is divided proportionally by the decision of the liquidated legal entity.

11. If a legal entity upon liquidation does not have tax arrears, overpaid taxes (interest, penalties) shall be returned to the legal entity no later than fifteen days after filing an application in the manner established by this Code, .

12. The provisions of this Article shall also apply to the payment of taxes when moving goods across the customs border of the Republic of Tajikistan.

13. After completion of the on-site tax audit and full payment of the tax arrears, the liquidated legal entity simultaneously submits the liquidation balance sheet to the tax authorities at the place of location.

14. The tax authorities are obliged, on the basis of a request from a liquidated legal entity, in the manner and within the time limits established by this Code, to issue a certificate of absence of arrears.

15. The fulfilment of tax obligations by a branch or representative office of a non-resident legal entity, a permanent representative office of a foreign legal entity that terminates its activities in the Republic of Tajikistan shall be carried out in the manner established by this article.

**Article 127. Fulfillment of Tax Obligations in the event of Reorganization of a Legal Entity**

1. Tax obligations of the reorganized legal entity should be carried out by its legal successor (successors) in the manner established by this Article.

2. A legal entity within 5 business days from the date of the decision on reorganization through merger, acquisition, separation, division or transformation shall notify in writing the tax authority at the place of its location.

3. Within 3 business days from the date of approval of the deed of transfer or separation balance sheet, the reorganized legal entity files the application for a tax audit and a liquidation tax report to the tax authority at the place of location.

4. Liquidation tax reporting is prepared by types of taxes for which the reorganized legal entity is considered to be a taxpayer and/or tax agent.

5. Tax audit must begin no later than 20 business days after the receipt by tax authority of an application of a reorganized legal entity.

6. Despite the awareness of legal successor (successors) about evidence and/or cases of failure to perform or insufficient fulfillment of tax obligations by restructured legal entity prior to completion of restructuring, such legal successor (successors) will be responsible for performance of its tax obligations.

7. Legal successor (successors) of a reorganized legal entity will be required to ensure full repayment of shared tax arrears, including penalties for tax offences imposed on restructured legal entity before completion of restructuring process.

8. In course of performing obligations as per this Article, the legal successor (successors) of restructured legal entity will exercise the rights and perform obligations as per procedures prescribed for taxpayers under this Code.

9. Restructuring of a legal entity will not change the deadlines to perform tax obligations by the successor (successors) of a legal entity.

10. In the event of merger of several legal entities, the new legal entity that was established as a result of such merger will be declared as successor to perform tax obligations of the merged legal entities. Tax documents (electronic data) of the combined legal entities are stored in the tax authorities at the location of the newly created entity.

11. Upon merger of one legal entity with another, the successor legal entity of merged legal entity is recognized as responsible for tax labilities of the merged legal entity.

12. When a legal entity is divided, legal entities created as a result of such division, by divided shares, are recognized as legal successors in terms of fulfilling the tax obligations of the divided legal entity.

13. If there are several successors of legal entity, the share of each legal entity in fulfilment of reorganized legal entity’s tax obligations will be determined as per separation balance sheet developed in compliance with the civil legislation. If separation balance sheet does no enable determination of the shares of each successor of reorganized legal entity, the newly established legal entities may take joint responsibility for tax obligations of reorganized legal entity based on the ruling of the court.

14. Rules prescribed under the paragraph 13 of this Article will be also applicable in circumstances, where separation balance sheet does not provide for fulfilment of tax obligations by at least one legal successor, provided that such separation was not carried out for the purpose of non-fulfillment of a tax obligation.

15. In the event of separation of one or several legal entities from a legal entity, the legal succession with regard to reorganized legal entity will not be affected with regard to fulfilment of its tax obligations, provided that other procedure is not prescribed under the part 12 of this Article.

16. If as a result of separation one or several legal entities from one legal entity, the reorganized legal entity is able to fulfil its tax obligations, the separated legal entities take the joint responsibility for the fulfilment of tax obligations of such reorganized legal entity based on the ruling of the court of law.

17. In the event of the transformation of one legal entity into another legal entity, including by changing the organizational and legal form, the newly created legal entity is considered to be a legal successor of the reorganized legal entity in fulfilling tax obligations.

18. When separating from a legal entity, newly created legal entities that were established as a result of such separation, as well as this legal entity in terms of fulfilling tax obligations, are recognized as legal successors of the reorganized legal entity with equal shares.

19. The amounts of overpaid taxes (interests, penalties) of a legal entity or excessively charged before its reorganization are taken into account when paying the tax arrears of a reorganized legal entity. Such crediting shall be carried out not later than one month after completion of the reorganization in favor of the legal successor (successors) of the legal entity/

20. If the reorganized legal entity does not have tax arrears, the overpaid or excessively collected taxes (interests, penalties) from this legal entity, must be returned to its successor(s) no later than one month from the date of filing the application. At the same time, the amounts of overpaid or excessively collected taxes (interests, penalties) shall be refunded to the successor(s) of the reorganized legal entity proportionally to the share of each successor determined based on separation balance sheet.

21. The provisions of this article shall also apply to the fulfillment of the obligation to pay fees and other mandatory payments in the event of the reorganization of a legal entity.

22. The provisions provided for by this article shall also apply when determining a legal successor(s) of a foreign organization reorganized in accordance with the legislation of a foreign state.

23. The provisions of this article shall apply to the payment of taxes when moving goods across the customs border of the Republic of Tajikistan.

**Article 128. Fulfilment of Tax Obligations in the Event of Transfer of Property under Trust Management**

1. The trustee will fulfil the tax obligations based on the trust management contract from the date of conclusion of the contract of such contract.

2. The founder of trust management (beneficiary) will independently fulfil tax obligations arising in relation with transfer of property in trust management, provided that fulfilment of tax obligations (with exception of obligations on Value Added Tax) will not be placed upon the authorized manager or in the event of submission of property to for trust manager to authorized manager that is not resident of the Republic of Tajikistan. If the founder of the trust management is an individual who is not an individual entrepreneur, the tax obligations arising from the activities of the founder of the trust management are fulfilled by the trustee.

3. The trustee will be responsible for maintaining separate accounting of taxable objects and / or objects related to taxation with regard to performance of trust management that will be applicable to the benefit of the founder (beneficiary) of trust management and other operations.

4. If responsibility for fulfilment of tax obligations, including obligations on development and submission of financial statements and filing of tax returns will be placed upon the founder of

trust management (beneficiary), fulfilment of such tax obligations on behalf of entity that is the trustee, will be performed following the procedures established under the special paragraph of this Code.

5. If the trustee will fail to fulfil obligations as prescribed under this Article with regard to calculation and payment of taxes or does not fulfil them at satisfactory level, obligations for their fulfilment will be placed upon the founder of trust management (beneficiary).

**Article 129. Fulfilment of tax obligations in the event of individual's death or declaration as deceased by court**

1. In the event of death of an individual having tax arrears, amounts of interests and penalties accrued on him will be declared invalid with regard to collection. Outstanding balance of tax liabilities of such individual will be paid by his/her successor (successors) that inherited property of deceased person within the limits of the values of inherited property and proportional to the share of inherited property with consideration of provisions under this Article.

2. If arrears of deceased individual exceed the value of inherited property, the remaining amount of tax arrears will be declared uncollectable. The indicated ratio will be applied in the event of certification of inherited property based on documents presented by the successor (successors).

3. In the event of default of issues or renouncement of successions by successor (successors), the tax arrears of deceased individual will be declared invalid. Invalid tax arrears will be written off by the tax authorities in line with article 131of this Code.

4. In the event of death of individual with tax arrears, the local tax authority of his/her place of registration and/or location of his/her property shall notify the successor (successors) about tax arrears during one (1) month from the date of receiving information about the successor (successors) of deceased person.

5. Successor (successors) of deceased individual will be obliged to pay outstanding tax arrears of such individual not later than 6 months from the date of inheriting.

6. Deadline for repayment of arrears of a deceased individual may be extended based on the decision of the tax authority, if notification on arrears was provided to the successor (successors) during the period of less than 3 months until its expiration.

7. The rules provided for in this article shall also apply to the tax arrears of an individual declared deceased by the court in accordance with the procedures established by civil legislation.

8. In the event of cancellation of the court decision declaring an individual to be deceased, tax liabilities previously written off in accordance with part 3 of this article are restored. In this case, interests and fines for the period from the date of declaration of an individual as deceased until the date of decision are not charged.

**Article 130. Fulfillment of tax obligation of an individual recognized as missing or legally incompetent**

1. The tax obligation of an individual who has been declared missing by the court is fulfilled by the authorized person who, by law, has the right to manage the property of the missing person (hereinafter, the authorized person) at the expense of the property of the missing person.

2. The authorized person is obliged to pay all tax arrears of the person declared missing by the court from the date of his recognition as missing, at the expense of funds or other property of the missing person.

3. The tax obligation of an individual declared legally incompetent by a court is fulfilled by his/her guardian (custodian) at the expense of money or other property of this legally incompetent person.

4. Unfulfilled tax obligations to pay taxes of an individual recognized by the court as missing or legally incompetent, as well as to pay fines and interest in case of insufficiency (absence) of funds or other property belonging to such persons, in the manner established by this Code, are written off as uncollectible tax arrears.

5. If a decision is made to cancel the recognition of an individual as missing or legally incompetent, the fulfillment of tax obligations is restored from the date of the decision. At the same time, from the moment a decision is made to recognize a citizen (individual) as missing or legally incompetent until a decision is made to cancel the recognition of a person as missing or v, no interest and fines are accrued.

6. Authorized persons who, in accordance with this article, are obliged to pay taxes for individuals recognized by the court as missing or legally incompetent, fulfill their tax obligations in the manner prescribed by this Code and this article. Authorized persons are held accountable for comitting tax offences in the performance of their tax obligations. In this case, authorized persons are not entitled to pay fines provided for by this Code at the expense of the property of a person recognized by the court as missing or legally incompetent.

**Article 131. Recognition of uncollectible tax arrears and the procedure for writing them off**

1. Tax arrears of some taxpayers and tax agents are considered uncollectible in the following cases:

1) liquidation of a legal entity in accordance with the provisions of Article 126 of this Code, if the property of the legal entity is insufficient and (or) it is impossible to pay it by the founders (participants) of the legal entity, in the manner prescribed by law;

2) declaring an individual entrepreneur or legal entity bankrupt - for tax arrears that was not paid due to the insufficiency of a debtor's property, in cases provided for in Article 150 of this Code;

3) death of an individual or declaration of an individual as deceased, missing or legally incompetent by court - in accordance with the manner prescribe by Artile 129 of this Code, if the property of such person is insufficient or the inheritance is transferred to state property;

4) the adoption by the court of a decision according to which the tax authority loses the right to collect tax arrears due to the expiration of the established collection period or rejection of an application for the recovery of the expired period;

5) deregistration of a foreign legal entity with a tax authority in accordance with the provisions of Article 78 of this Code in the event of insufficient property of a permanent establishment of a foreign legal entity and the impossibility of its repayment by a legal entity - non-resident of the Republic of Tajikistan within the limits and procedure established by the legislation of the Republic of Tajikistan. In the event of a new registration of this foreign legal entity in accordance with Article 78 of this Code, tax liabilities are subject to restoration.

6) In case of natural disasters (earthquakes, floods), emergencies (epidemics and pandemics) and other similar circumstances that make it impossible to pay tax arrears. (as amended by the Law of the Republic of Tajikistan dated March 18, 2022, No. 1867).

2. Regardless of the provisions of this Code, the Government of the Republic of Tajikistan may recognize the tax arrears of a taxpayer as uncollectible.

3. The procedure for recognizing tax arrears as uncollectible and writing off tax arrears recognized as uncollectible is approved by the Government of the Republic of Tajikistan. (Law of the Republic of Tajikistan dated March 18, 2022, No. 1867).

(as amended by the Law of the Republic of Tajikistan dated March 18, 2022, No. 1867).

## SECTION IV. FORCED COLLECTION OF TAXES

## CHAPTER 16. PROCEDURE AND TERMS OF FULFILLMENT OF A TAX OBLIGATION

### Article 132. Ensuring the fulfillment of the obligation to pay tax

1. A taxpayer who has an obligation to pay tax must submit a payment order to the servicing financial credit institution no later than the payment deadline established by this Code.

2. If the taxpayer has outstanding tax arrears, the tax authority is obliged to send the taxpayer a notification of the repayment of the tax debt no later than 3 days after the expiration of the payment deadline.

### Article 133. Notice of payment of tax arrears

1. Notification of repayment of tax arrears is a notification of the taxpayer about the existence of tax arrears, as well as payment the amount of this arrears within the prescribed period.

2. A notification on the repayment of tax arrears shall be sent to the taxpayer if he/she has tax arrears specified in Article 119 of this Code.

3. The notification contains information about the amount of tax arrears, amount of interest accrued from the date of the tax liability, amount of fines, as well as measures to ensure collection of tax arrears.

4. The form of notification of tax arrears repayment is approved by the authorized state body.

5. The provisions provided for by this article also apply to tax agents.

6. In the cases established by this Code, the notification may be sent to other persons. In this case, all the provisions provided for in this chapter shall apply to other persons.

### Article 134. The procedure and terms for sending a notification on repayment of tax arrears

1. Notification on repayment of tax arrears is sent to the taxpayer by the tax authority in which the taxpayer is registered, and (or) the higher tax authority in writing or electronic format.

2. The notification on repayment of tax arrears shall be sent to the taxpayer from the the tax arrears date or from the date of entry into force of the decision on the repayment of tax arrears identified as a result of the on-site tax audit.

3. A notice on the repayment of tax arrears in the cases provided for by parts 8 and 9 of Article 144 of this Code shall be sent to other persons in the manner prescribed by parts 1 and 2 of this article. From the date of receipt of notification on repayment of tax arrears, other persons in terms of execution of this notification shall be equated to taxpayers with tax arrears.

4. If necessary, when sending a notification, on the basis of a written request, tax authorities require the taxpayer to provide necessary documents (information), including a reconciliation statement, bank account details, debtors (recipients), a list of property for the application of compulsory collection of tax arrears..

5. If the taxpayer does not voluntarily fulfill such a requirement and does not submit the requested documents, the taxpayer is liable in accordance with the legislation of the Republic of Tajikistan.

**Article 135. Amendment and execution of the notice on repayment of tax arrears**

1. If the tax authority, after sending to the taxpayer a notification of repayment of tax arrears, discovered reasonable circumstances leading to a change in the amount of tax arrears, fines or interest, it is obliged to officially send this taxpayer an updated notification and withdraw the previously sent notification. This provision does not apply to cases of partial repayment by the taxpayer of the amounts of tax arrears, fines or interest specified in the notice of repayment of tax arrears.

2. An updated notice on arrears repayment and a revocation of a previously sent notice shall be sent to the taxpayer within 3 days from the date of discovery of the circumstances that led to the changes specified in Part 1 of this Article.

3. Only in case of non-payment or partial payment by the taxpayer of tax arrears within 20 calendar days from the date of receipt of notification on payment of tax arrears, the tax authority collects the tax arrearst by applying measures to ensure the fulfillment of the tax obligation provided for by chapters 17-18 of this Code.

## CHAPTER 17. METHODS OF ENSURING FULFILLMENT OF TAX OBLIGATION

### Article 136. Methods to ensure fulfillment of tax obligation

1. Fulfillment of a taxpayer's overdue tax obligation is ensured in the following ways:

1) bank guarantee;

2) surety;

3) suspension of withdrawals from bank accounts;

4) accrual of interest on unpaid taxes and payments to the budget;

5) restriction on the disposal of the taxpayer's property;

6) seizing taxpayer's property;

7) collection of tax arrears from the taxpayer's bank accounts;

8) collection of tax arrears from funds in bank accounts of debtors (recipients) of taxpayers;

9) collection of tax debt from cash of a taxpayer.

2. The seizure of property and the suspension of transactions on accounts in financial credit institutions as interim measures for the fulfillment of the taxpayer's tax obligation, upon his application, can be replaced by:

1) submission of a bank guarantee, drawn up in the manner established by Article 138 of this Code;

2) pledge of securities that are traded in the organized securities market;

3) surety of a third party, issued in the manner established by Article 137 of this Code.

3. If a valid bank guarantee is provided, the tax authority is not be entitled to refuse the taxpayer to replace the interim measures provided for in this article.

4. If the taxpayer has not paid the tax arrears within 20 business days after receipt of a notification on the payment of tax, the tax authorities shall apply against taxpayer methods for ensuring fulfillment of tax obligations established by paragraphs 3), 5)-9) of part 1 of this article.

5. Decisions taken as a result of the application of the methods for ensuring tax obligations under paragraphs 3), 5) and 6) of part 1 of this article, shall be canceled, taking into account the following cases:

1) from the date of effectiveness of a court decision declaring a taxpayer bankrupt;

2) full satisfaction of the taxpayer's appeal by a court decision based on the results of tax audit report;

3) from the date of effectiveness of a court decision on enforced liquidation of a financial credit institution;

4) elimination of circumstances that led to application of methods for ensuring fulfillment of tax obligations.

6. In the event of an agreement on deferral or payment by installments, the application of the methods for ensuring the fulfillment of tax obligations provided for in paragraphs 3), 5) and 9) of part 1 of this article is temporarily suspended.

7. If the tax authority replaces the measures to ensure fulfillment of taxpayer's obligations with a pledge, or bank guarantee, measures, provided for in paragraph 1 of this article, are cancelled or suspended.

8. After elimination of the grounds that led to application of methods of forced collection of taxes in accordance with paragraphs 3) and 5-)-9) of part 1 of this article, the tax authority, on the basis of written information from financial institutions on the monetary funds collected from the accounts of the taxpayer and (or its debtors) funds and (or) the act of reconciliation of tax liabilities of the taxpayer with the tax authorities within one working day recognizes the previously adopted decisions as executed and at the same time sends a notification to the relevant persons Decisions previously adopted by the tax authorities are considered executed for the relevant financial institutions and the taxpayer from the date of sending written notification of the tax authorities on their execution

9. Methods for ensuring tax obligations, procedure and conditions for their application are established by this chapter and the Procedure for applying methods and measures to ensure the fulfillment of tax obligations developed and approved by the authorized body in agreement with the authorized state body in the field of finance.

10. In respect of taxes payable in connection with the movement of goods across the customs border of the Republic of Tajikistan, other measures may be applied to ensure the fulfillment of tax obligations in accordance with the procedure and conditions established by customs legislation.

**Article 137. Surety**

1. The surety is drawn up in accordance with civil legislation of the Republic of Tajikistan by concluding an agreement between the tax authority and the guarantor.

2. The guarantor can be a legal entity or an individual. It is allowed to use several guarantors at the same time in relation to payment of one tax liability.

3. In the event the taxpayer fails to pay the amount of taxes and interest within the prescribed period, the guarantor is obliged, on the basis of the signed agreement, to pay in full the amount of the overdue tax.

4. If the taxpayer fails to fulfill the obligation to pay tax secured by the surety, the taxpayer and the guarantor are jointly and severally liable.

5. In the event of non-payment or partial payment during the established period of tax secured by surety, the tax authority will send the claim to the guarantor on payment of amount in compliance with the surety agreement during the five days from the expiration of tax payment deadline.

6. In the event of guarantor’s failure to effect the payment in compliance with the surety agreement during the established period, the tax authority will take measures following the procedures and deadlines prescribed under Chapters 17-18 of this Code with regard to enforced collection of amounts from the guarantor.

7. Legal relationships arising in the course of surety as an arrangement to secure fulfilment of tax obligations are regulated by provisions of civil legislation, unless otherwise stipulated by tax legislation.

8. Provisions of this article will be applicable also to surety in case of payment of other obligatory payments and duties.

**Article 138. Bank Guarantee**

1. A bank guarantee is drawn up in accordance with the procedure established by the legislation of the Republic of Tajikistan, on the basis of a taxpayer's request, according to which a credit financial institution (guarantor) pays the taxpayer's tax debt in full in case of non-payment of taxes and interest by the taxpayer.

2. Bank guarantee shall meet the following requirements:

1) It shall be irrevocable and nontransferable to another party;

2) It must not contain requirements of other tax authorities for the execution of a bank guarantee provided by a guarantor credit financial institution or taxpayer;

3) The validity period of the guarantee shall not be less than six months from the completion date of established period for fulfilment of tax payment obligations secured with bank guarantee by the taxpayer, unless otherwise provided by this Code;

4) contain the entire amount of the taxpayer's obligation, including payment of taxes, fines and interest, unless otherwise provided by this Code;

5) provide for a provision on the compulsory collection of a monetary amount by the tax authority from the guarantor, in the event the guarantor fails to fulfill the requirement to pay the sum of money under this bank guarantee within the prescribed period.

3. In the event of non-payment or incomplete payment of tax within the prescribed period by the taxpayer, whose payment obligation is secured by a bank guarantee, the tax authority within five days from the date of the expiration of the deadline for the execution of the tax claim sends the guarantor a request to fulfill the payment of the amounts under the bank guarantee.

4. The guarantor is obliged to fulfill the requirements of the tax authorities to pay the amount of money within five days from the date of receipt of the demand for a bank guarantee. The guarantor is not entitled to refuse the tax authority to satisfy the demand for the payment of a sum of money under a bank guarantee.

5. Collection of funds from the guarantor shall be carried out in the manner and within the terms provided for in Articles 144 and 148 of this Code, if the specified request of the tax authority was sent to the guarantor before the expiration of the bank guarantee.

6. Provisions envisaged in this Article will be also applicable to bank guarantees securing fulfilment of obligations on payment of taxes and penalties.

7. Following the procedures and terms established by the authorized state body in the field of finance, tax payment obligations of a legal entity of the Republic of Tajikistan or foreign legal entity may be secured by bank guarantee of the foreign credit financial institution with high ratings issued by international rating agencies. Such guarantee of foreign credit financial institution shall meet requirements envisaged in subparagraphs 1)-4) of part 2 of this Article.

8. The guarantor does not have the right to refuse the demand of the tax authority to fulfill an obligation secured by a bank guarantee, if it is presented during the validity period of such a guarantee.

**Article 139. Interest**

1. Interest is the amount of money accrued to a taxpayer in case of failure to comply with the tax payment deadlines established by tax legislation.

2. Interest, regardless of the amount of taxes paid, the application of other measures to ensure the fulfillment of tax obligations, as well as liability measures for breach of tax legislation, are calculated and transferred to the state budget.

3. Interest is accrued for every day of delay in fulfilment of tax obligations from the day following the date of tax payment as stipulated under tax legislation, unless otherwise is provided by this Code.

4. Submission of application for deferral of tax payments or payments in installments will not suspend accrual of interests on payable tax amounts, until issuance of a corresponding statement.

5. Interest on the amount of tax arrears that the taxpayer could not repay due to the adoption of interim measures in the form of suspension of transactions on his bank accounts and seizure of his/her funds within the limits of cash on bank accounts or the taxpayer's cash desk are not charged. In this case, no interest is accrued for the entire period of the specified circumstances.

6. Interest is calculated for each day of delay in the amount of 0.04% in the following cases:

1) for the amount of tax not paid in due time;

2) for the amount of tax paid in excess in accordance with the requirements of Article 117 of this Code;

3) for the amount of tax levied in accordance with the provisions of Article 118 of this Code.

7. Interest is paid to the state budget for the intended tax purpose.

8. Interest is collected forcibly from the taxpayer's money on accounts with credit-financial institutions and other property of the taxpayer in accordance with chapters 17-18 of this Code.

9. Compulsory collection of interest from legal entities and individual entrepreneurs is carried out in the manner specified in Articles 145, 149 and 152 of this Code, and from other individuals - in the manner specified in Article 151 of this Code.

10. Interest is not accrued in the following cases:

– on interest and penalty amounts;

– on tax arrears of a deceased person, upon presentation of a document confirming death of this person;

– on tax arrears of a person recognized as missing by a court decision - from the date of such a decision until its cancellation;

– on tax arrears of individual entrepreneurs and legal entities in respect of which a court decision on bankruptcy (insolvency) has been made - from the date the court accepted the bankruptcy case;

– on tax arrears on one type of tax, if there are overpaid amounts for other types of taxes – from the date of supporting document for mutual settlement;

– on uncollectible arrears- from the date when a decision to include such an arrear to the category of uncollectible arrears was made;

– on tax arrears, the payment of which is deferred or due in instalments in accordance with the provisions of part 4 of article 113 of this Code - from the date of adoption of the relevant act.

11. Provisions established in this Article will also be applicable to tax agents.

**Article 140. Suspension of debit transactions on bank accounts of legal entities and individual entrepreneurs**

1. Suspension of debit transactions with bank accounts of legal entities and individual entrepreneurs (tax agents) in financial credit institutions means termination of all debit transactions with accounts, except for correspondent accounts of credit financial institutions, payment of wages and other taxes and payments equivalent to them.

2. The decision to suspend debit transactions with bank accounts of legal entities and individual entrepreneurs is taken by the authorized state body.

3. The decision to suspend operations with bank accounts is sent by the authorized state body in writing or electronically to the financial institution and to the taxpayer's personal account..

4. Suspension of debit transactions on bank accounts of legal entities and individual entrepreneurs is carried out by the authorized state body to ensure the fulfillment of tax obligations of these legal enities and individual entrepreneurs in the following cases:

1) non-submission of reports by a legal entity and an individual entrepreneur to the tax authority within two reporting months, the availability of specific information about the risk of non-payment of tax arrears by the taxpayer or flight of responsible persons of legal entities and individual entrepreneurs from the territory of the country, transfer of assets (money) to another person or adoption of other measures, impeding the collection of taxes, as well as the failure of the taxpayer to respond to notification of the tax authority, including in the case of practical non-use of its official legal address or failure to provide information about the change of legal address;

2) in case of non-compliance by the taxpayer with the requirements of Articles 50 and 51 of this Code.

5. Suspension of debit transactions with bank accounts of legal entities and individual entrepreneurs is applied in accordance with the sequence established by the Civil Code of the Republic of Tajikistan in relation to payments.

**Article 141. Procedure for cancellation of the decision to suspend debit transactions on the bank account of a taxpayer (tax agent)**

1. The decision to suspend debit transactions with bank accounts of legal entities and individual entrepreneurs in financial institutions is canceled on the following grounds:

1) paragraph 1) of part 4 of Article 140 of this Code – not later than one day following submission of financial statements and/or tax return by the taxpayer (tax agent), as well as no later

than one day from the date of recognition by the tax authority of the validity of the absence of the taxpayer at the declared address. For such recognition, legal entities and individual entrepreneurs or their representatives are required to officially (in writing or electronically) provide the necessary clarifications to the tax authority at the place of registration;

2) paragraph 2) of part 4 of Article 140 of this Code - one day following the day when the official of the tax authority receives access to the documents necessary for verification, and the place of business.

2. The absence of legal entities and individual entrepreneurs (tax agents) at the official legal address is considered reasonable if the tax authorities at the previous place of registration are not aware of information about the change of the place of registration due to technical errors or other similar circumstances.

3. The absence of a branch or a separate subdivision of legal entities and individual entrepreneurs at an official registration address is considered justified if information is not provided to the tax authorities during liquidation of a branch or a separate subdivision.

4. A decision to cancel the suspension of debit transactions on a legal entities and individual entrepreneurs' (tax agents) bank account is sent to a credit financial institution in writing or in electronically no later than the day following the day of making such decision.

5. The procedure for submission to a credit financial institution of a decision of the tax authority to suspend and (or) cancel the suspension of debit transactions on bank accounts of a legal entity and an individual entrepreneur (tax agent) is established by the authorized state body in agreement with the authorized stae body in the field of finance and the National Bnak of Tajikistan.

6. If the tax authority violates the deadline for canceling the decision to suspend debit transactions with the bank accounts of the taxpayer (tax agent) or the deadline for sending such a decision to a credit financial institution, or makes a decision that is contrary to the provisions of this Code, interest is accrued for each calendar day of failure to comply with the specified deadline and the validity of the time period of the conflicting decision in respect of which the suspension procedure has been intoduced, in favor of the taxpayer at the rates used in this period. In such cases, the accrued interest is credited to cover subsequent tax liabilities of the taxpayer.

**Article 142. Procedure for execution by credit financial institutions of decisions to suspend debit transactions on bank accounts**

1. Financial credit institutions must comply with the decision of the tax authority to suspend debit transactions with bank accounts of the taxpayer (tax agent).

**2.** Financial credit institutions are not liable for losses incurred by taxpayer (tax agent) as a result of suspension of debit transactions in bank accounts by the decision of the tax authority**.**

3. Suspension of taxpayer's (tax agent's) debit transactions on his/her bank accounts shall be carried out from the moment of receipt by the financial credit institution of the decision on suspension of transactions until cancellation of this decision, unless otherwise provided by this Code.

4. When a decision to suspend expenditure transactions on the bank accounts of a taxpayer (tax agent) is sent in electronic form to a financial credit institution, the date and time of receipt of such a decision by the financial credit institution shall be deemed the moment when it was received by the information system of the financial credit institution.

5. Financial credit institutions must comply with the decision of the tax authority or court to suspend operations on the taxpayer's (tax agent's) account and do not have a right to open new accounts, saving accounts and deposits, allow to withdraw cash from his/her account, except for accounts from which, in line with the legislation, collection is not allowed. Financial credit institution must submit information to the tax authority, prior to receiving a written notification of cancellation of the decision to suspend the taxpayer's debit transactions. Tax authorities have a

right to verify compliance with the requirements set forth in this section and/or the accuracy of the information provided by financial credit institution.

6. Financial credit institutions are liable for non-compliance or improper fulfillment of the obligations stipulated in this article, in accordance with the current legislation of the Republic of Tajikistan.

**Article 143. Restrictions on the disposal of the property of a taxpayer (tax agent)**

1. The authorized state body has the right to restrict the disposal of the property of a taxpayer (tax agent) on the basis of a decision after application of provisions of part 4 of Article 140 of this Code and failure to implement it.

2. The decision to restrict the disposal of the property of the taxpayer (tax agent) is made by the authorized state body.

3. The decision to restrict the disposal of the property of the taxpayer (tax agent) by the authorized state body is sent in writing or electronic form to the relevant state bodies for registration of immovable property, property pledge, public notary and customs authorities on the prohibition of alienation, pledge and a ban on export operations with this property. The decision to restrict the disposal of the taxpayer's (tax agent's) property does not mean imposing a ban on the taxpayer's use of such property, with the exception of alienation, pledge, and a ban on export operations with such property.

4. Execution of the decision of the authorized state body on restricting the disposal of the property of the taxpayer (tax agent) is mandatory to the bodies specified in part 3 of this article, having the authority to register arrangements for alienation, pledge and export operations with this property.

5. The bodies indicated in part 3 of this article are responsible for compliance with the requirements of this article in accordance with the legislation of the Republic of Tajikistan.

6. The authorized state body is obliged to send a decision on restricting the disposal of property to the taxpayer (tax agent) in written or electronic form.

7. The decision to restrict the disposal of the taxpayer's property is canceled on the following grounds, indicated in part 1 of article 141 of tis Code.

8. The decision on the abolition of restrictions on the disposal of the property of the taxpayer (tax agent) shall be sent to the authorities specified in part 3 of this article in written or electronic form no later than the day following the day of signing the letter or making such a decision.

9. The restriction on disposal does not apply to:

- objects important for ensuring health and life;
- energy, heating facilities ,and other types of energy;
- food product or raw materials, the period of consumption and (or) the period of storage of which does not exceed one year;
- property taken or leased for financial lease (leasing), as well as pledged property before the expiration of the lease and pledge agreement.

3. Facilities important for ensuring life and health for the purposes specified in paragraph one of part 9 of this article are technological installations and units for supplying gas, energy, heating, water and sewerage, the restrictions on which can lead to the destruction of the engineering infrastructure of settlements.

## CHAPTER 18. MEASURES FOR FORCED COLLECTION OF TAX ARREARS

### Article 144. General provisions on enforced collection of tax arrears

1. In case of partial or incomplete execution of the notice on repayment of tax arrears within the prescribed period, the collection of this arrears is enforced in the manner prescribed by this chapter.

2. The tax arrears recognized by the taxpayer is forcibly collected from the taxpayer and other persons, in the cases provided for by this Code.

3. If the taxpayer's obligation to pay taxes is secured by a bank guarantee or a surety of a third party, in case of non-fulfillment of tax obligations by the taxpayer, the tax authority collects the tax arrears from the guaranteeing financial credit institution or guarantor.

4. Tax arrears are forcibly collected from a legal entity or an individual entrepreneur in the manner provided for in Articles 145-149 and 152 of this Code.

5. Tax arrears from an individual who is not an individual entrepreneur shall be forcibly collected in the manner provided for in Article 151 of this Code.

6. Tax arrears are forcibly collected from a legal entity or an individual entrepreneur, first of all, from funds in its accounts with a credit-financial institution, and if they are insufficient, from other property of this person.

7. If it is impossible to collect the tax arrears of a taxpayer or another person from funds in his/her accounts with a financial credit institution, then in the cases provided for by this article, the arrears are forcibly collected from other persons.

8. If the taxpayer's proceeds from the sale of goods (performance works, provision of services) or other income were received in the bank accounts of other persons, the compulsory collection of the taxpayer's tax debt may be made from these persons.

9. If from the moment the taxpayer learned about the tax audit and transferred his money or other property to other persons, the compulsory collection of the tax debt may be made from these persons.

10. The provisions of parts 8 and 9 of this article also apply in cases when transfer from the sale of goods (performance of works, provision of services) or other income, or the transfer of funds and other property to other persons were made through a set of transactions.

11. In the cases provided for in parts 8-10 of this article, the compulsory collection of tax arrears from other persons is carried out within the limits of the proceeds received by them from sales of goods (performance of works, provision of services) sold, other income of the taxpayer, the funds transferred to them, as well as the value of other property. Based on the available information and depending on the amount of the taxpayer's tax arrears, the tax authority has the right to independently determine the number of other persons and the ratio of the amount of tax debt to each person and collect this debt.

12. Collection of tax arrears not recognized by the taxpayer from the bank accounts of the taxpayer is carried out in accordance with Article 152 of this Code only through a judicial procedure. If the taxpayer recognizes the amount of tax arrears, the tax arrears are collected by the tax authorities from the bank accounts of the taxpayer in the manner prescribed by Article 145 of this Code.

13. Provisions of this chapter apply to collection of tax arrears in connection with the movement of goods across the customs border of the Republic of Tajikistan, as well as to tax agents.

**Article 145. Forced collection of tax arrears from bank accounts**

1. In the event of a partial or incomplete fulfillment of the requirement of notification on repayment of tax arrears within the prescribed period, the amount of tax arrears is forcibly collected from bank accounts, including funds on corporate cards of the taxpayer.

2. The provisions of this article apply exclusively to legal entities and individual entrepreneurs.

3. The procedure for the compulsory collection of tax arrears of a taxpayer or tax agent provided for in this Article, Articles 146-149 and 152 of this Code also apply to other persons.

4. Collection of tax arrears from the taxpayer's bank account is carried out by sending to financial credit institution the decision of the tax authority, the collection order and the reconciliation statement duly approved by the tax authority and the in written or electronic form. Collection of tax arrears from the accounts of taxpayers included in the list of delinquent taxpayers is carried out by sending a decision of the tax authorities and a collection order to a financial credit institution

5. The procedure for execution and cancellation of the decision, the form and procedure for signing the reconciliation report approved by the tax authority and the taxpayer in writing or electronically, the form and procedure for sending the collection order of the tax authority to the financial credit institution is approved by the authorized state body in agreement with the authorized state body in the field of finance and the National Bank of Tajikistan.

6. A financial credit institution is obliged to execute the collection order of the tax authority to write off tax arrears from the taxpayer's accounts in the manner prescribed by civil legislation.

7. Revocation of unexecuted decisions and collection orders is carried out through an official appeal of the authorized state body to the financial credit institution in the following cases:

1) repayment of tax arrears, including by crediting overpaid or excessively collected amounts in accordance with Chapter 15 of this Code;

2) granting deferrals and payment in installments of tax arrears in accordance with Chapter 15 of this Code;

3) recognition of the tax arrears as uncollectable in accordance with Article 131 of this Code;

4) reduction of the amounts of tax and interest on the revised tax reporting submitted in accordance with Article 100 of this Code.

8. Tax arrears are collected from demand deposit account in the national currency, and in case of insufficient funds on such accounts - from demand deposit accounts in the taxpayer's foreign currency. Tax arrears are collected from the taxpayer's account in foreign currency at the rate of the National Bank of Tajikistan in an amount sufficient to pay off the tax arrears.

9. Collecting tax arrears from term deposit accounts of a taxpayer before their tenor is prohibited.

10. In the event of collection of tax arrears from the taxpayer's currency account, the authorized state body simultaneously with the collection order sends to the financial credit institution a decision containing information on selling the taxpayer's foreign currency. The financial credit institution must comply with this order no later than the next business day. Operating expenses related to sale of foreign currency are borne by the taxpayer.

11. A financial credit institution must execute a collection order of an authorized state body, sent in accordance with the requirements of this article, from a taxpayer's bank account in national currency no later than one business day after receiving a collection order, and when debiting funds from accounts in foreign currency - no later than two working days.

12. If on the day the tax authority receives a collection order, there are not enough funds on the taxpayer's accounts to execute it, the order is executed as funds are received on these accounts no later than one or two business days after receipt of the order, depending on the currency of the account. The collection order of the authorized state body is executed by the financial institution in the manner prescribed by the civil legislation of the Republic of Tajikistan.

**Article 146. Forced collection of tax arrears from bank accounts of borrowers (debtors) of a taxpayer**

1. If it is impossible to collect tax arrears from bank accounts of the taxpayer, the tax authority has the right to recover the amount of the tax arrears of the taxpayer from the accounts of his/her borrowers (debtors), however, the amount collected cannot exceed the tax liability of the taxpayer.

2. Tax arrears are collected from the bank accounts of the taxpayer's debtors based on a decision of the authorized stae body.

3. A taxpayer (tax agent) must submit a list of borrowers (debtors) indicating the amount of accounts receivable within ten business days from the date of receipt of the request for submission of documents to the tax authority that filed such a request.

4. Based on the list of borrowers (debtors) and/or documents confirming such debt, the tax authority sends a notification to the borrowers (debtors) of the taxpayer.

5. Borrowers (debtors) of a taxpayer must, within twenty working days from the date of receipt of the notification, submit to the tax authority that sent the notification an reconciliation report of mutual settlements with the taxpayer (tax agent).

6. The settlement reconciliation report between the taxpayer and the borrowers (debtors) should contain the following information:

1) name and Unified Identitfcation Number of the taxpayer (tax agent) and his/her borrowers (debtors);

2) the amount owed by the borrowers (debtors) to the taxpayer (tax agent);

3) personal data, seal and signature of the taxpayer (tax agent) and his/her borrowers (debtors), or digital signature of the taxpayer and his/her borrowers (debtors);

4) bank details of taxpayer and borrowers (debtors);

5) the date of the reconciliation statement.

7. The settlement reconciliation report between taxpayers and his/her borrowers (debtors) must be drawn up after the date of receipt of the notification.

8. In case of non-compliance with the requirements of the mentioned notification and failure to provide the requested information, the borrower (debtor) is liable in accordance with the legislation of the Republic of Tajikistan.

9. The decision of the tax authority to recover tax arrears from the account of the taxpayer's borrower (debtor) is drawn up and sent in writing or in electronic form to financial credit institutions and borrowers (debtors) for execution.

10. A financial credit institution must comply with the decision and collection order of the tax authority to collect tax arrears from the bank account of the taxpayer's borrowers (debtors).

11. In the case of full repayment of debt amount by the borrowers (debtors), the decision to collect tax arrears and collection order is cancelled within 2 business days following the day of repayment.

12. If an excess amount is collected from the taxpayer’s borrowers (debtors) bank accounts with financial credit institutions, the excessively paid amount is refunded by the tax authority to the borrowers (debtors).

13. Suspension and cancellation of the decision to collect the amount of tax arrears from the bank accounts of borrowers (debtors) of the taxpayer is carried out in accordance with Articles 136 and 145 of this Code by decision of the authorized state body.

**Article 147. Forced collection of tax arrears in cash from the taxpayer**

1. If there are no funds on the bank accounts of a taxpayer or there are no available funds to pay off tax arrears in these accounts, the tax authority may collect tax arrears in the amount not exceeding tax liability from the funds available in taxpayer's cash. If the taxpayer's bank accounts have insufficient funds to cover the taxpayer's tax liabilities or the tax authority reasonably believes that there may be a delay in collecting tax from his bank accounts, the tax authority has the right, in addition to any actions taken in accordance with Article 144 of this Code, to simultaneously collect tax arrears in the amount not exceeding the tax obligation, from the funds available at the taxpayer's cash box.

2. The adoption or cancellation of a decision on collection of tax arrears from the cash of a taxpayer shall be carried out by the authorized state body in accordance with the provisions of this Code.

3. Upon making by the tax authority of a decision to collect tax arrears from the taxpayer's cash, a copy of the decision is sent to the taxpayer for execution. Starting from the date of such decision, the taxpayer is obliged to use all funds received in the cashbox (excluding cash for the payment of wages and equivalent payments) only to cover tax arrears.

4. Tax authority official conducts an inventory of cash in the taxpayer’s cash box and calculates it in the presence of the cashier.

5. When executing a decision on collecting tax arrears from the taxpayer's cash, the tax authority employee shall prepare a report on taxpayer's cash balance. Upon that, the taxpayer or his/her official confirms in writing and undertakes to fulfill this requirement.

6. Withdrawal of taxpayer's cash from the taxpayer's cash box is carried out by the tax authority on the basis of requirements of this article by drawing up a report in three copies in the presence of the taxpayer or his representative and witnesses with the indication of the total amount uncovered. The said amount is trasferred by tax authority to the financial credit institution on the same day in order to be transferred to the corresponding budget.

7. Until these arrears are covered, the taxpayer does not have the right to make other payments, with the exception of payments of wages and payments equivalent to it.

**Article 148. Property seizure and sale**

1. Seizure of property and its sale are the actions of the tax authority to restrict the property rights of the taxpayer and collect tax debts.

2. Property seizure and sale for repaying of tax arrears, which is recognized by the taxpayer, is carried out by the decision of authorized state body. If the taxpayer does not recognize the tax arrears, the seizure of the taxpayer's property and its sale in regard to the tax arrears is carried out through judicial procedures.

3. Partial or complete seizure of property is a restriction of the taxpayer's right to dispose of the seized property. In this case, the possession and use of the seized property is carried out with the written permission and under the control of the tax authority.

4. The seizure of property and its sale is carried out only in the case of insufficient or lack of funds in the taxpayer's bank account and/or cash at the cash desk for the fulfillment of tax obligations (tax arrears, interest and fines).

5. The seizure of property and its sale is carried out after the tax authority sends a notification to the taxpayer in accordance with Article 133 of this Code.

6. Only those assets that are necessary and sufficient to pay off the tax arrears will be seized and sold.

7. All seized property may be subject to sale to ensure the fulfillment of tax obligations.

8. The seizure of fixed assets of state-owned enterprises is prohibited.

9. The seizure and sale of immovable property of a foreign legal entity operating in the Republic of Tajikistan without establishing a permanent establishment is carried out in relation to the property of this foreign entity in the Republic of Tajikistan.

10. The seizure of property of the taxpayer is carried out with the participation of the taxpayer (his/her authorized representative), witnesses and, in case of taxpayer evasion, with the involvement of a representative of the internal affairs bodies.

11. Persons participating in the seizure of property as witnesses, the taxpayer or an authorized representative of the taxpayer are explained their rights and obligations.

12. Before the seizure of property, officials who seize property must provide the taxpayer (his representative) with arrest warrants and documents confirming their authority.

13. Upon seizure, an official of the tax authority draws up a protocol on the seizure of the property.

14. Property seizure report and the inventory list, attached to the report, should list and describe seized property with the indication of name, quantity and individual features of items, and if possible, their value.

15. All seized items must be presented to attesting witnesses and the taxpayer (his agent).

16. The decision on the seizure and sale of property establishes the place of storage of the seized property.

17. Alienation (except for the cases when alienation is conducted under the control or with the written or electronic permission of the tax authority that carried out the property seizure), complete spending of seized property is prohibited.

18. At the request of the taxpayer, concerning whom the decision on property seizure and sale was made, the tax authority has the right to substitute the property seizure with the bank guarantee and/or surety in accordance with Articles 137-138 of this Code.

19. If the tax authority has information about the taxpayer's intentions to conceal or take other actions that may complicate or make it impossible to execute the tax authority's decision to seize property, the tax authority has the right to seize the property of such a taxpayer outside of business hours.

20. The tax authority is obliged to notify other relevant state authorities of the prohibition to take any action with respect to the seized property of the taxpayer.

21. The prohibition to carry out any actions in relation to the seized property is mandatory for all state bodies in accordance with part 20 of this article.

22. Failure to comply with the requirements of this article by the authorities provided for in part 20 of this article shall entail administrative liability in accordance with the legislation of the Republic of Tajikistan.

23. Upon full payment of the tax debt, provision of a bank guarantee or surety, the decision to seize property is canceled by the authorized state body.

24. The tax authority notifies the taxpayer about cancellation of the decision on property seizure and sale within 3 days from the date of such cancellation.

25. The decision to seize property is valid from the moment of seizure until the cancellation of the decision by an authorized state or juidicial bodies.

26. Provisions of this article also apply to the property seizure of a tax agent legal entity.

27. The appraisal of the seized property is carried out by authorized public bodies in the area of appraisal, as well as by individuals and legal entities licensed to carry out appraisal activities.

28. Sale of seized finished products (goods), agricultural products (with the exception of perishable products), as well as other tangible assets not intended for direct use in production, is carried out through an auction.

29. Determination of the value of securities, jewelry and other products made of precious metals and precious stones, antiques, works of fine art and sculpture, in relation to which the seizure has been performed, is carried out with the obligatory involvement of specialists in these areas.

30. Seized taxpayer’s property is sold by tax authorities at auction in accordance with this Code, relevant legislation and the procedure for the implementation of methods and measures to ensure the fulfillment of tax obligations.

**Article 149. Agreement on the procedure and conditions for payment of tax arrears**

1. A taxpayer concerning whom the measures provided for in chapters 17 and 18 of this Code are being taken may submit a plan for repayment of tax arrears and conclude an agreement with the tax authority on the procedure and terms for repayment of the amount of tax arrears for a period of up to 6 consecutive calendar months.

2. If the agreement on procedures and terms of tax arrears payment is signed, the implementation of previously adopted decisions on the application of measures provided for in chapters 17 and 18 of this Code shall be suspended for the entire duration of the agreement.

3. The head of the authorized state body may additionally extend the said agreement with the taxpayer once for up to six consecutive months.

4. The terms for the execution of the said agreement and the suspension of previously adopted decisions of the tax authority on application of measures for the forced collection of taxes cannot be extended beyond the time limits specified in parts 1 and 3 of this article.

**Article 150. Taxpayer (tax agent) bankruptcy**

If a taxpayer (tax agent) fails to pay tax arrears to the budget after taking all the measures provided for in Chapters 17 and 18 of this Code, or if the taxpayer does not have funds in his bank account and (or) property, and (or) receivables, if there are signs of bankruptcy, the tax authority has the right to apply to the court for declaring the taxpayer bankrupt in accordance with the legislation of the Republic of Tajikistan on bankruptcy.

**Article 151. Forced collection of tax arrears from an individual**

**1.** If an individual (with the exception of an individual entrepreneur) has not fulfilled the obligation to pay taxes within the time period established by this Code, the tax authority shall apply to the court for collection of tax arrears from the property of the individual (hereinafter in this article - the application for collection).

2. The tax authority also has the right to apply to the court for the seizure of the property of an individual to enforce the notification.

3. A copy of the application for collection of tax is sent by the tax authority to an individual not later than the day of its submission to the court.

4. An application for collection of taxes is submitted to the court if the total amount of tax arrears of an individual exceeds 250 indicators for calculations.

5. The tax arrears of an individual is collected from property based on a court decision and the provisions of this article.

6. The collection of tax arrears of an individual is carried out in the following sequence:

1) from the bank account of an individual;

2) from cash of an individual;

3) from property of an individual, with the exception of cases when seizure and sale are prohibited by the legislation of the Republic of Tajikistan.

7. Violation of the sequence of collection of tax arrears of an individual, established by part 6 of this article is not allowed.

8. From the date of the seizure of the property of an individual until the day of fulfillment of tax obligations, no fines are imposed and not interest is charged for non-payment of taxes within the established time frame.

**Article 152. Collection of tax arrears in court**

1. In the event that the taxpayer does not recognize the tax arrears (the amount of accrued taxes (additionally charged), interest and fines), the authorized state body, in the manner prescribed by law and the provision of part 3 of Article 151 of this Code, shall file a statement of claim with the court and send a copy of the statement of claim to the taxpayer.

2. The claim of the authorized tax body to collect tax arrears from a legal entity or an individual entrepreneur is considered by the economic court.

3. The claim of the authorized state body to collect tax arrears from an n individual who is not an individual entrepreneur is considered by the court at the location of the individual taxpayer.

4. The court decision on collection of tax arrears after its entry into force shall be executed in accordance with the procedure established by the legislation of the Republic of Tajikistan.

## CHAPTER 19. TAX ADVICE

**Article 153. Tax Advice**

1. Tax advice is the provision of qualified and professional assistance by independent tax consultants to taxpayers on the application of the provisions of this Code and other regulatory legal acts that regulate tax issues.

2. Tax advice is carried out on the basis of the contract for the following activities:

1) Advise the taxpayers on tax issues, including accounting and reporting, development of documents and tax reports;

2) Advise on claims to refund excessively paid and excessively collected taxes, interest and fines, and reimburse damages cause by tax authority official;

3) Advise on taxation issues at the court of law, tax inspectorate, and other law enforcement bodies ;

**Article 154. Independent Tax Advisors**

1. An independent tax advisor can be:

1) An individual having a supporting certificate of qualification of an independent tax advisor in the manner prescribed by the legislation of the Republic of Tajikistan;

2) A legal entity - a business entities with a staff of at least 3 people having a certificate of qualification of an independent tax consultant;

2. It is prohibited to act as an independent tax consultant without a certificate of qualification.

3. A taxpayer's consultant has the right to participate in judicial and other bodies as an independent expert in tax disputes.

4. The procedure and conditions for activities of independent tax consultants, their qualification certification are established by the authorized state body in the field of finance.

**Article 155. Rights and Obligations of an Independent Tax Advisor**

1. An independent tax advisor has the right to be called a "tax advisor" in the exercise of his/her professional activities.

2. Independent tax advisors are independent of government agencies, taxpayers and third parties.

**Article 156. Respoisibility of Tax Advisor**

1. A tax advisor is responsible for protecting trade secrets and information about the activities of the taxpayer, uncovered by him/her in the course of fulfilling contractual obligations with taxpayers, for providing unprofessional advisory services on tax issues that caused material damage to the taxpayer as a result of incorrect advice, for providing illegal advice in order to evade the taxpayer from paying taxes.

2. A tax consultant cannot be engaged by tax authorities and other state bodies as a witness on issues that became known to him in the course of fulfilling contractual instructions with the taxpayer.

## CHAPTER 20. RESPONSIBILITY

**Article 157. Tax Offence**

1. A tax offence is an unlawful act (actions or inaction) of taxpayers, tax agents and and their officers, as well as officials of authorized bodies that resulted in failure to comply or in improper compliance with the requirements of this Code and other legislative acts of the Republic of Tajikistan, control over which is assigned to tax authorities.

2. Offences of tax legislation by taxpayers, tax agents, their officers, as well as officials of authorized bodies will entail liability envisaged in this Code and other legislative acts of the Republic of Tajikistan.

**Article 158. Circumstances Excluding Liability for Tax Offence**

1. Besides circumstances specified under legislation of the Republic of Tajikistan, bringing a person to liability is not allowed in the following cases:

– fulfillment by the taxpayer (tax agent) of written explanations of the authorized state body for the fulfillment of tax obligations;

– independent elimination by a taxpayer (tax agent) of a tax offence before the date of receipt of a notification of a tax audit.

2. Unless otherwise provided by the legislation of the Republic of Tajikistan, a person shall not be held liable subject to one of the following::

– Absence of a tax offence episode;

– Absence of a person’s guilt in commitment of a tax offence;

– Commitment of an action having all elements of a tax offence by an individual who has not reached 16 years at the time of offense;

– expiration of the limitation period for committing a tax offense.

## CHAPTER 21. DISPUTE RESOLUTION

**Article 159. Appeal**

1. Every taxpayer has a right to appeal the decisions, reports, and actions or inaction of its officials. Decisions and acts of tax authorities adopted in violation of the requirements of this Code and restricting or prohibiting the rights and legitimate interests of taxpayers have no legal force.

2. Appeal of reports of the tax authority means the simultaneous appeal of decisions taken on the basis of these reports.

3. The taxpayer has a right to appeal to a higher level tax authority of authorized state body and/or to a court of law.

4. Appeals (complaints) of a taxpayer filed with a court shall be considered and resolved following the procedure established under legislation of the Republic of Tajikistan

5. Appeal on the tax authority's report, calculation of tax, penalties and interests, as well as other decisions of the tax authority can be filed within thirty calendar days from the date of receipt of a tax authority's decision by a taxpayer.

6. In the event that the deadline envisaged in part 5 of this article for filing of an appeal is not met due to a valid reason, such deadline may be restored by a higher level tax authority within the statute of limitations established by this Code, upon request of the person filing the appeal.

7. A taxpayer's appeal will be reviewed, a decision regarding the appeal will be made, and the person who filed the appeal will be notified on the adopted decision during the period of no more than 30 calendar days from the date of receiving the appeal by tax authority. When necessary, the period for considering a complaint is extended up to 10 calendar days, unless the change in the period is related to the implementation of the provisions of part 10 of this article.

8. If the taxpayer has not received an official response from the territorial tax authority within the period established by part 7 of this article, he/she shall file a complaint with a higher authority or court.

9. The tax authority has the right, at the request of the taxpayer, to extend the deadline for filing an appeal for up to 30 days.

10. In the course of reviewing the taxpayer's appeal, the tax authority has a right to:

– Appoint a tax audit, including tax re-audit following the established procedures;

– send inquiries to the taxpayer and/or to the tax authority that conducted the tax audit for additional information or clarifications on the issues set out in the complaint;

– send inquiries to the relevant state bodies, as well as to the competent tax authorities of foreign states on issues of a thematic review;

– consider the filed appeal with the participation of the taxpayer (his/her authorized person) and the person responsible for the tax authority that conducted the tax audit.

11. Based on the results of the consideration of the complaint, the higher tax authority or the authorized state body makes an appropriate decision and sends a copy to the taxpayer and the tax authority, in relation to whose decision the complaint was submitted.

12. The taxpayer has the right to appeal to the court the actions (inaction) of officials of the tax authorities in the manner prescribed by the legislation of the Republic of Tajikistan.

**Article 160. Pre-Trial Dispute Resolution Council**

1. The Pre-trial Dispute Resolution Council (hereinafter, the Council) is an interagency advisory body for pre-trial resolution of tax disputes under the authorized state body, which includes representatives of financial, judicial, entrepreneurship support, tax, sectoral bodies, experts, and independent advisors.

2. The activities of the Council within the framework of the tasks and expertise of its participants are carried out free of charge.

3. The activity of the Council consists of pre-trial consideration of issues related to taxation of taxpayers and tax authorities, complaints of taxpayers against reports and decisions of tax authorities and other issues requiring industry conclusions.

4. Based on the results of consideration of the issues raised, the Council submits to the authorized state body advisory opinion on the adoption of an appropriate decision.

**Article 161. Consequences of filing a petition (appeal) regarding the assessment of tax, penalties and interest**

1. Until the completion of consideration of a taxpayer's appeal (complaint) regarding a report or a decision of the tax authority, in accordance with the provisions of Chapters 17 and 18 of this Code, only that part of the recognized tax liabilities is paid or collected.

2. Interest for failure to pay in due time is charged only in relation to the amount of recognized taxes additionally accrued, including the amount of tax recognized by the taxpayer after consideration of the taxpayer's appeal.

## SECTION V. TAX AUTHORITIES

## CHAPTER 22. TAX AUTHORITIES

### Article 162. Main Responsibilities of Tax Authorities

1. Tax authorities carry out activities in accordance with this Code and other regulatorys acts of the Republic of Tajikistan in cooperation with other state bodies, self-government bodies of settlements and villages, as well as tax authorities of other states.

2. The main responsibilities of tax authorities are:

– ensuring compliance with the tax legislation of the Republic of Tajikistan by participants of tax relations;

– ensuring receipt of taxes and other mandatory payments to the budget in due time by participants of tax relations;

– participation within their powers in the process of development and improvement of the tax legislation of the Republic of Tajikistan;

– participation within their powers in the process of development and improvement of the legislation of the Republic of Tajikistan on the state registration of business entities;

– assisting taxpayers in meeting their tax obligations and compliance with tax laws;

– identifying procedures and methods for analyzing corruption risks in tax administration and their implementation;

– development and implementation of the state policy on the state registration of business entities within their powers;

– Other responsibilities as stipulated under the legislative acts and legislation of the Republic of Tajikistan.

### Article 163. Legal Status and Structure of Tax Authorities

1. The Tax administration of the Republic of Tajikistan (hereinafter, tax administration) consist of the authorized state body and territorial authorized bodies, which as a whole form a single centralized system of tax authorities of the Republic of Tajikistan.

2. The structure, management plan and list of enterprises (organizations) of the system of tax authorities, the procedure for their activities and structural divisions, as well as the relationship of tax authorities with other bodies, organizations, institutions and citizens are established by the regulations of tax authorities.

3. Territorial tax administrations are accountable and subordinate to the relevant higher tax authorities. The territorial tax authorities consist of the tax administration for the taxation of large taxpayers with inspections in the Gorno-Badakhshan Autonomous Region, regions and the city of Dushanbe, tax authorities of the Gorno-Badakhshan Autonomous Region, regions and the city of Dushanbe, tax inspectorates in cities (districts), as well as regional authorities of the authorized state body for state registration of legal entities and individual entrepreneurs.

4. Funding operations of tax authorities is allocated from the republican budget.

5. Tax authorities are legal entities having an independent balance, special accounts in the Central Treasury of the Ministry of Finance of the Republic of Tajikistan or its local bodies, a stamp depicting the State emblem of the Republic of Tajikistan, and its name in the state language.

6. Tax authorities have a logo and a corporate lapel pin, the design of which is approved by the Government of the Republic of Tajikistan.

**Article 164. Employees of Tax Authorities and Their Responsibilities**

1. Employees of tax authorities are civil servants, and their legal status and social benefits are regulated by the Law of the Republic of Tajikistan "On Civil Service".

2. Employees of the tax authorities, in confirmation of their authority, are issued service certificates, the sample of which is approved by the authorized state body.

3. Employees of tax authorities are awarded qualification ranks in accordance with the established procedure.

4. Samples and criteria for issuing a uniform by tax administration in accordance with their ranks are approved by the Government of the Republic of Tajikistan.

5. The qualification ranks of employees of tax authorities are established by the Majlisi Namoyandagon of Majlisi Oli of the Republic of Tajikistan. The regulation on the procedure for assigning qualifications to employees of tax authorities is approved by the President of the Republic of Tajikistan.

6. When conducting tax control and audits, employees of the tax authorities are prohibited from causing damage by unlawful actions to taxpayers or property in their use or disposal.

7. For failure to perform or improper performance of their duties, as well as non-compliance with state, official, tax, commercial and banking secrets protected by law, abuse of official position, causing damage to the taxpayer during tax control and tax audits, and other illegal actions, employees of tax authorities are subject to disciplinary, administrative or criminal liability in accordance with the legislation of the Republic of Tajikistan.

8. Damage caused to taxpayers by unlawful decisions of tax authorities or actions of their officials during tax control and tax audits is determined by a court decision and is subject to compensation in full volume in the manner established by the legislation of the Republic of Tajikistan.

9. Damage caused to taxpayers or their representatives by lawful actions of officials of tax authorities, except as otherwise provided by law, is not subject to compensation.

**Article 165. Interaction of tax authorities with other state bodies**

1. Tax authorities carry out their activities independently of other central and local government bodies, self-government bodies, settlement and villages. The execution of decisions taken by the tax authorities within their powers is mandatory for all individuals and legal entities.

2. Central and local government bodies, self-government bodies, settlements and villages must assist tax authorities in implementation of the tax legislation of the Republic of Tajikistan, ensuring the completeness and timeliness of tax receipts to the budget. These bodies are prohibited from interfering in the activities of tax authorities, unless otherwise provided by the legislation of the Republic of Tajikistan.

3. Exchange of information between tax authorities and other relevant state bodies is carried out in accordance with the legislation of the Republic of Tajikistan.

4. Customs administrations, social protection authorities, other state bodies and financial credit institutions are required to regularly provide tax authorities with information they have that is necessary for the implementation of the tax legislation of the Republic of Tajikistan.

**Article 166. Reports**

1. Within six months of the end of each calendar year, the authorized state body publishes a report on its official website on performance of the tax authorities.

2. The annual report for the previous calendar year must contain the following information:

– detailed analysis of tax revenues, including breakdown by type, taking into account their belonging to regions, cities and districts;

– information on use (application) of tax benefits to taxpayers and deferred payment of tax in accordance with regulatory legal acts;

– analysis of the causes and factors of tax arrears in regions, towns and districts, their ratio to total annual tax revenues;

– analysis of the status of state registration of legal entities and individual entrepreneurs;

– information on the supervisory work of authorities and its results;

– information on complaints from taxpayers and the results of their consideration;

– on measures taken to improve tax administration, including the introduction of modern digital programs and technologies;

– assessment of the level of satisfaction of taxpayers with the services of tax administrations;

– on the current problems and prospects of activities of tax authorities in the medium term.

3. The authorized state body publishes on its official website and constantly updates the list of taxpayers whose tax has been calculated (charged), but remains unpaid in an amount exceeding 5,000 indicators for calculations, indicating the amount of arrears.

**Article 167. Rights of Tax Authorities**

1. In accordance with this Code, tax authorities have the right to:

– participate in the process of developing and improving tax legislation;

– develop and approve regulatory legal acts arising from this Code in the manner prescribed by this Code and other regulatory legal acts;

– monitor compliance with the provisions of tax legislation;

– carry out international cooperation on matters of taxation;

– have electronic access to information system containing the primary accounting documents of taxpayers (tax agents) to view the data of the automatic accounting and tax accounting software;

– in accordance with the provisions of this Code, seize documents of the taxpayer, as well as information contained in electronic media related to taxation operations;

– in accordance with this Code, calculate the amount of the tax liability (using direct and indirect valuation methods, market prices or timing survey data);

– in the course of tax audit carry out checks of financial documents, accounting books, reports, estimates, cash, securities and other assets, calculations, returns and other documents related to the calculation and payment of taxes, and receive information, insights and written explanations on the issues in the course of the aforementioned tax audits;

– conduct an examination and inventory of the property of the taxpayer (except for residential premises) during a tax audit in the manner prescribed by this Code;

– to inspect production, trade, storage and other premises of enterprises and individuals used to generate income or maintain objects of taxation during a tax audit;

– issue instructions to managers and other officials of organizations, as well as individuals, regarding elimination of identified tax offences, and monitor compliance therewith;

– apply sanctions and fines for committing tax offenses as provided for by this Code and the legislation of the Republic of Tajikistan

– collect taxes, accrued penalties and interests from taxpayers, their officials, and individuals, including through filing claims to a court of law, in compliance with provisions of this Code;

– apply the forms of liability established by law in the case of violation by the taxpayer of the requirements of tax legislation;

– demand submission of documents confirming appropriate calculation and timely payment of taxes, tax reporting prepared by the taxpayer (tax agent), financial reporting of the taxpayer with an audit report attached to it, in the event that such a person is subject to mandatory tax audit by the legislative acts of the Republic of Tajikistan;

– apply measures for the forced collection of taxes, fines and interest, collect tax arrears, and control their execution in the activities of taxpayers and financial institutions in the manner prescribed by this Code, the legislation of the Republic of Tajikistan on enforcement proceedings and other regulatory legal acts of the Republic of Tajikistan;

– engage (invite) specialists, experts and translators to perform tax control;

– notify taxpayers about fulfillment of tax obligations in accordance with the terms of, and in the cases provided for by this Code;

– in accordance with the provisions of this Code, request from state bodies, institutions, organizations of the Republic of Tajikistan and the competent authorities of foreign states, information related to taxation operations;

– exercise other rights established by this Code and other regulatory legal acts.

2. Higher tax administrations have the right to cancel decisions of lower tax administrations if they do not comply with the tax legislation of the Republic of Tajikistan.

**Article 168. Obligations of tax authorities**

1. Tax authorities must:

– comply with the Constitution of the Republic of Tajikistan, this Code, constitutional laws and other laws of the Republic of Tajikistan, joint resolutions of Majlisi Milli and Majlisi Namoyandagon of the Majlisi Oli of the Republic of Tajikistan, resolutions of the Majlisi Namoyandagon (Parliament), legislative acts of the President of the Republic of Tajikistan and the Government the Republic of Tajikistan, and the rights and interests of enterprises, institutions, and organizations, as well as citizens, which are protected by law;

– control accuracy of calculation, completeness and timeliness of payment of taxes to the budget, and full and exact compliance with tax legislation of the Republic of Tajikistan;

– comply with and protect the rights and legal interests of taxpayers;

– ensure publication of acts of tax legislation on the official website of the authorized state body and access of taxpayers to other issues related to taxation;

– facilitate taxpayers in application of tax legislation

– regularly introduce new types of electronic services to taxpayers to optimize the fulfillment of tax obligations;

– conduct state registration of legal entities and individual entrepreneurs in accordance with the Law of the Republic of Tajikistan “On State Registration of Legal Entities and Individual Entrepreneurs”;

– facilitate full and timely registration of taxpayers, including the payers of value-added tax, objects of taxation, recording of calculated (assessed) and paid taxes and arrears;

– account for and compile reporting on tax proceeds to the budget, maintain records of and compile reporting on the amounts of granted tax concessions with a breakdown by groups of taxpayers, types of taxes and concessions, as well as regions;

– collect penalties and interests envisaged by this Code and other legislative acts of the Republic of Tajikistan

– conduct tax control in accordance with legislative acts of the Republic of Tajikistan;

– develop rules, procedures, guidelines and instructions in accordance with the provisions of this Code;

– regularly carry out explanatory work on compliance with tax obligations in the media and publish manuals, brochures and posters;

– upon the request of the taxpayer issue an extract from a taxpayer’s bankbook on the status of settlements with the budget pertaining to the fulfillment of the tax obligations during the five business days;

– take measures on enforced collection of tax arrears of taxpayer in accordance with this Code and other legislative acts of the Republic of Tajikistan;

– provide taxpayers with a copy of a tax audit report and the relevant decision by a tax authority regarding to the results of a tax audit;

– keep record of cash registers with fiscal memory;

– review requests, petitions, appeals and suggestions on matters within their authority of tax authorities following the established procedure;

– monthly submit to financial authorities necessary information on accrued and paid tax and non-tax, tax arrears, tax benefits, sources of taxation and the number of taxpayers under a bilateral agreement;

– collect, analyze and evaluate information on violations of tax legislation, make recommendations to appropriate state bodies on elimination of causes and conditions, leading to emergence of such situations;

– credit and/or refund overpaid amounts of tax to taxpayers in accordance with the provisions of article 117 of this Code;

– ensure confidentiality of the secrets of the taxpayer's activities;

– conduct awareness raising campaigns regarding the application of tax legislation of the Republic of Tajikistan, furnish taxpayers with tax reporting forms in a prescribed manner, and explain the procedure for filling them out, provide explanations, including written explanations, regarding the procedure for the calculation and payment of taxes;

– provide, within the statute of limitation, storage of tax reporting and other documents, tax audit reports and other documentation related to this particular taxpayer.

– compile personal file of taxpayers with regard to legal entities and individual entrepreneurs, as well as individuals obliged to present tax returns in accordance with this Code;

– in case of detection of signs of a crime in the activities of the taxpayer related to the fulfillment of tax obligations, in accordance with parts 2 and 6 of Article 170 of this Code, materials are to be submitted within 10 working days to the relevant law enforcement agencies for taking measures;

– monitor the activity of subordinate territorial tax administrations and other enterprises, institutions and organizations under their jurisdiction;

2. Tax authorities also carry out any other obligations provided by tax legislation of the Republic of Tajikistan.

**Article 169. Conflict of Interests**

Employee of a tax authority is prohibited from performing official duties in relation to taxpayers with whom he is related, or has a direct or indirect interest.

**Article 170. Confidentiality of Information (Tax Secrecy)**

1. Tax authorities, subdivisions of tax authorities, tax agents and their employees (while in service or after resignation from service) must protect confidentiality of any information about taxpayers, except for the following:

- taxpayer identification number;
- shareholders and participants of legal entities;
- tax schedule of the taxpayer;
- number of employees indicated in the returns;
- amounts paid and tax arrears;
- amount of income and expenses in accounting reporting;
- offences by the taxpayer of the requirements of this Code and the measures applied to him/her;

- other information published with the consent of the taxpayer.

2. Tax authorities and tax agents have the right to disclose information on the taxpayer in a manner established by this article, and only to the following persons:

– the authorized state body in the field of finance and employees of tax authorities for the purposes of fulfillment of their official duties;

– law enforcement bodies for non-compliance with tax legislation and in case of committing a tax offence;

– courts of law in the course of reviewing cases on determination of the tax obligations of a taxpayer or liability for a tax offence;

– competent bodies of other states in accordance with international tax treaties recognized by Tajikistan;

– other bodies within the framework of bilateral agreements, as well as for the implementation of sectoral powers;

– authorized state body in the area of civil service, for exercising statutory powers in relation to persons obliged to submit an income declaration;

– customs authorities for implementation of the customs legislation of the Republic of Tajikistan;

– other authorized bodies that have the right to levy taxes in accordance with this Code.

3. Transfer of information received from authorized state bodies to third parties is prohibited.

4. Disclosure of information about a taxpayer to the competent authorities of other states is regulated and carried out only to the extent established in the framework of international agreements recognized by Tajikistan.

5. Provision to other state bodies of any documents generated in the course of the activities of tax authorities, including personal files of taxpayers, tax audit reports, notifications and other documents received for tax control purposes, with the exception of the cases provided for in part 2 of this article, is prohibited.

6. The originals of the documents specified in part 5 of this article are provided to law enforcement and judicial authoritiese based on an official request in accordance with the provisions of part 1 of this article when initiating a criminal case against a specific taxpayer.

7. The originals of documents received in accordance with part 6 of this article are returned to the relevant tax authorities within 30 calendar days from the date of termination of the criminal case or the entry into force of the court decision.

## SECTION VI. REGULATION OF INTERNATIONAL TAXATION

### CHAPTER 23. SPECIAL PROVISIONS UNDER INTERNATIONAL TREATIES IN THE FIELD OF TAXATION

#### Article 171. The procedure for application of international treaties in the field of taxation

1. International treaties in the field of taxation are applied in order to avoid double taxation and evasion of taxes on income and property (capital) based on treaties recognized by Tajikistan.

2. Instructions on application of international treaties in the field of taxation in order to prevent double taxation and evasion of income and property (capital) taxes are approved upon their submission by the authorized state body by the authorized state body in the field of finance

**Article 172. Taxation of non-residents income from activities in the Republic of Tajikistan without establishing a permanent establishment**

1. Taxation of non-resident income that does not lead to establishing of a permanent establishment shall be carried out in accordance with the provisions of an international tax treaties, with the exception of income specified in Articles 173 - 177 of this Code.

2. Non-residents receiving income from sources in the Republic of Tajikistan, without establishing a permanent establishment, have the right to pay taxes in accordance with international treaties recognized by Tajikistan.

3. If the provisions of this article do not apply to non-residents provided for in part 2 of this article and to residents of foreign states that have not concluded international treaties with the Republic of Tajikistan on the prevention of double taxation and tax evasion, tax agents are obliged to withhold tax at the source of payment and make payment in the prescribed manner.

4. Non-residents receiving income from sources in the Republic of Tajikistan, without establishing a permanent establishment, in the event of the application of an international treaty on the prevention of double taxation and tax evasion, must, in the prescribed manner, submit to the tax administration an application, the original document confirming residence in contracting state for the respective calendar year (with notarized translation or apostille).

5. When paying income to a non-resident, the tax agent must comply with the provisions of international treaties in the field of taxation. In the event that a tax agent fails to comply with the provisions of this article, the obligation to withhold tax at the source of payment, as well as to pay fines and interest for non-fulfillment of tax obligations within the established time limits, shall be borne by the tax agent.

6. The tax administration keeps records of the following funds:

- amount of income from sources in the Republic of Tajikistan, regardless of the place of their payment, paid by tax agents to non-residents;

- amount of paid (refunded) taxes to non-residents who have the right to apply the provisions of international legal acts;

- amount of taxes withheld by tax agents from the income of non-residents in the Republic of Tajikistan and paid to the budget.

**Article 173. Procedure for application of international tax treaties in relation to taxation of income from transport services in international forwarding**

1. Income of a non-resident legal entity from international forwarding services, one of the parties to which is the Republic of Tajikistan, is exempt from taxation without filing an application based on a document confirming residence:

- in relation to a non-resident legal entity, the provisions of international treaties in the field of taxation are applied;

- a non-resident legal entity in the Republic of Tajikistan has a permanent establishment to carry out such activities.

2. Taking into aacout provisions of part 1 of this Article, a non-resident legal entity must keep separate records of income from international forwarding services, which are not taxed in accordance with international treaties, and from transport services in the territory of the Republic of Tajikistan, and to include gross income in the income tax return.

3. When calculating income tax, income that is not subject to taxation in accordance with an international treaty is deducted from the total amount of income specified in part 2 of this article.

4. In case of non-compliance with the provisions of international tax treaties, resulting in partial or complete non-payment of taxes to the budget of the Republic of Tajikistan, a non-resident legal entity (permanent establishment) is held liable in accordance with the legislation of the Republic of Tajikistan.

5. Income of a non-resident legal entity engaged in provision of international forwarding services, one of the parties to which is the Republic of Tajikistan, without creating a permanent establishment in the Republic of Tajikistan, and having the right to comply with the provisions of international treaties, is exempt from taxation in accordance with the procedure established by Article 172 of this Code.

**Article 174. Procedure of application of international tax treaties with respect to taxation of dividends, interest, and royalty**

1. When paying income to a non-resident in the form of divided, interest and royalty, the tax agent has the right to apply the provisions of international tax treaties to the non-resident based on the following documents and conditions:

- a statement by a non-resident on application of provisions of international tax treaties;
- document confirming residency;
- if non-resident is the end recipient of income;
- if a non-resident has the right to apply the provisions of international tax treaties.

2. The tax agent is obliged to indicate the amounts of paid (calculated) income and (or) withheld taxes in accordance with the provisions of the international treaty, as well as the tax rate and the name of the international treaty and information from the document confirming the residence of a non-resident when calculating tax at the source of payment submitted to the tax authority.

3. In case of non-compliance with the provisions of international treaties that resulted in partial or complete non-payment of taxes to the state budget of the Republic of Tajikistan, the tax agent is held liable in accordance with the legislation of the Republic of Tajikistan.

**Article 175. Procedures for Application of International Tax Treaties with regard to Taxation on Net Profit from Operations Performed through Permanent Establishment**

1. A non-resident has a right to apply the provisions of international tax treaties with regard to taxation of net profit from operations in the Republic of Tajikistan through a permanent establishment without submitting a request, on the basis of a document confirming residency, if such non-resident is the ultimate recipient of the net profit and has the right to apply the provisions of relevant international tax treaties.

2. A non-resident legal entity is required to indicate in the tax return on the net profit of a permanent establishment the tax rate, the amount of tax on net profit, and the parameters of the international treaty on the basis of which the corresponding tax rate was applied.

3. The tax agent will be held liable in accordance with legislation of the Republic of Tajikistan for unlawful application of the provisions of international tax treaties that resulted in the nonpayment or underpayment of taxes to the budget.

**Article 176. Procedure for Application of International Tax Treaties with regard to Taxation of Other Incomes from Sources in the Republic of Tajikistan**

1. A non-resident receiving income from sources in the Republic of Tajikistan, with the exception of sources referred to in Articles 173-175 of this Code has a right to file request with the tax authority at the place of registration of the tax agent for application of the provisions of international treaties before payment of the amount of income by the tax agent.

2. Tax administration within 5 calendar days submits a substantiated opinion on the application of a non-resident on the application (non-application) of the provisions of international tax treaties.

3. Taking into account the provisions of part 2 of this article, a non-resident has the right to apply to the authorized state body and engage the competent authorities of the resident country for re-considering the application.

**Article 177. General Requirements for Submission of a Request to Apply Provisions of International Tax Treaties**

1. A non-resident, together with an application for applying the provisions of international tax treaties, must submit to the tax administration the following documents:

- a legalized document confirming residency or apostille of a non-resident, unless otherwise provided by international treaties recognized by Tajikistan;
- copies of constituent documents;
- copies of contracts for the performance of work (provision of services) or for other actions (activities);
- documents confirming the performance of works (services and other types of activities (actions) by a non-resident);
- data on income from transport services by international forwarding and on the territory of the Republic of Tajikistan.

2. The tax agent submits to the tax authorities accounting documents confirming the amounts of accrued and (or) paid income and withheld taxes.

3. Documents indicated in subparagraphs 4) and 5), part 1) of this Article are submitted no later than ten business days following the performance of works and provision of services.

**Article 178. Certification of Tax Amounts paid in the Republic of Tajikistan**

At the request of a non-resident performing activity in the Republic of Tajikistan, tax administration issues a certificate confirming the income paid taxes from sources in the Republic of Tajikistan following the procedure established by an authorized state body.

## SECTION 23. INFORMATION SHARING

**Article 179. Tax and financial information sharing**

1. The authorized state body has the right to receive information necessary for calculation and collection of taxes, considering complaints related to taxation and criminal prosecution, including information disseminated within the framework of international practice that does not contradict other laws, and to provide such information to other contracting states.

2. The request of the authorized state body to the competent bodies of another contracting state must contain the following financial information:

- calculation tax liabilities;
- verification of property received by inheritance or gift;
- accuracy of information or evidence of tax evasion;
- property of a taxpayer who has not fulfilled tax obligations.

3. The authorized state body has the right to request from financial credit institutions provision of financial information on financial transactions of residents, local companies, non-residents and foreign companies responsible for calculation of taxes, fees and administration of taxes of another contracting state, and, if necessary, to regularly exchange financial information with another contracting state on the principle of reciprocity in accordance with an international treaty.

4. Regardless of the request of the authorized state body, financial credit institutions may keep information about the taxpayer identification number, participants in financial transactions and other information necessary for the exchange of financial information between the contracting states.

5. The authorized state body and the competent authorities of another contracting state must ensure the process of obtaining, exchanging and providing any tax or financial information on financial transactions specified in paragraph 3 of part 2 of this article.

6. Every employee of a financial institution and others must refrain from providing or disclosing financial information by accepting a request that is contrary to parts 2 or 3 of this article.

7. No person having financial information in accordance with paragraphs 2 and 3 of this article has the right to transfer or disclose this information to third parties, except for the competent authorities of another contracting state, or illegally use such information, and no one has the right to demand the provision of financial information from the person who has this information.

8. Any person having received financial information provided or disclosed in violation of parts 2, 3 and 4 of this article will become aware of the violation and may not provide or disclose such information to third parties.

9. Regardless of part 3 of this article, the authorized body may restrict the provision of financial information to another contracting state by agreement based on the principles of mutual share of information.

10. A head of a financial company and other persons intending to provide financial information in accordance with part 3 of this article or to check financial information in accordance with the requirements of this article may require information from the counterparty of a financial transaction to reconcile the information received.

# PART II. SPECIAL PART

## SECTION VII. INCOME TAX

## CHAPTER 25. GENERAL PROVISIONS

### Article 180. Taxpayers

1. Payers of income tax are legal entities and individuals - residents and non-residents having objects of taxation, with the exception of persons who meet the conditions of special tax regimes.

2. In the cases established by this Code, the obligation to collect income tax at the source of payment shall be carried out by tax agent.

3. Any foreign entity, that is not an individual, for the purposes of this section shall be considered as an enterprise taxpayer, unless it proves that it acts as a participant in joint ownership in accordance with Article 94 of this Code.

4. The National Bank of Tajikistan, with the exception of the provisions of part 2 of this article, is not an income tax payer.

**Article 181. Object of taxation of income tax**

1. The object of taxation of income tax is the taxable income of the taxpayer for the reporting reporting period, regardless of the place and method of payment.

2. The object of taxation of the income tax of a resident taxpayer is income received from all sources in the Republic of Tajikistan and outside the Republic of Tajikistan.

3. The object of taxation of income tax of a non-resident taxpayer is only the income received from sources in the Republic of Tajikistan.

4. The gross income of taxpayer is divided into:

- income taxed at the source of payment;
- income not taxed at the source of payment.

**Article 182. Tax base**

1. The tax base on the income of a resident taxpayer for a reporting period is the difference between gross income and deductible expenses allowed in accordance with this section for such a period.

2. The income tax base of a non-resident taxpayer carrying out business activities through a permanent establishment in the Republic of Tajikistan for the reporting period is the difference between the gross income from sources in the Republic of Tajikistan attributable to the permanent establishment and the deductible expenses allowed in accordance with this section for such reporting period.

3. Gross income of a non-resident, to which the provisions of part 2 of this article do not apply and which is received from sources in the Republic of Tajikistan, is subject to taxation at the source of payment without deducting expenses in accordance with article 239.

4. The income tax base for a non-resident taxpayer from the sale or alienation of property or property rights not associated with a permanent establishment operating in the Republic of Tajikistan is the difference between the gross income from the sale or alienation and the deductible expenses allowed in accordance with the section for such reporting period. If the income tax on sale or transfer of property and (or) property rights of a non-resident taxpayer has not been paid, the legal entity in which this non-resident had (has) property rights, or the tax agent paying income to the non-resident taxpayer, is obliged to withhold and pay tax without deductions.

5. A non-resident individual who has received income from the sources in the Republic of Tajikistan through selling or transferring of property and (or) property rights not connected with a permanent establishment in the Republic of Tajikistan, is a payer of personal income tax on the gross income of this kind according to this subsection and attributable to such income reduced by the deductions envisaged in this part and attributable to such income. If the relevant tax from the sale or transfer of the property and (or) property rights by the given non-resident individual has not been paid, a legal entity in which the given non-resident had (has) property rights, or its tax agent who pays income to the non-resident, shall withhold and pay the tax.

**Article 183. Tax rates**

1. The taxable income of a individual resident at the main place of work in excess of the amount of personal deduction is taxed at the rate of 12 percent.

2. The taxable income of a non-resident individual from employment derived from sources in the Republic of Tajikistan is taxed at the rate of 20 percent.

3. The taxable income of individuals not specified in Parts 1 and 2 of this Article is taxed at the rate of 15 percent without deductions envisaged in Article 191 of this Code with the exception of social tax for insured person.

4. Taxable income of a legal entity is taxed at the following rates:

- for manufacturing of goods – 13 percent
- for financial credit institutions and mobile companies – 20 percent;
- for extraction and processing of natural resources, as well as for all other types of activities, with the exception of paragraphs one and two of this part - 18 percent

## CHAPTER 26. GROSS INCOME

### Article 184. Gross income

1. All income and remunerations of a taxpayer, payable in favor of a taxpayer in cash, tangible and intangible form, except for income that is exempt from income tax in accordance with Chapter 27 is recognized as gross income of that person, including: :

- income from entrepreneurial activities;
- income in the form of wages;
- any other income from the activity that is not work for hire or entrepreneurial activities.

2. Gross income of the taxpayer is income before deductions.

### Article 185. Gross income from entrepreneurial activities

Gross income from entrepreneurial activities is any income, remuneration and benefits received by the taxpayer in cash, tangible and intangible form from entrepreneurial activities, including:

- income from the sale, transfer or alienation of assets used by the taxpayer in entrepreneurial activities, in accordance with Article 213 of this Code;
- the exchange rate difference received by the taxpayer for the reporting period in accordance with Article 212 of this Code.

### Article 186. Gross income in the form of wages

1. Any payments, remuneration, bonuses or benefits, including in cash, in kind and intangible form (based on restrictions on goods, items and size established by law), received by an employee from an employer in the framework of an employment relationship (with or without an employment contract), regardless of the form and place of payment, are considered income received in the form of wages, including:

– income from work for hire;

– income from previous work for hire, received as a pension or in other form, or income from the upcoming work for hire.

2. The following types of income paid to an employee by an employer in tangible and intangible form (based on restrictions on goods, items and size established by law) are recognized as income from wages, including:

– value of property paid in lieu of wages;

– value of property (works, services) paid to an employee in the manner prescribed by paragraph 2) of part 3 of this article;

– the cost of goods (work performed, services rendered) paid by the employer for the employee to third parties;

– allowance or the cost of reimbursement of expenses paid by the employer to the employee to reimburse the costs of material, social benefits, including the cost of food, accommodation, education of children in educational institutions, expenses associated with recreation, including the trip of their family members during labor leave;

– travel expenses or reimbursement of travel expenses in excess of the established travel allowances established in part 4 of this article.

3. For the purposes of part 1 of this article the value of benefits of an employee shall be equal to the following sum minus any payment of the taxpayer for this benefit:

1) the difference in the amount received by an employee from a loan from an employer in relation to the weighted average interest rate determined by the National Bank of Tajikistan, depending on the types of loans;

2) in case of sale or gratuitous transfer of goods, (performance of work or provision of services) by the employer to the employee:

a) in case of supply (or gratuitous transfer) of goods (performance of work or provision of services) by the employer to an employee - 75 percent of the regular sale price of goods, (work of services) to other buyers, if the employer is a manufacturer of goods, performs work or provides services;

b) in other cases, the cost for the employer of goods, works or services received by the employee from the employer;

3 the cost of assistance provided to the employee or his/her dependents, education, other than a training program directly related to the performance of the employee's duties;

4) the amount of compensation of expenses to an employee not directly related to his work for hire ;

5) the amount of forgiven debts or obligation of an employee to an employer;

6) the value of insurance premiums for life and health insurance and other similar amounts by an employer if the policy is in favor of the employee or the employee's dependent – the value of the premiums or amounts for the employer;

7) the cost of using the employer's vehicle by an employee for personal purposes, determined by the formula (A x 10%) / 12 per calendar month:

A - the amount of expenses incurred by the employer for the acquisition of a vehicle, its maintenance or lease at the fair market value;

8) in other cases – the market value of the benefit.

4. An employee's gross income does not include the reimbursement of such expenses, including:

- reimbursement of travel expenses by an employer in accordance with the norms set out in the normative legal acts;

_ reimbursement of travel expenses by international organizations and their institutions, foundations, non-residents non-governmental organizations.

5. Income related to payment of hospitality expenses and other similar income, including income from holding celebrations, accommodating guests and other income received by an individual, are not included in his gross income, if the value of such income does not exceed the rates established by paragraph 3 of Article 192 of this Code.

6. The cost of the material (non-material) payments listed in paragraphs 2 and 3 of this article, the benefits of other payments made in favor of individuals, includes the amount of excise tax, value added tax and any other tax payable by the employer in connection with the contract being evaluated.

**Article 187. Gross income from activities not related to work for hire or entrepreneurial activities**

1. The following income not related to work for hire or non-entrepreneurial activity of an individual shall be an income of an individual non-entrepreneurial activities:

– interest income;

– income from Islamic deposits and savings;

– dividends;

– income from the sale, transfer or alienation of assets used by a taxpayer in entrepreneurial activity, determined in accordance with Article 213 of this Code

– income in the form of royalties;

– the amount of taxpayer's debt forgiven by his/her creditor, with the exception of the taxpayer's debt declared insolvent or the debt forgiven under a debt renegotiation agreement in order to restore the taxpayer's sustainable financial position;

– any benefits and income received by an individual, with the exception of income in the form of wages and (or) income from individual entrepreneurial activity.

2. The provisions of this article do not apply to income included in the gross income of a taxpayer in accordance with Articles 184 or 185 of this Code.

**Article 188. Adjustment of gross income**

Income received by a taxpayer in the form of wages, dividends, interest, winnings, royalties and other income for the tax period is adjusted to determine the final amount of income tax by deducting from income or adding to income if income is subject to withholding tax in the Republic of Tajikistan.

## CHAPTER 27. TAX EXEMPTIONS

**Article 189. Tax exemptions**

1.The following types of income of individuals shall be not subject to tax:

1) Income from official diplomatic (consular) and equivalent to diplomatic service of a person, not a citizen of the Republic of Tajikistan, within and outside of the Republic of Tajikistan to the extent stipulated by an international agreement.

2) The value of property in natural (intangible) and (or) cash form, received from individuals through inheritance or gift, except for income received by heir from the sale (alienation) or lease of the inherited property, including remuneration (premiums) paid to the heirs (legal successors) of the authors of scientific works, literary works, works of art, as well as discoveries, inventions and industrial designs..

3) The value of gifts received from legal entities, as well as prizes (winning) received at contests and competitions, including in the cash form, if:

a) the value of gifts received from legal entities does not exceed 100 indices for calculation in a year;

b) the value of prizes (winnings) received at international contests and competitions does not exceed 500 indices for calculations in a year;

c) the value of prizes (winnings) received on the republican contests and competitions does not exceed 100 indices for calculations in a year.

4) State and insurance pensions,state prizes and awards, state scholarships, state benefits and state compensations.

5) Alimony of individuals receiving them,

6) Remuneration to donors for blood donation, breast milk donation and other donation;

7) Amounts of lump-sum payments and material assistance from the state budget, provided in accordance with regulatory legal acts;

8) Funds paid by an employer in accordance with established norms to a resident individual for travel expenses;

9) Reimbursement of travel expenses from the funds paid by international organizations and their institutions, funds, non-resident public organizations;

10) Humanitarian and charitable assistance, including at the time of natural disasters.

11) Increase in value from the sale or other form of alienation, if:

a) Residential buildings (premises), which have been the main place of residence of a taxpayer for at least the last 2 years prior to alienation. These benefits apply only to one main place of residence of an individual;

b) Other immovable property owned by a taxpayer for at least 2 years prior to the date of alienation (with the exception of real estate objects, used for entrepreneurship purposes).

12) The difference in the increase in value from the sale or other form of alienation of movable property, except for the following cases:

a) property used by a taxpayer for entrepreneurial activity;

b) if increase in value from the sale of property, historically valuable artifacts (antiques), works of art, jewelry and other collectibles exceeds 200 indicators for calculations. These provisions do not apply in cases of sale of historically valuable artifacts (antiques), works of art, jewelry and other collectibles in two or more transactions to a person or a person related to him/her. In this case, the total value of the property specified in this subparagraph is taken into account;

c) sale, transfer, assignment and other alienation of shares and equity in the authorized capital of enterprises;

d) transport vehicles and trailers, subject to state registration and owned by a taxpayer for less than one year from the date of registration prior to the date of alienation;

13) Insurance payments received under contracts of an accumulative and return character within the payments pertaining to such contracts made by an individual;

14) insurance payments (insurance indemnity) in accordance with insurance agreements by type of insurance, as well as insurance payments received in case of death of the insured person..

15) Sums of money allowances, money rewards and other payments received in connection with service (the performance of official duties) by the military personnel, junior enlisted and command staff of the system of the ministries of defense, internal affairs, state bodies of national security, emergency situations and civil defense, law enforcement units of state bodies of state financial control and anticorruption, customs authorities, Drug control agency, the National Guard, the system of the execution of criminal sanctions of the Ministry of justice of the Republic of Tajikistan.

16) Winnings from state bonds and state lotteries of the Republic of Tajikistan issued by the authorized stae body in the field of finance in the amount not exceeding two indices for calculation per bond or lottery.

17) Targeted social assistance, benefits and compensation, excluding payments related to payment of wages, paid from the state budget in the amount and manner established by the legislative acts.

18) The amount paid in accordance with the legislation of the Republic of Tajikistan, upon the death of an employee, causing physical harm, or other harm to the health of an employee in the performance of his job duties.

19) Value of provided special wear and (or) uniforms, footwear, personal protective equipment and first aid kit, soaps, decontaminating materials, milk or other equivalent food products according to standards set by the Government of the Republic of Tajikistan.

20) Insurance payments under obligatory employer’s liability insurance contracts (at the expenses of an employer) for causing (when causing) harm to the life and health of an employee while performing of employment (service) duties.

21) The amount of compensation of material damage established by a court decision.

22) Income from the sale of agricultural products grown on household plots without their industrial processing.

23) Bonus, cashback amounts and other incentive mechanisms provided by financial credit institutions to customers when using electronic payment methods.

24) stipends granted to a person for full-time study at a preschool, primary, basic, secondary, primary vocational and secondary vocational, higher vocational, postgraduate vocational and special educational institutions;

25) income from wages of disabled persons from childhood and disabled persons of group I.

26) insurance compensations and other payments received by depositors, paid by the Individuals Savings Fund, or on its behalf.

2) The following types of income of legal entities is not subject to income tax:

1) institutions, religious associations, charitable, intergovernmental and interstate (international) non-profit organizations, with the exception of income received by them from entrepreneurial activity. Such institutions and organizations are obliged to keep separate records of their main activities (activities exempted from income tax) and entrepreneurial activities;

2) gratuitous transfers received by non-commercial organizations, gratuitous property and grants used for non-commercial activities, as well as membership fees and donations received by them;

3) income of the Individual Savings Insurance Fund;

4) dividends received by resident enterprises from resident enterprises

5) subsidies received by government agencies from budget funds to support their activities;

6) income of new enterprises from the production of goods, if their founders, within 12 calendar months from the date of initial state registration, contribute to the authorized capital of these enterprises the following investment volumes within following periods:

a) 2 years, if the volume of investments exceeds 200 thousand US dollars up to 500 thousand US dollars;

b) 3 years if the volume of investments exceeds 500 thousand US dollars up to 2 million US dollars;

c) 4 years, if the volume of investments exceeds 2 million US dollars up to 5 million US dollars;

d) 5 years if the investment exceeds USD 5 million.

7) income from tourism activities for 5 years from the date of state registration, in the presence of licenses for conducting tourism activities.

3. Exemption from income tax in accordance with subparagraphs 6) and 7) of part 2 of this article does not apply in case of re-registration or reorganization of an enterprise, change of the organizational and legal form, merger, lease of operating production enterprises (in relation to income received from the production of goods leased or joint ventures).

4. Any losses during the period of tax benefits in accordance with paragraph 2 of this article, are not transferred to another tax period at the end of the period of tax benefits.

5. Provisions of paragraph 6) of part 2 of this article do not apply to enterprises engaged in mining operations or operations in the oil and gas sector.

## CHAPTER 28. DEDUCTIONS FROM GROSS INCOME

### Article 190. Deduction of expenses connected to deriving income

1. Deductions shall be made from gross income of all documented actual expenses prescribed in this Code and (or) other legislative acts not contradicting this Code, relating to the reporting period associated with receiving such income, including:

- documented expenses for tax obligations subject to the restrictions set in paragraph n) of part 8 of Article 192 of this Code;

- documented expenses for remuneration of wages, travel expenses of employees within the established norms and to the extent that any travel expenses in excess of established norms are included in the income of the employee under Article 186 of this Code;

- documented expenses for the actually used, during the tax period, raw materials, materials, advertisement costs, energy, except for the expenses for construction, purchase of fixed assets and their installation, (including expenses from negative exchange rate differences and

interest on loans charged on the value of fixed assets during the construction or installation phase), and other expenses of capital nature in accordance with Article 214 of this Code, and the expenses which are not subject to deduction according to Article 192 of this Code and other provisions of this chapter;

- income from the sale, transfer or disposal of an asset used by a taxpayer in entrepreneurial activity, determined in accordance with Article 213 of this Code;

- the exchange rate difference received by the taxpayer for the reporting period determined by Article 212 of this Code.

2. Deductions of expenses are allowed if there are properly executed documents testifying the actual expenses associated with obtaining such income.

**3.** Any expense must be confirmed by an appropriate document on the expenses incurred in monetary terms as stipulated in the legislation of the Republic of Tajikistan, including the Law On Accounting and Financial Reporting of the Republic of Tajikistan. Document confirming expenses is also a civil-legal contract, that reveals the nature of the taxpayer's expenditures and explaining its economic justification.

4. If the same expenses are provided in several expense items when calculating taxable income these expenses shall be deducted one time only.

5. Penalties, interests (fines), adjudged or recognized, forfeits connected with obtaining the gross income that shall be paid (already paid) by a taxpayer, are subject to deduction, except for those that must be transferred to the budget.

6. Value added tax and excise tax, the offset of which for the purposes of value added tax and excises is not allowed, are taken into account in the cost of goods, (performance of work, and provision of services.

**Article 191. Personal deductions of individuals**

1. Personal deduction shall be deducted from the gross income of a resident individual employee in the form of wages in the amount of two indices for calculation for each calendar month.

2. Personal deduction shall be carried out from income in the form of wages of the following categories of resident individuals employees in the amount of 10 indices for calculation for each calendar month:

– heroes of the Soviet Union, heroes of socialistic labor, heroes of Tajikistan, participants of the Great Patriotic War, participants of other military operations on protection of the Union of Soviet Socialist Republics, including the military who served in the military units, staffs and institutions that formed part of the army field forces, former partisans, soldier-internationalists, and disabled persons of the II group;

– citizens who fell ill and were exposed to radiation as a result of accidents at nuclear facilities, persons who participated in the elimination of the consequences of such accidents within the isolation zone, persons who, during the period of elimination of the consequences of accidents, took part in operational or other work at nuclear facilities.

3. If part 2 of this article is applied to the income of an individual employee, part 1 of this article does not apply.From income of an individual employee one, the largest in size, personal deduction shall be allowed on the basis of supporting documents in accordance with parts 1 and 2 of this article.

4. In case an individual has been an employee for less than sixteen calendar days during a month, at determination of the taxable income of the employee personal deduction in accordance with parts 1 and 2 of this article shall not be made.

5. A personal deduction from taxable income in accordance with parts 1 and 2 of this Article is allowed for income received only at one (main) place of work of the employee. In the event that an individual is not an employee and an individual entrepreneur, the personal deduction established by parts 1 or 2 of this article is allowed only at one place of payment of income, determined on the basis of the application submitted by him/her.

6. When calculating the taxable income of a natural person, the amount of social tax for insured persons is deducted from his/her income, which is withheld in accordance with the provisions of paragraph 2 of Article 332 of this Code.

7. Person paying an income to an individual is responsible for the proper implementation of the personal deduction. In case of violation of the provisions established in this article, the tax not received by the budget due to incorrect deduction is subject to compensation by this person.

8. When making cashless expenses, including through bank accounts, bank payment cards, in the territory of the Republic of Tajikistan, individuals are allowed to deduct such expenses in the amount of up to 10 percent of the total amount of income received, but not more than 150 minimum indications for calculation per year on the basis of supporting documents (receipt (check) or other bank document) in the manner approved by the Government of the Republic of Tajikistan.

**Article 192. Non-deductible expenses**

1. Deductions are not allowed for expenses not related to entrepreneurial activity, as well as expenses related to the acquisition of goods (works, services) from individual entrepreneurs working on the basis of a patent. Deductions are not allowed for the expenses on construction, operation and maintenance of facilities, as well as other expenses not related to entrepreneurial (primary production) activity.

2. Deductions provided for in this chapter shall not be permitted unless they comply with the requirements of Article 190 of this Code.

3. Deductions shall not be allowed in respect of the following expenses:

1) representation and other similar expenses (holding celebrations, accommodation of guests, etc.) exceeding 1 percent of the taxpayer's gross income for the reporting period;

2) advertising (marketing) expenses exceeding 5 percent of the taxpayer's total income for the reporting period

3) regardless of the requirements of paragraphs 1) and 2) of this part, a newly created taxpayer in the first year of its activity can attribute up to 300 indicators for calculating hospitality, advertising and other similar expenses (holding celebrations, hosting guests, etc.) as deductible expenses for the same purposes with supporting documents.

4. Paragraph 1 of part 3 of this article doesnot apply to a taxpayer whose entrepreneurial activity has an entertaining character, if the expenses are incurred in the course of such activity.

5. Deductions in respect of contributions to reserve funds are made only in accordance with the provisions this Code.

6. Value of the transferred property, work and services provided on the gratuitous (charitable) basis is not subject to deduction, except for the case provided by Article 194 and paragraph three of item 1 of part 2 of Article 207 of this Code.

7. Deductions are not allowed for expenses related to passenger cars at the disposal of employees or shareholders (participants of the taxpayer) for personal use during the entire tax period, including its use for transporting employees to and from work, except for cases when an employee is taxed on income from the value of the benefit in accordance with clause 7) of part 3 of Article 186 of this Code.

8. Deductions are not allowed in respect of the following expenses:

a) contributions to the authorized (share) capital, share contributions, payments for excess emissions of pollutants, voluntary membership fees to public organizations;

b) investing in other taxpayer's statutory capital;

c) expenses on financial assistance (subsidies) received by public institutions from budget funds to maintain their activities;

d) amounts received by the taxpayer-issuer from the issue of shares;

e) amounts received by the taxpayer under commission, custom-made or other similar agreements payable in favor of the committent, principal, with the exception of payment and expenses for repayment of the commission;

f) payment (repayment) of the principal amount of debt;

g) loss of goods in excess of the norms established by the authorized body, determined in accordance with the relevant legislation;

h) cost of public utility services that are provided free of charge for use by the public catering enterprises;

i) expenses that are considered to be profit for the individual in accordance with Articles 186 and 187 of this Code, which are not subject to income tax**;**

j) payment of excess rates established for the use of the personal vehicle by an employee for official purposes to the extent that the excess is not included in the income of the employee;

k) damage from theft and shortages when suspects are not known;

l) the following amounts:

- tax on income levied in accordance with this Code and any taxes on income and profits paid or payable in a foreign country;

- penalties and fines paid to the state budget of the Republic of Tajikistan or to the budget of a foreign state;

- value added tax and excise tax allowed for accounting;

- identified taxes established as a result of additional tax audits.

m) expenses related to the delivery of goods, execution of work and provision of services, which have not been actually carried out, and are determined by the court decision.

**Article 193. Deduction for charitable donations**

1. The taxpayer is allowed to deduct payments made to charitable organizations and for carrying out charitable activities during the reporting period. The amount of such payments cannot exceed 10 percent of the taxpayer's taxable income for the reporting period.

2. When making charitable payments in the form of property, the amount of the charitable payments actually made shall be considered equal to the lesser of two values - either the market value of the property at the time of the donation or the production cost.

3. Deduction allowed for payments and other assistance to prevent or provide relief in relation to man-made or natural disasters, or an epidemic.

**Article 194. Limitation on deduction of interest**

1. Unless part 2 of this article provides otherwise, the interest actually paid for each loan shall be deducted, but in the amount not exceeding the threefold sum of interest calculated (to be calculated) with applying refinancing rate of the National Bank of Tajikistan in the tax period. This provision applies to interest paid under financial lease (leasing) agreement.

2. Interest on loans paid in connection with the acquisition and (or) establishment of depreciable fixed assets or connected with expenses influencing change of their value before setting them into operation, shall not be deducted from the gross annual income, but shall increase the value of such fixed assets.

3. Restrictions on deduction of interest in this article are applied before Article 224 of this Code.

**Article 195. Deductions in respect of bad debts**

1. Taxpayers have the right for deductions in respect of bad debts arising from the supply of goods, performance of works and provision of services, if the income associated with them has been previously included in the gross income received from entrepreneurial activity.

2. Deduction in respect of bad debts is allowed at the moment of writing-off of debts as having no value in the accounting books of a taxpayer provided that the write off is consistent with International Financial Reporting Standards.

3. Provisions of this Article do not apply to financial institutions to which the provisions of part 2 of Article 204 of this Code apply.

**Article 196. Deductions for Research, Development, and Pilot-Plan Activities**

1. Deductions shall be made in respect of the expenses for research, development, and pilot-plan activities related to receipt of the gross income, except for expenses for purchase of fixed assets, their installation and other expenses of a capital character. The basis for deduction of such expenses are technical specifications, project documentation, certificate of performed works and certificates of acceptance of the completed stages of such works.

2. Provisions of part 1 of this article do not apply to expenses for scientific research, project design, experimental and construction operations of the organizations that perform these types of activity in capacity of an executor (contractor or subcontractor). These expenses shall be treated as expenses for the activity of these organizations targeted to receiving of profit (income).

3. In this article, scientific research is understood as any experimental activity, the results of which cannot be known or determined in advance on the basis of available knowledge, information or experience, but can be determined through a systematic research process based on established scientific principles. Scientific research does not include the search for natural resources. Research expenditures include any contributions made by a taxpayer to a research institution that are used to conduct research to develop the taxpayer's business.

**Article 197. Attribution of losses to another period, losses from sale or transfer of property**

1. Excess of allowed deductions of a taxpayer on gross income (loss from entrepreneurial activity) for a reporting period is carried over to the following period with duration up to 3 years inclusively and covers from the profit before the future period taxation

2. Losses arising from sale, transfer, or alienation of property (except for the property used for entrepreneurial activity, or the property, the profit of sale and transfer of which is exempted from tax), shall be compensated from the profit generated from the sale or transfer of such property.

3. If losses provided in part 2 of this article cannot be compensated on the same year, they shall be carried over to the following period up to 3 years inclusively and compensated from income generatedfrom sale or transfer of such property. Losses, provided by part 2 of this Code, shall not be subject to deduction from the gross income for the purpose of corporate income tax.

## CHAPTER 29. DEDUCTIONS ON FIXED AND INTANGIBLE ASSETS

**Article 198. Deduction of depreciation charges and other deductions of depreciable fixed assets**

1. Depreciable assets for the purposes of this article are fixed assets and intangible assets used in entrepreneurial activity.

2. A taxpayer has the right to deduct from the taxable profit for the reporting period the share of depreciation of fixed assets and intangible assets at the rates established by this article.

3. No deduction is allowed for depreciation of fixed assets and intangible assets that are not used in an entrepreneurial activity.

4. Depreciation deductions are not allowed for the following assets:

- land, cattle, works of art, goods, tangible assets, including unfinished construction projects and unassembled equipment, as well as property, the value of which is fully deducted when determining the source of taxation for the reporting year;

- highways, sidewalks, alleys and avenues of public use, landscaping, at the disposal (maintenance) of state authorities;

- fixed assets received free of charge;

- fixed assets, the cost of which has already been fully deducted;

- fixed assets of non-profit organizations, government institutions and public associations, including fixed assets used by them for income generation.

5. Depreciable fixed assets, with the exception of intangible assets, are divided into groups with the following depreciation rates:

| **Group** | **List of Fixed Assets** | **Straight-line Depreciation Rate** |
|---|---|---|
| 1 | Instruments, tools and accessories; devices and local data processing assets; electronic equipment and servers; | 12.5 |
| 2 | Trucks, buses, auto-tractor road construction machinery, special vehicles and trailers; machines and equipment for all industries; foundry, forging equipment; and presses, construction equipment;, agricultural machinery and equipment; railway, sea, river and air vehicles; containers | 9 |
| 3 | Light motor vehicles; office furniture; computers, connected equipment and its parts | 10 |
| 4 | Power machines and equipment; technical equipment; technical equipment; turbine equipment, electric motors and diesel generators; electric power transmission equipment; electronic equipment and communications tools; pipelines. | 8 |
| 5 | Buildings, constructions and structures; | 7 |
| 6 | Depreciable fixed assets not classified elsewhere | 4 |

6. A taxpayer must determine the amount of the depreciation deduction allowed under Part 1 of this Article for all classes of asset on an individual asset basis using the straight-line method.

7. Depreciable fixed assets in group 5 are depreciated on an individual asset basis onl for the entire period of operation.

8. Depreciation deductions for fixed assets and (or) intangible assets that were received (disposed of) during a calendar year are made (terminated) from the next calendar month after

actual use (actual disposal), but, in the case of a building, not before the regulatory body issues certificate of completion for the building.

9. The cost of fixed assets received on the basis of a financial lease (leasing) agreement is included in the cost balance of the relevant group of tenants, and the depreciation charge is calculated depending on the criteria established for the relevant groups.

10. The principal amount paid to the lessor for the financial lease (leasing) of fixed assets is considered to be the amount received from the sale of such fixed assets if the fixed assets are transferred to the financial balance of the group before their transfer to the financial lease (leasing). For the lessee, the principal amount he/she pays to the lessor is treated as the purchase price of the property, plant and equipment.

11. In addition to the deductions for depreciation allowances permitted in accordance with part 1 of this article, taxpayer has the right to also use investment deductions for individual assets.

**Article 199. Straight-line depreciation**

1. This Article applies where, for the purposes of Part 1 of Article 198, a taxpayer calculates the depreciation deduction for depreciable fixed assets on an individual asset basis under the straight-line method.

2. A taxpayer calculates the depreciation deduction allowed to the person for a reporting period for a depreciable fixed asset under the straight-line method by applying the depreciation rate applicable to the asset (without taking into account the increase in the value of assets as a result of revaluation)as specified in Part 2 of Article 198 against the value of the asset.

3. If a taxpayer uses depreciable fixed assets in accordance with this article, partly for taxable income, and partly for other purposes, the permitted depreciation deduction in accordance with paragraph 5 of Article 198 of this Code is allowed only in proportion to the share of taxable income for the reporting period.

4. Where a taxpayer does not use a depreciable fixed asset to which this Article applies for the whole of a reporting period to derive income subject to tax, the depreciation deduction for the period is calculated in accordance with the following formula:

$A \times {}^{B}/_{C}$ , where:

A is the depreciation deduction calculated under Part 2 of this Article after taking into account Part 4 of this Article;

B is the number of days in the reporting period that the taxpayer used the depreciable fixed asset to derive income subject to tax;

C is the number of days in the reporting period.

**Article 200. The procedure for calculating depreciation charges on a straight-line method**

1. The straight line method of calculating depreciation of fixed assets is calculated based on the book value of fixed assets in equal parts for the entire period of their use.

2. When switching from the residual method to the straight-line method, depreciation deductions are calculated based on the book value of fixed assets.

**Article 201. Investment Allowance**

1. A taxpayer who commissions a fixed asset specified in Part 2 of this Article during a reporting period is entitled to an additional deduction for that period as specified in Part 2 of this Article.

2. The investment allowance under this Article is as follows:

1) 10 percent of the cost of:

- new technological equipment - equipment, devices, parts and mechanisms used by the taxpayer in the production of goods (works, services) and not exceeding three years from the date of their manufacture;

- upgrading (modernization) - work related to a change in the technological or service purpose of fixed assets, aimed at increasing productivity or improving their other quality characteristics;

- technical and (or) technological re-equipment - a set of measures to improve the technical and economic indicators of fixed assets or individual parts through the introduction of modern machines and (or) modern technologies, mechanization and automation of production, replacement of obsolete and (or) outdated equipment with new, more productive equipment, as well as organization and expansion of existing production;

- funds for the provision of software of domestic production in the framework of investment projects to create information systems.

2) 5 percent of the cost of:

- reconstruction of buildings and structures used in the production process;

- reconstruction of existing buildings and structures used in the production of goods and services (more than 50% of renovation of buildings and structures by area), aimed at improving the technical and economic indicators of fixed assets within the framework of the project to re-equip production facilities;

- expansion of production in the form of new construction;

- construction of new buildings and structures for the purpose of their use in the production of goods or services.

3. Investment allowances are made during the reporting period upon commissioning of new technological equipment or re-equipment (modernization), technical and (or) technological re-equipment of own production, expansion of production in the form of new construction, reconstruction of buildings. funds used in the production process, and software for domestic production in the framework of investment projects for creating information systems.

4. Investment allowances are allowed in respect of investments made in accordance with the requirements of this article after December 31, 2021.

**Article 202. Deduction of costs of repairs and improvements to depriciable fixed assets**

1. Deductions are allowed in relation to each group for expenses for the repair of fixed assets included in this group in the amount of the actual amount of such expenses, but not more than 10 percent of the group's value balance at the end of the calendar year.

2. The amount of actual expenses for repairs in excess of 10 percent of the value balance of the group is included in the increase in the value balance of this group.

**Article 203. Depreciation deductions on intangible assets**

1. Intangible assets shall include expenses on intangible items (intangible property, such as licenses, invention patents, trademarks, service mark, copyrights, contracts to use the trade name, computer programs, and so on) with a limited useful life and which are used for at least twelve months.

2. A taxpayer calculates the depreciation deduction allowed under Article 198 on the basis that the depreciation rate is:

- for an intangible asset with a useful life of more than 10 years or for which the useful life cannot be readily ascertained – 10%

- for any other intangible asset – the percentage calculated by dividing 100% by the number of years in the useful life of the intangible asset.

3. Provision of this article shall not apply to intangible assets specified in article 196 of this Code.

## CHAPTER 30. INCOME TAX RULES FOR SPECIFIC SECTORS

### §1. Taxation of credit institutions

#### Article 204. Income and expenses of credit institutions

1. The object of taxation of credit institutions profit tax is the positive difference between their income and expenses, taking into account the following requirements:.

1) income of credit institutions consists of the income specified in this article, taking into account the requirements established by article 182 of this Code, including:

a) interest on the placement of funds and the issuance of loans, including the amount of fines and penalties under loan agreement;

b) service fees for opening and maintaining bank accounts, clearing, lending, settlements and money transfers, including electronic money transfers, issuing or servicing means of payment, issuing quotes and other documents on accounts and searching for funds;

c) fees for acquiring services and from e-commerce participants;

d) conducting operations in foreign currency, payment for services for the purchase and sale of foreign currency, including at the expense and upon requests of clients;

e) operations with precious metals and precious stones, foreign reserves, including transactions for the purchase and sale of foreign currency for themselves or their clients;

f) a positive difference from operations for the revaluation of foreign currency, precious metals, and stones and, including bullions from precious metals, securities;

g) purchase and sale of money market instruments (including checks, bills of exchange, promissory notes and certificates of deposit), shares and other other transferable securities, for themselves or clients;

h) forward contracts, swaps, futures, options and other derivatives relating to currencies, stocks, bonds, precious metals and stones, or relating to exchange rates and interest rates, for yourself or your client;

i) issuance of guarantees, accounting for contingent liabilities, including guarantees and letters of credit for oneself and clients, issuance of guarantees ensuring the fulfillment of monetary obligations to third parties;

g) safe operations, storage and management of assets (money, securities, metals, jewelry, etc.);

k) provision of trust-based services (management of funds, securities, etc. in favor of the trust and on the basis of its instructions);

l) cash transactions: acceptance, counting, exchange, forming and storage of banknotes and coins;

m) transportation, (encashment), receipt and sending of banknotes, coins and valuables;

n) transactions related to the purchase and sale of commemorative (collectible) coins, as the difference in price between buying and selling;

o) return of assets, the loss of which was previously included in deductible expenses and reduced the tax base or was excluded from the reserve (fund) and previously reduced the tax base;

p) factoring and forefeiting transactions;

q) financial lease (leasing);

r) services of a financial agent, services as a consultant or financial advisor, services for financial and credit information;

s) reimbursed amount of a reserve (fund) to cover possible losses on assets, the value of which was previously included in expenses that reduce the source of income tax;

t) remote services and services via the Internet;

u) other income.

2) Taxable income of credit institutions does not include the following:

a) buying non-performing or doubtful (inactive) loans from another credit institution - the principal amount of the loan or previously accrued interest that may be received in excess of the purchase price, if such an excess amount has not actually been received;

b) accrued interest, fines and penalties on bad or doubtful (inactive) loans that have not been paid to the credit institution, except for cases related to related parties;

c) insurance payments under the insurance contract in the event of death or disability of the debtor's credit institution, as well as insurance payments under the property insurance contract accepted as security for the loan, within the amount of the borrower's outstanding loan, accrued interest, fines recognized by the court are paid to the credit institution at the expense of insurance funds;

d) income in the form of an increase in net assets as a result of an increase in the authorized capital of subsidiaries of a credit institution.

2. Expenses of credit institutions including expenses provided for in Articles 190, 192, 193, parts 1 and 2 of Artciles 196-203, 208, 214, 215 of this Code, and expenses provided for by this article, are determined in accordance with the following requirements:

1) for the purposes of this section, the following types of expenses related to banking activities are included in the expenses of credit institutions:

a) on the accrued interest of attracted funds (including deposits, savings and loans), funds in bank accounts, securities and deposited funds held in custody in special customer accounts;

b) on commission fees for opening and maintaining bank accounts, clearing, loans, settlements, cashing out and transferring funds, including electronic money transfers, issuing and (or) servicing means of payment, receiving statements and other documents from accounts and tracing funds;

c) for carrying out operations with foreign currency, including commission fees for transactions on the purchase or sale of foreign currency, including at the expense and on behalf of the client;

d) on purchase and sale of precious metals and stones, currency values, including transactions of purchase and sale of foreign currency for themselves and clients.

e) on the negative difference in transactions for the revaluation of foreign currency, precious metals and stones, including bullion units made of precious metals, securities;

f) for the purchase and sale of money market instruments (including: checks, bills of exchange, letters of guarantee and certificates of deposit), shares and other transferable securities for oneself and clients;

g) on forward contracts, swap agreements, futures, options and other derivatives related to foreign exchange funds, stocks, bonds, precious metals and stones, or related to the exchange rate and interest rates for themselves or clients;

h) for obtaining guarantees, opening letters of credit for themselves and clients;

i) for safe operations, storage and management of assets (cash, securities, metals, jewelry and others);

g) for cash transactions: acceptance, exchange, storage and expertise of banknotes and coins;

k) for the transportation, (encashment), acceptance and sending of banknotes, coins and valuables;

l) losses on transactions of purchase and sale of commemorative coins (collectible) in the form of the difference between the purchase and sale prices;

m) for operations on the issuance and maintenance of traveller's checks, electronic and other means of payment, including payment bank cards;

n) duties and other payments for registration of a pledge (including for a mortgage), amendments to registration registers and notarized contracts;

o) for rental of buildings, structures, vehicles and other related expenses, as well as other funds related to banking;

p) losses from sale, discounting and (or) writing off from the balance sheet of securities, loans, interbank loans, term placements and their derivates;

q) for factoring and forfeiting operations;

r) for financial lease (leasing);

s) for the services of a financial agent, adviser or financial consultant, financial information services and a loan;

t) for payment of bonuses, cashback and other incentive mechanisms to clients when using electronic means of payment;

u) on calendar payments for insurance of deposits (savings) to the Savings Insurance Fund of individuals;

v) on deductions to the reserve (fund) to cover possible losses on assets in accordance with the instructions of the National Bank of Tajikistan, with the exception of assets issued to related parties or in accordance with the obligations of related parties to third parties, and without collateral loans for an amount exceeding 2500 indicators for calculations.

w) for remote services and services via Internet networks;

x) other expenses.

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## §2 Islamic Banking Taxation

### Article 205. General Provisions

1. Islamic banking taxation is applied to operations of financial credit institutions carrying out transactions in accordance with the principles and standards of Islamic finance, as well as contracts in accordance with contracts under the Law of the Republic of Tajikistan "On Islamic Banking" (hereinafter, Islamic banking).

2. Financial credit institutions carrying out Islamic banking activities pay income tax in accordance with the provisions of this paragraph, and other taxes in accordance with the provisions of this Code.

3. Passive Islamic financing - financing in which the principal amount, income or profit (for passive financing) is not paid in accordance with the requirements of the financing agreement in line with the instruction of the National Bank of Tajikistan.

4. Financial credit institutions using Islamic banking must keep records of income and expenses in accordance with the Law of the Republic of Tajikistan "On accounting and financial reporting" on an accrual basis and, for individual transactions (*mudaraba, musharaka and waqala*), on cash basis.

5. If a financial credit institution simultaneously carries out conventional banking transactions, as well as Islamic banking transactions, it must keep separate accounting records for conventional banking transactions and Islamic banking transactions.

**Article 206. Income and expenses of financial credit institutions engaged in Islamic banking activities**

1. The object of income tax for financial credit institutions engaged in Islamic banking activities is the difference between their income and expenses, taking into account the requirements established by this article.

1) income of credit institutions engaged in Islamic banking activities consists of the income provided for by subparagraphs b) - s) of paragraph 1) of part 1 of Article 204 of this Code, taking into account the requirements established by Article 182 of this Code, and the following income, including:

- income from correspondent or current accounts with other banks, deposited placement, subordinated financing, interbank financing, Islamic REPO transactions, overdraft, *hasana* loan financing, trading operations (murobaha), tawarruq, wakala lease, muntahiya lease, bittamlik, muzaraba, musharaka, musharaka mutanakisa, salam, istisna, unlimited or limited investment accounts, mortgages, letters of credit and other financing;
- other income.

2) The following income is not included in the income of financial credit institutions engaged in Islamic banking activities:

- income from Islamic finance, unpaid fines and penalties for unpaid penalties for passive Islamic finance that have not been paid to the Islamic credit institution;
- fines and accrued penalties on Islamic finance;
- insurance payments under an insurance contract in the event of death or disability of a debtor of a financial credit institution, as well as insurance payments under a property insurance contract accepted as collateral for Islamic financing;
- fines recognized by court, paid to a financial credit institution from insurance funds;
- value of property used by a financial credit institution as the subject of transactions concluded in the framework of Islamic banking;
- income received in the form of an increase in net assets by increasing the authorized capital or the value of shares of subsidiaries of a financial credit institution.

2. Expenses of financial credit institutions engaged in Islamic banking activities consist of expenses incurred in Articles 190, 192-193, parts 1 and 2 of Article 194, Articles 196-203, 208, 214, 215, and expenses provided for in this Article and determined in accordance with provisions of this article.

1) expenses of financial credit institutions engaged in Islamic banking consist of the expenses provided for by subparagraphs b) - f) of paragraph 1) of part 2 of Article 204 of this Code, and the following expenses, including:

- expenses on demand deposits, savings, fixed-term, limited and unlimited investment accounts, other deposits and similar obligations;
- rent of buildings, structures, transport and other related expenses, as well as other funds related to Islamic banking activities;
- fines paid under Islamic finance for charitable purposes;
- losses from sale, discounting or writing off the balance sheet of securities, Islamic investments and derivatives;
- services of a financial agent, adviser or financial advisor, provision of Islamic financial services and Islamic finance;
- contributions to reserve (fund) to cover potential losses on assets in accordance with the instructions of the National Bank of Tajikistan, except for assets of related parties, or assets transferred to third parties under the obligations of related parties, and unsecured lending - more than 2500 indicators for calculations;
- other expenses.

### §3. Insurance companies reserve deductions

#### Article 207. Insurance company reserve deductions to insurance reserve funds

1. A legal entity carrying on a general insurance business is allowed a deduction for a reporting period for the balance of the entity's provision for unexpired risks as at the end of the period. The amount of the deduction must not exceed the amount required under the Law on Insurance of the Republic of Tajikistan

2. A legal entity carrying on a general insurance business for a reporting period must include in the income of the entity for the period the amount allowed as a deduction to the entity under Part 1 in the previous reporting period.

3. A legal entity carrying on a life insurance business is allowed a deduction for a reporting period for the following amounts:

- the amount of the initial reserves established in the financial accounts of the entity for new life policies issued during the period, but the amount of the deduction allowed must not exceed the amount required for the initial reserve in line with insurance legislation;
- the amount of the annual increase in reserves to the life insurance policy indicated in the financial statements of the entity, but the amount of the permitted deduction must not exceed the amount required for the annual increase in the reserve in accordance with insurance legislation.

4. Where, during a reporting period, a legal entity carrying on a life insurance business cancels a life policy, the amount of the reserves deducted under this Article in relation to the cancelled policy is included in the income of the entity for the period.

5. A legal entity carrying on a life insurance business makes the following insurance pay-outs for the reporting period:

- if the total amount of claim pay-outs made during the period is less than the total amount of reserves deducted under this Article in relation to those claim pay-outs, the excess is included in income of the entity for the period;

- if the total amount of claim pay-outs made during the period is less than the total amount of reserves deducted under this Article in relation to those claim pay-outs, the entity is allowed a deduction for year for the amount of the excess.

6. No deduction is allowed for an amount transferred to a reserve of a legal entity carrying on a general insurance or life insurance business other than as provided for in this Article.

7. In this Article, the notions of “general insurance” and “life insurance” have their meanings under the Law on Insurance of the Republic of Tajikistan.

**Article 208. Deduction of expenses for insurance premium (pay-out)**

1. The insurance premium (pay-out) paid by a legal entity under a general insurance contract for insurance of the risk associated with the entrepreneurial activity of a legal entity is allowed for deduction. Deduction is allowed regardless of whether the insurance is compulsory or voluntary.

2. An insurance premium (pay-out) paid by a legal entity under a life insurance contract is allowed for deduction if:

- insurance means the insurance of the key person, and the insurance claim under the contract is payable to the legal entity;

- insurance applies to an employee of a legal entity, and the insurance payment made under the contract is payable to the employee or the employee's dependent, but only if the insurance premium is included in the employee's earned income in accordance with article 186 of this Code.

**§4. Deduction of costs for natural resource users**

**Article 209. Deduction for exploration and extraction expenditures by natural resources user**

1. Provisions of Article 203 apply to exploration expenditures incurred by a natural resources company during a reporting period on the basis that the expenditure is an intangible expenditure with a depreciation rate of 100 percent.

2. The depreciation rate under Article 198 of this Code for plant and machinery acquired by a natural resources company solely and exclusively for the purposes of undertaking exploration operations, and which is being used for that purpose, is 100% of the cost of the plant and machinery

3. Article 203 of this Code applies to extraction expenditure incurred by a natural resources company during a reporting period on the basis that the expenditure is an intangible expenditure with a depreciation rate equal to the higher of:

- the percentage calculated by dividing 100 by the expected period of years of the extraction operations under the natural resources use right to which the expenditure relates; or

- 10% of the expenditure.

4. If a natural resources user incurs extraction expenditure or expenditure to acquire a fixed asset for use in operations under an extraction licence before the commencement of commercial production, this Code applies on the basis that the expenditure was incurred at the time of commencement of commercial production.

5. The amount of the depreciation deduction to which provisions of Part 4 of this Article apply, for the reporting period in which the commencement of commercial production occurs is calculated according to the following formula:

**A x B/C**

where—

**A** is the amount of the extraction expenditure or the cost of the fixed asset;

**B** is the number of days in the period beginning on the date of commencement of commercial production and ending on the last day of the reporting period in which commercial production commenced; and

**C** is the number of days in the reporting period in which commercial production commenced.

**Article 210. Basic provisions for calculating the costs natural resources users for exploration and production**

For the purposes of this paragraph, the following basic concepts are used:

- commencement of commercial production means the first day of the first period of 30 consecutive days;

- exploration expenditure means capital expenditure in exploring for resources under a natural resources use right, including expenditure incurred in acquiring the natural resources use right, but not including the cost of acquiring fixed assets;

- extraction expenditure means capital expenditure for extracting resources under a natural resources use right providing for extracting, including expenditure incurred in acquiring the natural resources use right, but not including the cost of acquiring a fixed asset.

**Article 211 Limitation of Deductions for a Natural resources User**

1. Deductible expenditure incurred by a natural resources user in implementation of a contract for the natural resources use are allowed depending on the gross income received under such a contract during the reporting period.

2. If the amount of the total allowable deductions made during the reporting period exceeds the gross income received under the natural resources use contract, such excess is carried forward for a period of more than three years and deducted.

**§5. Foreign exchange gains and losses**

**Article 212. Foreign exchange gains and losses**

1. The gross income of a taxpayer from entrepreneurial activity for the reporting period includes income from the foreign exchange rate difference received by the taxpayer for the reporting period.

2. Allowable deductions of a taxpayer for the reporting period include the exchange loss incurred by the taxpayer during the reporting period.

3. Foreign exchange losses are calculated in accordance with part 2 of this article only if the taxpayer has substantiated the amount of losses.

4. Gain or loss of a non-resident from exchange rate differences shall be accounted for only if they are related to entrepreneurial activities carried out through a permanent establishment of a non-resident.

5. For the purposes of this article, the taxpayer's currency exchange gain and loss shall mean, respectively, gains and losses caused by a change in the exchange rate of a foreign currency.

6. Foreign currency transactions are one of the following transactions carried out with the aim of generating gross income:

- foreign currency transaction;
- foreign currency lending and borrowing liabilities;
- any other foreign currency transaction.

7. When determining the foreign exchange gains or losses of the taxpayer, the risk insurance or hedging agreement should be taken into account.

## CHAPTER 31. ASSETS REGULATION RULES

### Article 213. Profit or loss on the sale or transfer of assets

1. Profit from the sale, transfer, or other disposal of assets shall be the positive difference between receipts from the sale or transfer of the assets and the value of the assets defined in accordance with Article 215 of this Code, and their value is determined in accordance with Article 214 of this Code.

2. Losses from the sale, transfer, or other disposal of assets shall be the negative difference between the amounts received from the sale or transfer of the assets and the value of the assets defined in accordance with Article 214 of this Code.

3. Provisions of parts 1 and 2 of this article shall neither apply to the assets that are depreciable by groups, nor shall they apply to inventory.

4. In this Code, the reference to "disposal" of an assets includes:

- destruction of assets;
- cancellation, redemption, expiration, or surrender of an intangible asset.

### Article 214. Value of assets

1. Value of assets shall include expenses related to their acquisition, manufacturing, construction, assembly and installation, as well as other expenses that increase their value, with the exception of revaluation of fixed assets and expenses in respect of which the taxpayer is entitled to a deduction.

2. If assets is fixed assets depreciated on a straight-line basis under Article 199 of this Code or an intangible asset depreciated under Article 203 of this Code, the value of assets at the time of sale, transfer, or disposal shall be reduced by the amount of the depreciation provided for such assets.

3. If only part of the assets is sold, transferred, or disposed of, then the value of the assets is calculated using the following formula:

$$\mathbf{A \times B/(B + C)}, \text{ where:}$$

**A** - asset value;

**B** - sum received from the part of the property sold, transferred or disposed of;

**C** - market value of the remainder of the asset at the time of sale, transfer, or disposal.

4. If the provisions of part 3 of this article are applied:

- the remainder of the asset is considered as a separate asset;
- the value of the remainder of the assets is the balance of the value of the assets after taking into account the value allocated to the part of the asset sold, transferred, or disposed of in accordance with Part 2 of this Article.

5. In the event of combining two or more assets (original assets) into one asset (combined asset), the following criteria apply:

1) original assets are treated as having been sold at the time of a merger;

2) no profit or loss is considered in the alienation the original assets;

3) a person is recognized as a buyer of the joint asset at the time of a merger;

4) the value of the combined asset is equal to the total of the following:

a) the total value of original assets at the time of merger;

b) expenses incurred by a person in converting the original assets to a combined asset.

6. In case of damage to the asset, the value of the asset is reduced by the amount received in accordance with the insurance policy, compensation or other agreement, or by court order. If the amount received exceeds the value of the asset, the excess amount is considered as income received at the time of receipt of the indicated amount, and the value of the asset is set to zero.

**Article 215. Rules for determining the amount received by the seller when selling or transferring assets**

1 The price of an asset disposed of is the total amount received or receivable for the asset by a person, including the market value of any asset, which is received in kind at the date of asset disposal.

2. If an asset is destroyed, the amount received for the asset must be determined, including the amount of compensation, restoration or recovery received or receivable by the person as a result of the asset destruction.

3. If two or more assets are disposed of in the same transaction and the value of each asset is not determined separately, the total amount received is divided among the two or more assets based on their market values at the date of disposal.

4. If the collateral paid to the owner of the asset remains in whole or in part with the owner of the asset because the proposed sale or transfer of the asset does not take place, then the owner of the asset is considered to receive income equal to the amount of the remaining collateral.

5. If a person cannot provide a document confirming the amount received for the asset, then the value of the asset is determined basing on the market value of the asset at the time of alienation.

**Article 216. Transactions between related parties**

1. In the event of alienation of assets the value of assets is determined as follows:

- for the transferring party - the price of the transferred asset is calculated at the market value of the assets at the time of alienation;

- for the recipient - the value of the asset received is calculated at the market value of the assets at the time of acceptance.

2. If the requirements of Chapter 33 of this Code apply to the alienation of an asset, the provisions of this Article do not apply.

**Article 217. Non-recognition of gain or loss**

1. No gain or loss shall be taken into account when determining taxable income in the cases of:

- the transfer of assets between spouses but only where the spouse acquiring the asset will be subject to tax under this Code in respect of a subsequent transfer of the asset;

- the transfer of assets between former spouses in the process of a divorce but only where the former spouse acquiring the asset will be subject to tax under this Code in respect of a subsequent disposal of the asset;

- the transfer of an asset on the death of a taxpayer to an heir but only where the heir will be subject to tax under this Code in respect of a subsequent disposal of the asset;

- the unintentional destruction of an asset or its alienation accompanied by the reinvestment of the proceeds (for example, insurance compensation received for the unintentional destruction of an asset) into a similar asset or into an asset with the same characteristics (replacement asset) before the end of the second year following the year in which the asset has been destroyed or alienated.

2. In cases where the fourth paragraph of Part 1 of this Article applies and the acquisition cost of the asset being replaced exceeds the amount received for the asset replaced, the value of the asset replaced is the value of the asset replaced at the time of deduction, to which the excess is added.

3. When applying the provisions of Paragraph 3 of Part 1 of this Article, if the value of the replaced asset exceeds the value of the acquired asset that replaces the replaced asset, the cost of the replacement asset shall be reduced from the value of the replaced asset as of the date of alienation by the excess amount, but not below zero. Any surplus that is not used to reduce the value of the replaced asset is included in the taxpayer's gross income for the tax period in which the replacement asset was acquired.

4. The value of an asset for a spouse or ex-spouse acquired as a result of a contract, in which profit is not taken into account for tax purposes in accordance with paragraphs one and two of part 1 of this article, is the value of the asset for the transferring spouse or ex-spouse on the date of the transaction.

5. The value of an asset acquired by an heir as specified in the third paragraph of Part 1 of this Article shall be the value of the asset for the deceased taxpayer at the date of the deceased death.

6. The provisions of this article shall not apply to assets that are depreciable on a grouping basis, except for first, second and third paragraphs of part 1 of this article, which shall apply in cases in which all assets in the group are transferred to the spouse, ex-spouse, or heir at the same time.

**Article 218. Assets turnover between members of a group of companies**

1. The provisions of this article applies if the following conditions are met:

– A company (referred as "transferring company") transfers a fixed asset to another company (referred as "recipient company");

– all assets of the transferring company in the group must be transferred to the receiving company if the transferred assets are fixed assets that are depreciated by the transferring company in accordance with article 198 of this Code on the pooling basis;

– the value of liabilities related to the assets of a transferring party may not exceed the residual value of the transferred assets;

– the receiving company is subject to income tax on the assets when they are subsequently sold;

– the transferring party is a group of companies in relation to the recipient;

– the transferring party and the recipient agree in writing that this article shall apply to the transfer of assets prior to the transfer date of assets.

2. In the following cases, the turnover of assets within the company is not taxable:

– assets are transferred from the transferring party to the recipient when there is no gain or loss of the transferring party;

– the value of the assets transferred to the recipient is equal to the value of the assets available to the recipient at the date of the transfer.

3. When applying provisions of paragraph 2 of this Article, the recipient is treated as having acquired the pool of fixed assets for an amount equal to the written down value of the pool at the time of the transfer.

4. For the purposes of this Code a company is a group company in relation to another company if one of the following applies:

– one company owns one hundred percent or a stake in another company directly or through one or more affiliated companies;

– another company directly or through one or more affiliated companies owns one hundred percent or a stake of the issued shares of both companies.

5. The reference in Part 1 of this Article to "company" is a reference to a separate body which is a resident of the Republic of Tajikistan.

## CHAPTER 32. GENERAL INTERNATIONAL TAX RULES

### Article 219. Sources of income

1. Income is from the sources in the Republic of Tajikistan if the income in cash, tangible and intangible form (without making any deductions) is derived from any kind of activities, property (property rights) and other basis in the Republic of Tajikistan, regardless of the place of income payment, including:

a) income from work for hire referred to in Article 186 where either of the following applies:

– the work is performed in the Republic of Tajikistan;

– the work is paid for by the Government of the Republic of Tajikistan, residents and permanent establishment of a non-resident in the Republic of Tajikistan regardless of whether the work is performed in the Republic of Tajikistan or abroad;

b) income from entrepreneurial activities carried out by a resident, excluding income related to a foreign permanent establishment of the resident;

c) income from entrepreneurial activities carried out by a non-resident that may be referred to a permanent establishment located in the territory of the Republic of Tajikistan, including:

– income from the sale of goods of the same or similar type as goods supplied (sold) through such a permanent establishment in the Republic of Tajikistan;

– income earned from any other entrepreneurial activity in the Republic of Tajikistan, which is of the same or a similar nature as activity performed through such a permanent establishment;

d) income received in the form of dividends from a resident legal entity and income received from the sale and transfer to another person of an interest in such a legal entity;

e) income in the form of pensions, interest, royalties, technical fees, pensions, or other income that has been paid by:

– a resident, except where the payment is an expenditure of a foreign permanent establishment of a resident;

– a non-resident where the payment is an expenditure of a permanent establishment in Tajikistan of a non-resident.

f) income from real estate in the Republic of Tajikistan, including income from the sale or transfer of an interest in such real estate;

g) income from the sale or transfer of stocks, shares, or other interest in a legal entity where, at any time within 365 days prior to the sale or transfer, the value of the stocks, shares or interest is, directly or indirectly, derived principally from the value of real estate located in the Republic of Tajikistan;

h) other income from the sale or transfer of property to another person by a resident, which is not related to business activities, except;

– real estate property outside the Republic of Tajikistan;

– stocks or other shares in the non-resident legal entity.

i) income paid in the form of premiums for the insurance or reinsurance of a risk in the Republic of Tajikistan;

j) income from telecommunications or transport services derived from international communication or transportation between the Republic of Tajikistan and other countries;

k) management fees and (or) other payments received by members of the highest governing body (board of directors, management board or other such body) of the resident legal entity, regardless of the place of actual performance of the duties assigned to such persons;

l) income paid to theatre and film actors, radio and television workers, musicians, artists and athletes in connection with their activities in the Republic of Tajikistan, regardless of whether it is paid directly to the theatre and film actors, radio and television workers, musicians, artists and athletes or legal entities controlled by them;

m) income that the Republic of Tajikistan has a right to tax in accordance with tax agreements, regardless of the provisions of the above paragraphs of this part;

2. Any income that is not derived from sources outside the Republic of Tajikistan is foreign income.

**Article 220. Foreign tax credit**

1. Taxable income received by a resident outside the Republic of Tajikistan is income received by a resident abroad subject to income tax in the Republic of Tajikistan.

2. Amounts of tax on income paid by a resident outside the Republic of Tajikistan from foreign income for a tax period, upon confirmation of payment of such taxes, in the manner prescribed by this Code, are credited when paying taxes referred to in this part.

3. The credit amount, envisaged in part 2 of this article, shall not exceed the amount of tax accrued in the Republic of Tajikistan in respect of such income at the rates applicable in the Republic of Tajikistan.

4. The tax to be accrued on income or net profit earned by a resident during the tax period outside the Republic of Tajikistan is calculated using the average income tax rate for residents in the Republic of Tajikistan. For this purposes:

- the average rate of income tax for a tax period for a resident of Tajikistan means the income tax paid for this period by the resident of Tajikistan before obtaining allowance for any tax credit in accordance with this Code;

- income or net taxable profit received outside the Republic of Tajikistan during the tax period is recognized as the gross income of a resident with a deduction permitted in accordance with this Code;

- in case of withholding tax at the source of payment outside the country, the resident submits a supporting document.

5. Foreign tax credit allowed to a resident for a tax period is calculated separately for the profit received by a resident abroad, which can be received as a result of entrepreneurial activities, and on other foreign income of a resident for the current period.

6. Crediting of a foreign tax of a resident in accordance with this article is allowed only in the following cases, if:

- the resident has paid the foreign tax within 2 years after the end of the tax period in which the foreign income was derived by the resident or within such further time as the tax authority allows;

- the resident has submitted a payment document and any additional supporting documents from the foreign tax authority to the tax authority at the place of registration, which certifies that the tax was paid abroad.

5. If the tax paid by a resident abroad exceeds the tax paid within the country, such excess, in accordance with the provisions of paragraph 2 of this article, is not credited, refunded or carried over to another period..

**Article 221. Carry forward of foreign income losses to another period**

1. Deductions of expenses from the amount of foreign income received by a resident are allowed in accordance with this Code, but subject to the limitation that such expenses can be deducted only against foreign income. Where the deductible expenditures incurred by the resident in a tax period in deriving foreign income exceed the amount of that income for the period, the excess is treated as a foreign loss of the resident for the period.

2. A resident can carry forward the foreign loss to a subsequent tax period as a deduction from the resident's foreign income subject to assessment in the next tax period. This method can be used until the loss is fully deducted or the loss carry forward period expires. The loss carry forward period is 3 tax periods after the completion of the period during which the loss was incurred. If the resident has a foreign loss carried forward under this section for more than one tax period, the foreign loss that was incurred in the earliest tax period shall be deducted first.

3. This article applies separately to the resident's foreign income for the period in which the income from business activities and the income of any foreign resident is calculated.

**Article 222. Taxation of net profit of permanent establishment of a foreign legal entity**

1.A permanent establishment of a foreign legal entity operating in the Republic of Tajikistan, in addition to the income tax, shall be taxed on the net profit of the permanent establishment for a tax period at the rate of 15%.

**Article 223. Income of controlled foreign entities in countries with preferential taxation**

1. If the direct or indirect share of a resident in a foreign legal entity located in a territory with low tax rates is more than 25 per cent during the tax year, the income of such a resident for this year includes the amount calculated according to the following formula:

A x B, where:

A - the percentage of a resident's share in foreign entity; and

B - is the taxable profit of a foreign entity for the year, which is reduced by any foreign tax or Tajik tax, paid by foreign entity on taxable profit.

2. The percentage share of a person in a foreign entity is the higher of the resident’s percentage of share of the following:

- voting right in the foreign entity;
- dividend entitlement and rights on other payments of income by the foreign entity;
- rights for a share of the capital of the foreign entity.

3. When calculating the percentage share of a legal entity in a foreign entity, any direct or indirect interests of an entity in regard to the related entity are taken into account.

4. The country is considered to be a low tax country if one of the following applies:

- the nominal tax rate in the country or its part is less than 30 per cent of the rate applicable to the resident in accordance with this Code;

- the country does not tax the foreign income of residents or the foreign income of residents is taxed only if the income is transferred to it;

- current legislation of the country envisages the confidentiality protection of financial information or information about companies, which ensures the confidentiality of information about the ultimate owner of the property or the final use of income (profit).

5. An entity is considered to be a resident of an offshore zoen - a low tax country if one of the following conditions applies:

- the company is established and registered in a low tax country;

- the management and control of the entity is located in a low tax country.

6. Dividends paid in a low tax country to a resident are exempt from tax to the extent that income tax (accrued income) has been paid by the resident in accordance with this article. For this purpose, dividend is considered to be paid out from accrued income.

**Article 224. Thin Capitalisation**

1. Subject to the requirement of part 2 of this article, if, during the reporting period, the ratio of average loan of a resident entity under control of a non-resident exceeds its average authorized capital by a factor of two, the allowable deduction of interest to such entity for this period is limited.

2. With respect to a resident entity under control of a non-resident, if more than 25 percent of its share in the average authorized capital is directly or indirectly owned by non-residents or legal entities exempted from income tax, on each loan used during the reporting period paid interest is withheld in accordance with part 1 of this article, but the maximum amount of interest that can be withheld in accordance with part 1 of this article is limited to the amount of interest in excess of the maximum interest rate.

3. For the purposes of this article, the maximum interest rate is determined by dividing the amount of interest on loans by the average ratio of the authorized capital. The average authorized capital ratio is determined by dividing the average outstanding loan amount at the end of the reporting period by the average value of the share of the foreign founder in the authorized capital and its distribution by 3 (three). A loan is considered to be any commercial loan, bank deposit and other loans, regardless of their registration..

4. This article applies to a non-resident with a permanent establishment in the Republic of Tajikistan on the following grounds:

- the permanent establishment is considered to be a resident entity under foreign control;

- the average loan to average equity ratio of a non-resident permanent establishment, calculated on the basis of the credit obligations of the permanent establishment and the capital invested in the company's activities through the permanent establishment.

5. For the purpose of applying the provisions of this article, the following concepts are used:

- the average credit of a resident entity under foreign control for a tax period is the amount calculated by dividing by three the amount obtained by adding the credit of this legal entity at the end of the first, middle and last days of the tax period;

- the average equity capital of a resident entity under foreign control in a tax period is the amount calculated by dividing by 3 the amount obtained by adding the capital of this legal entity at the end of the first, middle and last days of the tax period;

- the debt of a resident entity under foreign control is the debt of an entity determined in accordance with international financial reporting standards and which does not include accounts payable;

- the equity of a resident entity under foreign control is equity of the entity determined in accordance with International Financial Reporting Standards;

- a resident legal entity under foreign control is a resident entity in which more than twenty five percent of the shares or other interests in the entity's are held by a non-resident, solely or jointly with related parties.

## CHAPTER 33. TRANSFER PRICING

### Article 225. Transfer pricing arrangement

1. A transfer pricing arrangement is an arrangement that includes transaction, or series of transactions, that satisfies all the following conditions:

- the transaction is for the supply or acquisition of property, services, money, handling intangible or tangible assets, issuing of a loan;
- the transaction is between related persons;
- the transaction is a cross-border transaction.

3. A cross-border transaction is a transaction:

- between a resident person and a non-resident person except where the transaction takes place wholly in the Republic of Tajikistan;
- between two resident persons where the transaction relates to a business carried on through a permanent establishment outside Tajikistan by one or both residents;
- between two non-resident persons except where the transaction relates to businesses carried on through permanent establishments in Tajikistan by both non-residents.

### Article 226. Arm’s length principle

1. The arm’s length principle applies when the income, expenditures, gains, or losses that arise under a transfer pricing arrangement between related persons dealing differ from income, expenditures, gains, or losses of unrelated parties under actual conditions.

2. The difference between income, expense, profit or loss between related and unrelated persons is determined by comparing cases

3. Circumstances are comparable to the actual conditions under a transfer pricing arrangement if the circumstances are the same as the actual conditions or, if there are differences, either of the following applies:

- the differences are not material, transfer pricing does not aaply;
- differences are material, transfer pricing applies.

4. In identifying arm’s length conditions, regard must be paid to:

- the functions performed, assets used, and risks assumed by the parties to the transfer pricing arrangement;
- the characteristics of the property, services, money, intangible, or asset supplied or acquired under the transfer pricing arrangement;
- the contractual terms under the transfer pricing arrangement;
- the nature of the market in which the transaction has occurred and any other economic factors relating to the transfer pricing arrangement;
- the business strategies of the parties to the transfer pricing arrangement.

4. The arm’s length principle is to be applied consistent should be applied in accordance with international transfer pricing standards to multinational enterprises and tax authorities. If there is any inconsistency between this Tax Code and such transfer pricing standards, this Tax Code prevails.

**Article 227. Transfer pricing methods**

1. The transfer pricing consiste of the following methods:

- the comparable uncontrolled price method;
- the resale price method;
- the cost plus method;
- the transaction net margin method;
- the transaction profit split method.

2. The transfer pricing methods referred to in Part 1 must be applied as intended, separately or combined in accordance with the legislation of the Republic of Tajikistan.

3. A taxpayer may apply a transfer pricing method that is not listed in Part 1 if the taxpayer can establish both of the following:

- none of the methods in Part 1 can reasonably be applied to determine whether the income, expenditures, gains, and losses arising under a transfer pricing arrangement is in accordance with the arm's length principle;
- the method used by the person gives rise to an outcome that is consistent with the outcome between independent persons dealing under arm's length conditions.

**Article 228. Transfer pricing adjustments**

1. A person who has entered into a transfer pricing arrangement must determine the income, expenditures, gains, and losses arising under the arrangement in accordance with the arm's length principle determined by using the transfer pricing method, or combination of transfer pricing methods:

- the respective strengths and weaknesses of each transfer pricing method in the circumstances of the transfer pricing arrangement;
- the accuracy of each transfer pricing method taking account of the nature of the transfer pricing arrangement determined through an analysis of the functions undertaken, assets used, risks assumed by each party to the arrangement;
- the availability of reliable information needed to apply each transfer pricing method;
- the degree of comparability between the conditions under the transfer pricing arrangement and arm's length conditions, and the reliability of adjustments, if any, that may be required to eliminate differences.

2. The comparable market price method is the most accurate and reliable method for applying the arm's length principle to resources sold by natural resource users.

3. If a person does not determine the income, expenditures, gains, and losses arising under a transfer pricing arrangement in accordance with the arm's length principle, the Tax Authority may make such adjustments as necessary to ensure that the income, expenditures, gains, and losses arising under the arrangement are in accordance with the arm's length principle.

4. If, having regard to the factors listed in Part 1, a person has used the most accurate and reliable transfer pricing method, the Tax Authority's determination of whether the income, expenditures, gains, and losses arising under a transfer pricing arrangement are consistent with the arm's length principle must be based on the transfer pricing method used by the person.

**Article 229. Transfer pricing documentation**

1. A taxpayer, in accordance with the requirements established by this Code, must draw up documents (contract, bill of lading, cargo customs declaration, copies of accompanying documents) certifying the compliance of transactions performed by a taxpayer under a transfer

pricing agreement with the principle of a transaction on market terms. The documentation must indicate the basis for using the transfer pricing method or methods.

2. A taxpayer must prepare and submit to the tax authorities the documents for the tax year provided for in paragraph 1 of this article, before filing an annual income tax return.

3. A taxpayer who fails to comply with the documentation requirements in Parts 1 and 2 is liable under the legislation of the Republic of Tajikistan.

4. Any record-keeping obligation under this Code are in addition to record-keeping obligation of the taxpayer who signed the transfer pricing agreement.

5. The authorized body, in agreement with the authorized state body in the field of finance, may establish requirements for simplified transfer pricing documentation for the following taxpayers and some transactions:

- distributors;
- taxpayers with low volumes of cross-border transactions
- medium enterprises;
- intra-group services;
- loans provision;
- technical services.

6. Simplified transfer pricing documentation requirements under Part 5 must not apply to royalties, licence fees, research and development arrangements, and other intangibles.

**Article 230. Definition of related parties**

1. For the purposes of this Code, two parties are considered as related under the following circumstances, if:

– One of the parties is direct or indirect owner of at least twenty five (25) percent of equity or voting rights of the other party;

– Any third party that is direct or indirect owner of at least twenty five (25) percent of equity or voting rights in each of those two or more related parties;

– More than half of board of directors or members of board of board of directors or one or more executive directors or executive members of board of directors of one party are appointed by the other party;

– More than half of board of directors or members of board of board of directors or one or more executive directors or executive members of board of directors of both parties are appointed by the same third party;

– Loan extended or secured by one party to another party, which composes more than fifty percent of balance sheet value of the latter total assets;

– A party directly or indirectly acquires at least twenty five percent of income as a result of implementation of cooperation contract between both parties;

– One of the parties is the permanent establishment of the other.

2. For the purposes of paragraphs 1) and 2) of part 1 of this article, an individual is considered to own share in regulatory capital or voting rights, when the share under direct or indirect ownership of one of the members of the same family, including a spouse, direct relatives, siblings, children of siblings, spouses of siblings, siblings of spouses, parents-in-law, siblings of parents-in-law, caretakers and stepparents.

3. For the purposes of this Code, all business and financial transactions performed with a resident of a low tax country as defined in part 4 of Article 223 of this Code will be considered as transactions with related parties. In such case, if taxpayers submit information on identity of

shareholders of the other party to tax authorities and prove that they are not related, the said provisions will not apply to them.

**Article 231. Country-by-Country Reporting**

1. A Country-by-Country Report provides the Tax Authority with access to information concerning the global profit and taxes paid by large corporate groups operating in Tajikistan. This information can be used by the Tax Authority to assess transfer pricing risks.

2. Articles 233-235 provide for the filing of Country-by-Country Reports by certain resident entities.

3. The Tax Authority will receive Country-by-Country Reports filed with the tax authorities of foreign countries under information exchange arrangements referred to in Chapter 24.

**Article 232. Definition of terms associated with Country-by-Country Reporting**

1. Group with global impact - is a group of entities that meet all of the following criteria, including:

a) this group includes:

– at least two or more entities resident in different countries;

– a legal entity that is a resident of the Republic of Tajikistan with a permanent establishment in a foreign country;

b) the group is consolidated for financial accounting purposes in accordance with accounting standards applicable to the parent company of the group, or the group would be subject to consolidation if the shares of any group member are sold on a stock exchange:

c) the group's total annual turnover in the previous financial year was 4.7 billion somoni;

2. Member of a group with global impact is an entity that satisfies all of the following:

a) an entity that meets one of the following conditions:

– the entity is included in the consolidated financial statements of a group with global impact or will be so included if the shares in the entity were sold on a stock exchange;

– the entity is excluded from the consolidated financial statements of a group with global impact only by reason of the entity’s size or lack of materiality of the entity to the group’s operations;

b) a permanent establishment of an entity referred to in subparagraph a of this Part if the entity prepares separate financial statements of the permanent establishment for financial, regulatory and tax purposes or for internal control.

3. Qualifying competent authorities agreement – an agreement between the competent authority of the Republic of Tajikistan and the competent authority of a foreign country or foreign countries that requires the automatic exchange of Country-by-Country Reports.

4. Surrogate (authorized) parent entity - is a legal entity that is a member of a group with global impact and is appointed by the group to report in its country of residence on behalf of the group, in the case when the parent entity is not required to report in the country of its residence.

5. Ultimate parent entity - is a member of a group with global importance if the following conditions are fully met:

a) a member who, directly or indirectly, has a sufficient stake in one or more other members of the group and must prepare consolidated financial statements of a group with global impact in the country of its residence or do so, if shares in a legal entity are sold on the stock exchange in the country of its residence;

b) there is no other member of the group that could have a direct or indirect interest in the member referred to in subparagraph a of part 5 of this article.

**Article 233. Obligation to file a Country-by-Country Report**

1. A resident legal entity is required to submit a Country-by-Country Report for the reporting period to the Tax Authority, if:

1) the resident legal entity is the parent company of a group with global impact for this period;

2) the resident legal entity is the surrogate (authorized) parent company of a group with global impact for this period;

3) a member of a group with global impact and the ultimate parent company of the group is not required to file a Country-by-Country Report in its country of residence for this period and the group has not nominated a member as a authorized (surrogate) parent company for that period;

4) a member of a group with global impact to which none of the preceding clauses 1)-3) apply, and to which one of the following applies:

– there is no qualifying competent authority agreement between the Republic of Tajikistan and the country of residence of the ultimate parent company of the group;

– there is a qualifying competent authority agreement between the Republic of Tajikistan and the country of residence of the ultimate parent company of the group, but, on a regular basis, the country of residence does not comply with this agreement;

2. A resident entity is obliged to notify the Tax Authority in established form if they are an entity to which paragraph 2 and 3 of part 1 of this Article applies.

3. A resident entity must, according to the established procedure, submit a notification to the tax authority in accordance with Part 2 of this Article by the end of the financial year to which the notification relates.

4. The tax authority shall notify a resident entity that it is subject to the provisions of paragraph 4) of Part 1 of this article for a reporting period by the end of the period.

5. If the provisions of paragraphs 3) or 4) of Part 1 of this Article during a reporting period year apply to more than one resident entity of a group with global impact, the group may notify the tax authority about the resident entity appointed as responsible for filing a Country-by-Country Report for that year in accordance with the requirements of Part 1 of this Article. The notification for the reporting period must be prepared in the approved form and submitted to the tax authority before the expiry of the reporting period for that year. If a resident entity designated by a group with global impact to report for the country does not submit a report for the reporting period, the tax authority may require another resident entity of the same group who meets the requirements of sub-paragraphs 3) or 4) of Part 1 of this Article to submit a report before the deadline, specified in the written requirements of the tax authority.

6. For the purposes of the second paragraph of clause 4) of part 1 of this Article, a foreign country is considered to regularly fail to comply with the provisions of the qualifying competent authority agreement if the foreign country allows one of the following actions:

– The information exchange envisaged in the qualifying competent authority agreement with the Republic of Tajikistan is suspended, except for the suspension of information exchange in accordance with the requirements of the agreement; or

– Despite the efforts of the Republic of Tajikistan, the information exchange with the countries of location of the group with global impact and members in the Republic of Tajikistan was not carried out.

**Article 234. Country-by-Country Report**

1. A Country-by-Country Report for a reporting period to be filed with the Tax Authority by a resident entity for a group with global impact in accordance with the provisions of Article 233 of this Code shall contain the following information:

1) aggregate information on income, profit and loss before tax, profit tax accrued, declared capital, accumulated profits, number of employees and tangible assets (excluding cash or cash equivalent) for each country where the group operates; and

2) identification of each group member with the following information:

– the country of the tax resident for each of its members;

– the country where the entity is incorporated, registered, regulated in accordance with the rules of the country, if in accordance with the first paragraph of this part, there are differences from the country of tax residence;

– the nature of the main business or the business of its members.

2. A Country-by-Country Report must be submitted in the format identical to the specific format as indicated in the legislation on transfer pricing and must include any other requirement of the tax authority.

3. A Country-by-Country Report for a reporting period must be submitted by a resident entity to the Tax Authority within 12 months upon the completion of the period. If the financial statements of a group with global impact are prepared for a period different from the reporting period, the group can file a report with a reference to the fiscal year of the group.

4. A resident entity that fails to submit a Country-by-Country Report in accordance with this article is held accountable in accordance with the legislation on administrative offences of the Republic of Tajikistan.

**Article 235. Utilisation of Country-by-Country Reports**

The Tax Authority may use Country-by-Country Reports filed in accordance with Article 233 of this Code or received under a qualifying competent authority agreement only for the following purposes:

1) assessment of transfer pricing risks, high level and other risks of concealing and changing the source of taxation and redistribution of profits in the Republic of Tajikistan;

2) risk assessment of non-compliance by a group with a global impact with the transfer pricing rules in accordance with this Code;

3) economic and statistical analysis.

## CHAPTER 34. TAX WITHHOLDING AT SOURCE OF PAYMENT

**Article 236. Procedure for tax withholding at source of payment**

1. The following persons (withholding agents) must withhold a tax at sources of payment, other than a payment that is exempt income of the recipient:

1) resident legal entities, including their separate subdivisions, individual entrepreneurs and permanent establishments of non-residents, which make payments (should make payment) to individuals working for hire by way of salary as specified in Article 186 of this Code;

2) resident legal entities, as well as their separate subdivisions, individual entrepreneurs and permanent establishments of non-residents, which make payments for rendered in the Republic of Tajikistan services (works) income to individuals, not registered as individual entrepreneurs on the basis of civil law character contracts or without them, except for civil legal contracts, the subject of which are the transfer of property rights and other proprietary interests in property (property rights);

3) resident legal entities, as well as their separate subdivision, individual entrepreneurs and permanent establishments of non-residents, making payments of pensions, scholarships and benefits to individuals, except for state pensions, scholarships and benefits;

4) resident legal entities making payments of dividends;

5) residents and permanent establishment of non-residents who make payments of interest;

6) resident legal entities part of shares (share ownership) of which belong to non-residents of the Republic of Tajikista, are realized (alienated), as well as authorized agents of non-residents, which realized (made alienation) or transferred the property (shares, share ownerships) of such non-residents in the Republic of Tajikistan, if confirming documents on tax payment of non-resident himself are not presented after the realization (alienation) or transfer within 5 business days after the end of a month, when payments (funds) were made;

7) financial credit institutions carrying out Islamic banking activities, upon payment of compensation for funds in savings, deposit and investment accounts at the rate established by part 1 of Article 238 of this Code;

8) residents and permanent establishments of non-residents who make payments provided in Article 239 of this Code;

9) residents and permanent establishments of non-residents who pay winnings on bonds and lotteries and prizes (winnings, gifts) based on the results of contests, competitions and other events.

2. A withholding agent, who pays income indicated in the part 1 of this article, shall be responsible for the withholding and payment of taxes to the budget. If the sums of tax are not timely paid to the budget, a withholding agent who pays income shall pay to the budget at his own expense the amount of tax that was not withheld and not transferred to the budget, as well as relevant penalties and interests. A withholding agent who pays withholding tax at its own expense after failing to withhold tax is entitled to recover the tax from the recipient of the income.

3. Payment of income shall be understood to mean transfer of money in cash or noncash forms, securities, goods, and other property, provision of benefits, performance of works, provision of services.

4. A withholding agent must withhold tax from payment of income at the earlier of the time the income is:

1) applied on behalf of the payer of the payment either at the instruction of the recipient or under any law;

2) reinvested, accumulated, or capitalised for the benefit of the recipient;

3) credited to an account for the benefit of the recipient;

4) actually paid or otherwise made available to the recipient.

5. Withholding agents and persons receiving funds for the payment of salary at credit organizations, are obliged to:

1) transfer the taxes withheld (assessed), including the social tax, to the budget simultaneously with the receipt of the income by way of the salary, and in other cases, within 10 business days after the end of the month in which the payments were made;

2) when paying income by way of salary to provide the individuals earning the income by their request statements indicating surname, name and patronymic, identification number of taxpayer, the amount and types of tax, as well as the amount of tax withheld (if tax is being withheld)

3) send (present) to individuals and legal entities, who earn (have earned) income in accordance with part 1 of this article, by their request within 10 business days statement indicating identification number of a taxpayer, name (surname, name and patronymic) of a person, the total amount of income and total sum of tax, withheld in reporting year.

6. It is prohibited to financial credit institutions to provide funds in cash to payment of income in the for of wages without preliminary transfer to the budget by taxpayers (withholding

agents) the sums of ncome tax and social tax, appropriate to the abovementioned sums of cash funds.

7. Withholding tax on income and payment of social tax from the budget-financed income of citizens of the Republic of Tajikistan, carrying out activities in international organizations, diplomatic, consular and other institutions equivalent to them as representatives of the Republic of Tajikistan abroad, is carried out in a centralized manner, determined by the authorized state body in the field of finance together with the authorized state body by the 15th day of the month following the reporting quarter.

8) Income of financial credit institutions carrying out Islamic banking activities, paying for investments in accordance with the *Shariqa* and *Mushoraqa* agreements, is not taxed at the source of payment and taxed out of the share of the income of each participant.

**Article 237. Withholding tax on dividends at source of payment**

1. Dividends paid by resident enterprises shall be subject to taxation at the source of payment at the rate of 12 percent, with the exception of dividends or share of state enterprises paid under other regulatory legal acts as other obligatory payments (non-tax payments) from net profit to the state budget, unless otherwise provided by this article. The amount of dividends is determined according to accounting data.

2. Dividends really taxable in accordance with part 1 of this article, as well as income of enterprises subject to other compulsory payments (non-tax payments) under other regulatory legal acts, shall not be included in the recipient's gross income and shall not be subject to further taxation.

**Article 238. Withholding tax on interest at source of payment**

1. Interest paid by a resident or a permanent establishment of a non-resident, or on behalf of such an establishment, shall be subject to taxation at the source of payment at the rate of 12 percent of the amount to be paid, with the exception of the cases referred to in parts 2 and 5 of this article.

2 Interest, paid to resident credit institutions, financial institutions, National Bank of Tajikistan, resident leasing companies, including interest under financial leasing agreements (leasing), shall not be subject to taxation at the source of payment

3. Interest really taxable in accordance with part 1 of this article shall not be included in an individual recipient's gross income and shall not be subject to further taxation after being paid to said individual.

4. A resident legal entity whose income are subject to taxation, in the event that interest is received that is subject to taxation in accordance with part 1 of this article, shall include in its gross income the full amount of interest income without deducting the tax that is withheld and shall have the right to crediting this tax withheld at the source of payment, provided that it has documents confirming withholding of the tax at the source of payment.

5. Interest paid by resident enterprises with the exception of credit financial institutions to controlled foreign companies is subject to taxation at the source of payment at the rate of 18 percent.

**Article 239. Withholding tax on income of non-residents at source of payment**

1. A non-resident's income from a source in the Republic of Tajikistan, which is not related to a permanent establishment of this non-resident located on the territory of the Republic of Tajikistan, shall be subject to taxation at the source of payment as gross income, without taking

deductions (with the exception of deduction of the value-added tax in accordance with Article 260 of this Code), at the rates specified in part 8 of this article.

2. According to the procedure specified in part 1 of this article, as well as taxation of income of a non-resident from sources located in the Republic of Tajikistan, in accordance with this Code, which is related to a permanent establishment in the Republic of Tajikistan, and taxation was not timely executed and no supporting documents have been submitted on the payment of tax, taxable at the source of payment. A permanent establishment receiving income to which this part applies must include the full amount of income in its gross income, excluding withholding tax and is eligible for credit of that withholding tax, provided that there is evidence of withholding tax. payments.

3. The provisions of part 1 of this article shall apply given the requirements of international legal acts recognized by Tajikistan, international treaties regulating tax relations.

4. Payment of income means transfer of money in cash and (or) non-cash, securities, goods, other property, provision of benefits, performance of work, provision of services. Payment also includes transfer of funds to a bank account in favor of a non-resident.

5. Payments made to non-residents in accordance with part 1 of this article, related to delivery of goods under foreign trade transactions (related to the importation of goods) into the territory of the Republic of Tajikistan shall not be subject to taxation at the source of payment.

6. Taxation of a non-resident's income received in the Republic of Tajikistan at the source of payment shall be effected regardless of the disposition by the given non-resident of income earned in the Republic of Tajikistan in favor of third parties in the Republic of Tajikistan and (or) its separate subdivisions (other persons) in other states.

7. Tax on a non-resident's income from a source in the Republic of Tajikistan shall be withheld regardless of the form and location of payment of the income.

8. Taking into account the provisions of this article, a non-resident's income from a source in the Republic of Tajikistan that is not related to a permanent establishment of the non-resident of the Republic of Tajikistan, shall be subject to taxation at the source of payment as gross income without making deductions (with the exception of deduction of the value-added tax in accordance with Article 261 of this Code), at the following rates:

1) dividends – in accordance with Article 237 of this Code;

2) interests – in accordance with Article 238 of this Code;

3) remuneration for the amount in saving, deposit accounts, investment and investment accounts in accordance with item 7 of part 1 of Article 236 of this Code;

4) insurance premiums paid by a resident or permanent establishment of a non-resident in accordance with an insurance agreement or risk reinsurance agreement – at the rate of 6 percent of the gross amount of the premium;

5) payments made by a resident or a permanent establishment of a non-resident for telecommunications or transportation services in the case of international communications or international shipments between the Republic of Tajikistan and other states:

a) for international telecommunications services – 3 percent of the gross amount paid for the services;

b) for international transportation - 3 percent of the gross amount;

6) incomes in the form of wages provided for in the Article 186 of this Code, paid from the sources in the Republic of Tajikistan, regardless of the form and the place of income payment, by the rate prescribed in part 2 of Article 183 of this Code;

7) other incomes, not provided by paragraphs 1-5 of this part, at the rate of 15 percent of the gross income.

8. Organizations, that pay incomes to non-residents, participainge in implementation of credit (grant) agreements without establishing a permanent establishment in the Republic of Tajikistan, regardless of the place of income payment, are obliged, as tax agents, to withhold tax at the source of payment and make payment to the budget. In case of failure to comply withthis requirement, the tax is collected from the said organizations.

## CHAPTER 35. ADMINISTRATIVE PROVISIONS

### Article 240 Tax period

1. The tax period for income tax on income in the form of wages received by individuals whose tax is withheld at the source of payment, shall be a calendar month, unless otherwise provided in this Code.

2. The tax period for income tax on individuals not subject to taxation at the source of payment in the Republic of Tajikistan, is a calendar year, unless otherwise provided in this chapter.

3. The tax period for income tax on legal entities is a calendar year. At that, submission of calculations of current payments of income tax and their payment shall be made within the deadlines specified in Articles 242-243 of this Code.

### Article 241. Submission of tax return

1. A unified tax return on income tax and social tax on the income in the form of wages of individuals, whose taxes are withheld at the source of payment, including by separate subdivisions of legal entities, shall be filed by the 15th of the month following the reporting month.

2. A unified tax return on income tax and social tax on income of individuals citizens of the Republic of Tajikistan, working in diplomatic, consular representations of foreign states and equivalent representations of international organizations in the Republic of Tajikistan, shall be filed by the 15th of the month following the reporting quarter. Information about the above mentioned individuals shall be submitted to the authorized state body by the Ministry of Foreign Affairs of the Republic of Tajikistan on a quarterly basis by the 15th of the month following the the reporting quarter.

3. Unified calculation on personal income tax and social tax on income of citizens of the Republic of Tajikistan, working in diplomatic missions and equivalent organizations of the Republic of Tajikistan abroad, shall be filed quarterly, by the 15th of the month following the reporting quarter, by the authorized state body in the field of finance, and taxes on them shall be collected for the same period.

4. The following taxpayers are required to file income tax returns on income not taxed at the source of payment, and (or) corporaye income tax returns by April 1 of the year following the reporting year:

- residents and permanent establishments of non-residents, payers of income tax;
- individuals residents having income not taxed at the source of payment in the Republic of Tajikistan, with the exception of those who pay taxes in accordance with section XIV of this Code;
- individuals residents having cash means on accounts with foreign banks located outside the Republic of Tajikistan, and those receiving income outside the Republic of Tajikistan;
- individuals responsible for filing income tax return in accordance with the legislation of the Republic of Tajikistan. The procedure, deadlines for filing, as well as the template of returns submitted by these persons, is determined by the Government of the Republic of Tajikistan;

- individuals entitled to the personal deduction from income in accordance with part 8 of Article 191 of this Code;

- other non-resident legal entities and non-resident individuals receiving income from the sources in the Republic of Tajikistan subject to taxation, but is not taxed at the source of payment.

5. Upon liquidation of a legal entity, the liquidation commission or a taxpayer shall immediately provide a written notice to the tax authority. The liquidation commission shall submit a tax return to relevant tax authority.

6. An individual, who is not required to file a tax return, may submit a tax return with supporting documents with the requirement to recalculate the tax and to refund overpaid tax amount.

7. Calculation for payment of current payments of income tax of legal entities, including entities whose tax has been witheld at the source of payment, according to the form established by the authorized state body, must be filed monthly (quarterly) by the 15th of the month following the reporting month (quarter) subject to the requirements of parts 1 and 2 of Article 242 of this Code.

8. Tax return on the income tax by legal entities and annual accounting reports shall be filed by April 1st of the year following the reporting year.

**Article 242. Current tax payments**

1. Legal entities payers of income tax on legal entities, taking into account parts 2-4 of this article, are obliged to make monthly recurring payments to the budget no later than the 15th day of the month following the reporting month. The amount of each monthly recurring payment for the 12-month period starting every April 15th cannot be less than any of the following amounts:

- one twelfth of the income tax amount for the previous calendar year;

- 1 percent of the gross income for the reporting month.

2. If the income of the taxpayer for the first quarter of the current year is less than 50 percent of the income for the same quarter of the previous year, the taxpayer may, by submitting monthly reports to the tax authorities, calculate and pay the current monthly payments according to the reports of the previous quarter, dividing them by 3, but not less than 1 percent of the total income for the reporting month.

3. Current payments for income tax under this Article shall be counted towards the amount of tax payable for the calendar year. Any excess of the current tax payments of income tax in comparison with tax obligation on this tax for the calendar year shall be counted towards other tax obligations on other taxes or shall be returned to the taxpayer.

4. Current payments for corporate income tax are compulsory payments, for the delay of which interest is calculated.

**Article 243. Payment of taxes and administrative provisions**

1. Individuals payers of income tax shall pay the tax at the place of registration within the deadlines set for the submission of tax returns.

2. Citizens of the Republic of Tajikistan, receiving income from the work in the diplomatic, consular missions of foreign states and equivalent representations of international organizations in the Republic of Tajikistan, shall pay from income tax within the deadlines set for the submission of a tax return.

3. Distribution of current payments on corporate income tax, as well as tax payable to the revenue side of the budgets at the end of the calendar year, shall be carried out by an enterprise between the budgets at the place of location of a head subdivision of the enterprise, as well as at the place of location of each of its separate subdivision according to the proportion of expenses on

payment of wages related to the enterprise (its head subdivision with all its separate subdivisions) in accordance with the accounting records of the enterprise. Proportion of expenses related to the payment of wages referred to in this part are determined on the basis of actual indicators of expenses related to the payment of wages of the head subdivision of the enterprise and its separate subdivisions in accordance with the accounting records at the end of the reporting period.

4. Calculation of the amount of current payments on corporate income tax, as well as the amount of tax payable to revenue side of the budgets following the results of the calendar year at the place of location of the head subdivision of the enterprise and each of its separate subdivisions, shall be carried out separately. Information on the amount of current tax payments, as well as the amount calculated at the end of the tax year must be provided by the enterprise to its separate subdivisions, as well as the tax authorities at the place of its location and the place of location of the separate subdivisions, filed within the deadline established for advance payments according to Article 242 of this Code and for submission a tax return for corporate income tax in accordance with Article 241 of this Code.

5. The enterprise shall pay the amount of the current tax payments and the amount of the tax assessed following the results of the calendar year to the budgets at the place of location of its head subdivision and its separate subdivisions through the head subdivision of the enterprise within the deadlines established by this Article and Article 242 of this Code.

6. Legal entities payers of corporate income tax shall carry out a final calculation and pay the tax at the place of registration no later than 10$^{th}$ of April of the year following the reporting calendar year.

7. Control over payment of income tax shall be exercised by tax authorities.

8. Instructions on the calculation and payment of income tax, as well as the templates of the relevant tax returns and calculations shall be approved by the authorized state body upon coordination with the authorized state body in the field of finance.

## SECTION VIII. VALUE-ADDED TAX

## CHAPTER 36. GENERAL PROVISIONS

### Article 244. The concept of value-added tax

Value-added tax is an indirect tax and must be payable at all stages of circulation of goods, performance of works and provision of services in line with the provisions of this Code.

### Article 245. Taxpayers

1. The following persons are recognized as value added tax payers:

- a person whose total income for the previous period of no more than 12 full consecutive calendar months exceeded 1 million somoni;
- a person whose activities comply with the provisions of the second paragraph of Part 2 of Article 375 of this Code;
- a foreign person providing remote services in accordance with Chapter 43 of this Code;
- a foreign legal entity supplying goods, performing works on the territory of the Republic of Tajikistan, if the Republic of Tajikistan is recognized as the place of supply of such goods, performance of works;
- a person is the legal successor of the value added tax payer;

- a person recognized as a tax agent in accordance with the provisions of Article 260 of this Code;

- a person importing taxable goods into the Republic of Tajikistan;

- a person voluntarily applying for the payment of value added tax;

2. To determine the income of the persons specified in paragraphs 1 and 8 of part 1 of this article, the total income of related parties is taken into account.

3. Voluntary registration of a person as a value added tax payer is carried out only if the tax administration comply with the following requirements:

- if the place of permanent business of an individual has been determined;

- if the person is engaged in entrepreneurial activity and maintains accounting records in accordance with the legislation on accounting;

- if the person is not associated with companies that do not have activities of economic importance.

4. In the event of occurring the requirements of paragraphs one, two, three, five, six and eight of part 1 of this article, the registration of a taxpayer as a value added tax payer is done by the tax administration automatically, and the taxpayer is issued a certificate electronically.

5. The tax authorities have the right, upon identification of sufficient grounds, to recognize several types of entrepreneurial activity owned by one person as one economic entity and register this person as a payer of value added tax from the first day of the reporting period following the month in which such a case was detected.

6. A person is recognized as a of value added taxpayer starting from the following dates:

- in accordance with paragraph one of part 1 of this article - from the first day of the reporting period following the month in which the gross income of the taxpayer exceeds the registration threshold;

- in accordance with paragraph two of part 1 of this article - from the date of state registration;

- in accordance with paragraphs three and four of part 1 of this article - from the date of commencement of activities on the territory of the Republic of Tajikistan;

- in accordance with paragraph five of part 1 of this article - from the moment of acquiring the right of succession;

- in accordance with paragraph six of part 1 of this article - from the date of payment of income to a non-resident;

- in accordance with paragraph eight of part 1 of this article - from the date specified in the registration certificate.

7. The following persons are not considered to be value-added tax payers, except for the cases specified in paragraph seven of part 1 of this article:

1) local and central state government bodies - within carrying out their regulatory functions;

2) persons operating under special regimes.

8. Taxpayers established by part 1 of this article have the right to cancel their registration as a value added tax payer subject to the following conditions:

- the gross income of the taxpayer, taking into accout provisions ofpart 2 of this article, decreased from 1 million somoni as a result of 12 consecutive full calendar months;

- 36 calendar months have passed since the transition to the general taxation regime.

9. In the event of registration and annulment of registration as a value added tax payer, the taxpayer is obliged to operate, respectively, under the general taxation system or the special taxation system.

10. The procedure for registration and annulment of registration as a value added tax payer, maintaining the Register, issuing a certificate and its practical termination is developed and approved by the authorized state body in agreement with the Ministry of Finance of the Republic of Tajikistan.

## CHAPTER 37. OBJECTS OF TAXATION

### Article 246. Objects of taxation

1. Objects of taxation with respect to the value-added tax are:

- supply of goods (performance of works and provision of services) on the territory of the Republic of Tajikistan;
- performance of works and provision of services carried out by non-residents on the territory of the Republic of Tajikistan;
- import of goods into the territory of the Republic of Tajikistan.

2. Taxable transactions do not include the provision of services or performance of works outside the Republic of Tajikistan in accordance with Article 258 of this Code.

3. If a taxpayer purchases goods (work, services) including value-added tax and receives a credit for the corresponding amount, the consecutive use of said goods (work, services) for non-entrepreneurial activity shall be considered a taxable transaction.

4. The delivery of goods, performance of works, and provision of services by a taxpayer for the taxpayer's employees and any other persons non-VAT payer, including on a free basis, shall be a taxable transaction, with the exception of cases when the calculation of value added tax is not allowed during the purchase of goods, performance of work or provision of services. In such a case, the value of the taxable transaction is the difference between the purchase price of goods, performance of work or services and their market value.

5. Notwithstanding the other provisions of this article, the supply of goods by a value added tax payer, with the exception of a payer of a reduced rate, is not considered a taxable transaction if these goods were acquired as a result of a taxable value added transaction, but crediting the amount of value added tax in accordance with article 266 of this Code is not allowed. If the credit was partially not allowed when purchasing goods, then the size of the taxable transaction is reduced in proportion to the percentage of a credit that was not allowed.

6. The value of packaging (packing material) that is to be returned under the conditions and within the terms specified in an agreement (contract) on delivery of goods shall not be included in the taxable amount, with the exception when these goods are not returned within the contractual deadline.

7. If in the production of goods (performance of work and provision of services) the taxpayer used customer-supplied raw materials and materials, whereas the final product remains in the possession of the customer, the performance of such works and rendering of services is considered a taxable transaction for the taxpayer.

8. Goods and vehicles imported into the customs territory of the Republic of Tajikistan, subject to declaration in accordance with the customs legislation of the Republic of Tajikistan, are

considered taxable import, with the exception of goods exempted from value added tax in accordance with Article 251 of this Code.

**Article 247. Sale or cession of entrepreneurship rights**

1. The sale or cession of entrepreneurship rights or its separate subdivision by one taxpayer of value added tax to another payer of value added tax within of one transaction is not considered a taxable operation if the entrepreneurial activity or its separate subdivision operates continuously.

2. When a transaction is performed in accordance with the provisions of Part 1 of this Article, the rights and tax obligations of the seller or assignor of the entrepreneurship right are transferred to the buyer or recipient of the entrepreneurship right.

3. The provisions of this article apply if the following requirements are met:

– in the event that the selling (transferring) and purchasing (receiving) parties, indicatedin part 1 of this article, provide written notification to tax administration on the decision to apply the provisions of this article no later than 30 calendar days after the sale or cession;

– the seller or assignor of the entrepreneurship right will continue to operate until the day of the transaction;

– the buyer or the recipient of the entrepreneurship right will not use tax benefits in relation to the acquired business activity from the moment of the transaction or cannot use it for his own purposes.

4. The seller or assignor of the entrepreneurship right are liable for any obligation to pay value added tax that arose before the transfer

## CHAPTER 38. TAX BASE

**Article 248. Value of a taxable transaction**

1. Tax base is the the value of a taxable transaction determined based on the amount (the value, including in kind) which the taxpayer receives or has the right to receive from a customer or any other person, including any duties, taxes, and (or) other charges, except for the value-added tax. The amount is deducted taking into account any discounts permitted and accounted for by the taxpayer at the time of the taxable transaction. A discount or other price adjustment in respect of a taxable transaction is made after its calculation in accordance with article 249 of the Tax Code.

2. If, in exchange for a taxable transaction, a taxpayer is supplied with goods (works are performed or services are rendered) or the taxpayer has the right to receive them, the value of the taxable transaction includes the market price of these goods (works and services), including any duties, taxes or other fees excluding value added tax.

3. In the event that a taxpayer does not receive any assets (goods, works or services) in exchange for a taxable transaction, the value of the taxable transaction is equal to the market value of the delivered goods, the performed work, or provided services, including any duties, taxes, or other charges, except for the value-added tax.

4. In the case goods, works or services are used for non-commercial purposes , and also in the case of delivery of goods (works or services to any persons, including their employees, the value of taxable transaction shall be equal to the market price of these goods, works, or services, including any duties, taxes, or other charges, except for the value-added tax.

5. When goods are delivered under conditions for payment in installments, the value of the taxable transaction includes the total amount to be paid regardless of the payment schedule specified in the agreement.

6. While selling (alienation) of pledged property, the value of this taxable transaction of a pledger is determined on the basis of the market value of sold (alienated) pledged property, including any duties, taxes and other levies, except for the value-added tax.

7. The value of the taxable transaction of imported goods on subsequent delivery may not be lower than the value of the taxable import. In case of a negative difference in the value of the taxable transaction in respect of imported goods, such a negative difference for the calculation of value added tax is assumed to be zero.

8. If the taxpayer specifies a taxable transaction with value added tax in accordance with paragraphs one, two and four of part 13 of Article 269 of this Code without separating the amount of tax, the value of the taxable transaction and the share of tax, except in cases where preparing an invoice is mandatory, the transaction is calculated using the formulas:

1) value of the taxable transaction:

A - AxB / 100 + B), where:

A - the total amount charged for the transaction;

B - tax rate per transaction.

2) the amount of VAT in taxable transaction;

AxB/(100 + B ), where:

A – total value of taxable transactions;

B - tax rate per transaction.

9. If a value added tax payer performs a taxable value added transaction to another payer of such tax without distributing the amount of tax, the amount of value added tax to be calculated shall be determined in accordance with the provisions of part 8 of this article.

**Article 249. Adjustment of taxable turnover**

1. The provisions of this article shall apply to a taxable transaction of a taxpayer after the completion of a taxable transaction in the following cases:

– cancellation of a transaction or change of its nature;

– change of the taxable transaction's value;

– change in the agreed-upon compensation for a transaction due to a drop in prices and for any other reason;

– the full or partial return of goods to the taxpayer;

– refusal to accept work or services performed by the taxpayer.

2. In the cases provided for in part 1 of this article, the taxpayer must issue an additional (supplemented) invoice for value added tax and submit an adjusted declaration in accordance with the requirements of paragraph 2 of Article 265 and paragraph 8 of Article 266 of this Code.

3. An adjustment of the taxable transaction is made on the basis of a supplemental value-added tax invoice or other documents confirming the occurrence of circumstances envisaged in part 1 of this article after the completion of the taxable transaction.

**Article 250. Value of taxable imports**

1. The value of taxable imports is the customs value of goods as determined in accordance with the customs legislation of the Republic of Tajikistan, including taxes, custom duties, special charge and fees payable on the importation of goods into the Republic of Tajikistan, excluding the value-added tax. In any case, the customs value of the goods cannot be higher than the wholesale value of the goods approved according to official statistics.

2. If goods are exported from the territory of the Republic of Tajikistan for the purpose of repair, restoration or improvement, in case of re-import, the value of taxable import is the amount by which the value of exported goods increases, if the form or nature of the goods and the ownership of the goods do not change since the moment of export.

## CHAPTER 39. TAX CONCESSIONS

**Article 2521 Tax exemption**

1. If the supply of goods, performance of work or provision of services are exempt from value added tax in accordance with provisions of the legislation of the Republic of Tajikistan and other international legal acts recognized by Tajikistan, such a transaction is not considered a taxable transaction and its value is not included in a taxable transaction. Also, the import of goods exempted from value added tax, with the exception of their subsequent sale and delivery within the country, is not included in the value of taxable import.

2. The following delivery of goods (other than exports of goods), performed work, and provided services in the territory of the Republic of Tajikistan shall be exempt from the value-added tax:

1) the sale, transfer, or leasing of immovable property, other than:

a) the sale or transfer of hotel premises or housing for vacationers;

b) the sale or transfer of newly built residential premises;

c) the sale or rent of immovable property used for entrepreneurship purposes, except for sale or transfer according to Article 247 of this Code.

2) fee-based provision of financial services, the list of which is determined by the National Bank of Tajikistan in agreement with the Ministry of Finance of the Republic of Tajikistan and an authorized state body, including the transfer of depreciable tangible property under financial lease (leasing) transactions, with the exception of the supply of the subject of financial lease;

3) delivery of domestic and (or) foreign currency (other than for numismatic purposes);

4) services of religious institutions;

5) provision of medical services by the state establishments, with the exception of cosmetic medical, dental and sanatorium resort services;

6) provision of following services financed from state budget resources by state establishments in the sphere of education:

a) pre-school education;

b) primary, general primary and secondary education;

c) primary and secondary vocational education;

d) higher professional education;

e) post-graduate education after higher education institution;

f) additional and specialized education.

7) gratuitous transfer of (refusal from) goods in profit of the state, the supply of goods, works and services for humanitarian aid;

8) delivery of goods (performance of work and provision of services) directly by penitentiary institutions of the Republic of Tajikistan or state enterprises that are part of the penitentiary system of the Republic of Tajikistan;

9) delivery of specialized products for individual use by disabled persons based on the list established by the Government of the Republic of Tajikistan;

10) supply (sale) of a unified school and preschool uniform of domestic production, the list of which is approved by the Government of the Republic of Tajikistan on the proposal of the Ministry of Education and Science in coordination of the Ministry of Finance of the Republic of Tajikistan, Ministry of Industry and New Technologies of the Republic of Tajikistan, and the authorized state body;

11) delivery (sale) of domestically produced medical products, the list of which is approved by the Government of the Republic of Tajikistan at the suggestion of the Ministry of Health and Social Protection of Population of the Republic of Tajikistan in coordination with the Ministry of Finance of the Republic of Tajikistan and the authorized state body;

3. The delivery of precious metals and precious stones, primary aluminum, natural resource concentrates, merchantable ore, ferrous and basic metals, and other metals produced in the

Republic of Tajikistan, bullions of precious metals of the National Bank of Tajikistan, cocoons, cotton-fiber, cotton yarn and raw cotton, including for export purposes, are exempt from value-added tax.

4. The following types of imports are exempt from the value-added tax:

– import of national and foreign currency (except for numismatic purposes), as well as securities;

– import of precious metals and precious stones by the National Bank of Tajikistan and by the Ministry of Finance of the Republic of Tajikistan for the State Valuables Repository;

– import of goods gratuitously transferred to state bodies of the Republic of Tajikistan, import of goods as humanitarian assistance, import of goods transferred on a gratuitous basis to charitable organizations for the purpose of dealing with the consequences of natural disasters, accidents, and catastrophes.

– import of production and technological equipment and their spare parts, which form a single package, including on the terms of financial lease (leasing) for the formation or replenishment of the statutory fund (capital) of enterprises or technical reequipment of existing production, provided that this property is used directly in the production of goods, performance of works and services in accordance with the constituent documents of the enterprise and does not fall under the category of excisable goods. In the case of liquidation of such enterprise or non-use by the enterprise within two years from the moment of imports into the Republic of Tajikistan or transfer of manufacturing technological equipment and spare parts to another person that have been imported to the Republic of Tajikistan, the value-added tax, payable in accordance with this paragraph has not been paid, charged to the budget without accounting, in accordance with Article 266 of this Code, except for the import of such equipment under financial lease (leasing) terms;

– import of materials and items for the production of medicines, medical, pharmaceutical equipment and medical instruments, the latest technology for pharmaceutical enterprises and modern diagnostic and treatment equipment, with the exception of medicines produced within the republic, the order and list of which is determined by the Government of the Republic of Tajikistan.

– import of goods for the implementation of investment projects of Government of the Republic of Tajikistan under grants and loan agreements;

– import of goods for the construction of high-priority projects, except for the good produced in the Republic, the list of which is determined by the Government of the Republic of Tajikistan;

– import of equipment, machinery, building materials and other materials to meet the needs of tourist facilities (including hotels, health resorts, sanatoriums, tourist centers, and other tourism facilities), with the exception of goods produced in the Republic. The list of tourism facilities, the list and quantity of imported equipment, techniques and construction and other materials is approved by the Government of the Republic of Tajikistan;

– import (with the exception of excisable goods) based on a list and in quantities established by the Republic of Tajikistan's Government, conducted directly by producers for the production of primary aluminum;

– import of primary aluminum;

– import of military equipment, basic units, weapons, ammunition, defense aircraft, as well as, the cost of maintenance, repair and spare parts for them;

– import of specialized products for individual use by disabled persons based on a list established by the Government of the Republic of Tajikistan;

– import of technology and equipment and materials for poultry farming, fish-farming, and (or) when importing goods directly for the needs of economic entities in the areas of poultry farming, fish farming and the production of combined feed for birds and animals;

– import of raw materials for processing and production of final products, with the exception of raw materials produced in the country and excisable goods, the procedure and list of which is determined by the Government of the Republic of Tajikistan;

**5**. Import and subsequent delivery of the following machinery and equipment, spare parts and components are exempt from value added tax, with the exception of import of spare parts and components produced in the republic, the list of which is determined by the Government of the Republic of Tajikistan:

- agricultural machinery;

-spare parts and components for machinery and agricultural machinery by assembly enterprises (manufacturers) for their own needs;

- spare parts and components for cars, trucks and loading machinery by assembly enterprises (manufacturers) for production and sale of the final product.

- import of vehicles driven only by electric motors, including electric vehicles, electric buses and trolleybuses. (as amended by the Law of the Republic of Tajikistan dated March 18, 2022, No. 1867).

6. Import and further delivery of new cars (the date of manufacturing of which does not exceed 1 (one) year, with mileage up to 10 (ten) thousand kilometers) with commodity nomenclature 8702, 8703, 8704 and 8705 directly by legal entities and individual entrepreneurs carrying out their activities on the basis of a certificate are exempt from paying 50 percent of the standard value added tax rate established by paragraph 1) of part 1 of article 264 and part 4 of article 397 of this Code.

**Article 252. Taxation of international and transit carriage**

1. Provision of transportation or other services and the performance of work directly related to international freight and passenger carriage, as well as the delivery of fuel and lubricants and other consumables loaded onto own and (or) foreign aircraft for consumption during international flights, shall be exempt from the value-added tax. International carriage shall be understood freight and passenger transportation, when enither the point of departure or the point of destination is located outside the Republic of Tajikistan.

2. For the purposes of this article, work and services performed in connection with international carriage shall include:

– work and services related to the transportation (carriage), loading, unloading (offloading), transshipment, and forwarding of goods transported from (to) the territory of the Republic of Tajikistan, as well as goods that transited across the territory of the Republic of Tajikistan;

– works, transport services, technical, air navigation, airport services for international flights, commercial services, as well as works and services related to transportation of mail, passengers, luggage outside (from) the territory of the Republic of Tajikistan, with the exception of income from sales in the territory of the Republic of Tajikistan of air tickets for international flights in accordance with commission agreements or other similar agreements.

3. In the case of performance of work, provision of services specified in paragraph one of part 2 of this article, exemption from value added tax is applied subject to the following conditions:

– there is an agreement (contract) for the performance of work or provision of services concluded directly with the supplier of the goods;

– registration of freight and passenger transportation in accordance with uniform requirements for international transportation;

– freight customs declaration for goods that have been imported onto the territory of the Republic of Tajikistan, registered under the international transit regime.

4. In the case of the performance of work and provision of services referred to under paragraph two of part 2 of this article, exemption shall be applied when the following conditions are met:

– existence of an agreement for the performance of work or provision of services concluded directly with the recipient (customer) of said work or services;

– if the registration of carriage of goods and passengers is carried out according to uniform documents for the international carriage of goods and passengers.

5. The carriage and servicing of transit freight provided for by paragraph third of part 1 of Article 253 of this Code shall be exempt from the value-added tax.

6. The provisions of this article shall apply only to states that apply the value added tax exemption regime when providing transport or other services, or performing work related to international freight and passenger transportation to the Republic of Tajikistan.

**Article 253. Features of taxation Features of taxation when moving goods across the customs border of the Republic of Tajikistan**

1. Import of goods into the customs territory of the Republic of Tajikistan, depending on and subject to the conditions of the chosen customs regime, is subject to taxation in the following order:

– when goods are placed under the “Release for free circulation” customs regime, the tax is paid in full;

– when goods are placed under the “Re-import” customs regime, the taxpayer pays the amount of taxes from which the taxpayer was exempt or which were refunded to the taxpayer in connection with the export of goods in accordance with this Code, following the procedure provided for by the customs legislation of the Republic of Tajikistan;

– when placing goods under the "International customs transit", "Customs warehouse", "Re-export", "Duty-free trade", "Processing under customs control", "Free customs zone", "Free warehouse", "Destruction", "Refusal in favor of the state”, “Movement of supplies” customs regimes, and special customs regimes, value added tax is not paid;

– when imported goods are placed under the “Processing on the customs territory” customs regime, the taxpayer is conditionally exempted from the full payment of value added tax in accordance with the customs legislation of the Republic of Tajikistan;

– when goods are placed under the “Temporary import” customs regime, a full or partial exemption from payment of the tax is provided following the procedure provided for by the customs legislation of the Republic of Tajikistan;

– when importing products of processing of goods placed under the “Processing outside the customs territory” customs regime outside the customs territory of the Republic of Tajikistan, full or partial exemption from payment of value added tax is applied in the manner prescribed by the customs legislation of the Republic of Tajikistan;

– when goods are placed under the "Processing for free circulation" customs regime, value added tax is paid on the customs value of the processed product.

2. When goods are exported from the customs territory of the Republic of Tajikistan taxation is applied according to the following procedure:

– when goods are placed under the export customs regime outside the territory of the Republic of Tajikistan, the tax shall not be paid or taxes that have been paid shall be refunded or credited by tax authorities of the Republic of Tajikistan following the procedure provided for by the customs legislation of the Republic of Tajikistan and this Code. The present procedure shall also be applied to the export of goods outside the customs territory of the Republic of Tajikistan in accordance with the “Export” customs regime with respect to goods which at the time of export were placed under the “Customs warehouse”, “Free warehouse”, or “Free customs zone” customs regimes;

– while applying re-export customs regime of foreign goods, taxes that were paid at the time the goods were imported into the customs territory of the Republic of Tajikistan (in connection with failure to meet the deadlines established by the customs legislation for the mandatory export of foreign goods placed under the re-export customs regime) shall be refunded

to the taxpayer following the procedure and under the conditions determined by the customs legislation of the Republic of Tajikistan;

– when exporting goods from the customs territory of the Republic of Tajikistan in accordance with other customs regimes not referred to under paragraphs first and second of this part, no exemption from payment of the tax and (or) refund of the taxes paid shall not be performed according to customs regimes, unless otherwise provided by the customs legislation of the Republic of Tajikistan.

3. When moving goods by individuals across the customs border of the Republic of Tajikistan for personal use within the limits established by the Government of the Republic of Tajikistan, no value added tax is charged. In case of exceeding the established norms for goods transported for personal use, the excess value of such goods is taxed in accordance with the general established procedure and its registration is carried out in accordance with the provisions of the Customs Code of the Republic of Tajikistan. The procedure and norms for the import of goods for personal use across the customs border of the Republic of Tajikistan are established by the Government of the Republic of Tajikistan.

4. In the event of a failure to comply with the conditions of the chosen customs regime, a taxpayer shall pay the taxes as well as interest calculated on this amount provided for by the customs legislation of the Republic of Tajikistan.

**Article 254. Taxation of export of goods**

1. Export of goods, other than precious metals and precious stones, jewelry made of precious metals and precious stones, primary aluminum, concentrates of natural resources, salable ore, ferrous and non-ferrous scrap, other metals produced in the Republic of Tajikistan, cocoons, goods, produced in free economic zone, cotton-fiber and cotton yarn and raw cotton is subject to value-added taxation at zero rate.

2. If the export of goods is not confirmed within 90 calendar days from the date of registration of goods under the "Export" customs regime, or when goods are exported via power lines or using incomplete periodic declaration in accordance with Article 255 of this Code, the supply of such goods is subject to value added tax at a positive rate specified in paragraphs 1) and 2) of part 1 and paragraphs 3-4 of Article 264 of this Code.

**Article 255. Confirmation of export of goods**

1. Documents confirming the export of goods are:

– cargo customs declaration, drawn up in accordance with the customs legislation of the Republic of Tajikistan;

– agreement for the supply of exported goods;

– a copy of the invoice, waybill, bill of lading with registration in the customs authorities located at the checkpoint of the Republic of Tajikistan. In case of export of goods under the “Export” customs regime via power lines, an act of acceptance and delivery of goods is also submitted;

– payment documents and a statement of a financial credit institution (copy of the statement), confirming the actual receipt of foreign exchange earnings from the export of goods to the taxpayer's accounts in the Republic of Tajikistan.

2. In the event of external economic transactions on exchange of goods (works, services) a taxpayer must submit documents confirming import of goods (execution of works, service rendering) received as a result of the said transactions to the territory of the Republic of Tajikistan and as well as their posting.

3. Documents confirming the export of goods to states members of the Commonwealth of Independent States, are documents referred to under parts 1 and 2 of this article, as well as a copy of a freight customs declaration prepared in the country of import of goods. In accordance with

international tax treaties, the authorized state body may establish a different procedure for confirmation of export of goods.

4. In the event of further export of goods that were previously exported outside the customs territory of the Republic of Tajikistan under the “Processing outside the customs territory”customs regime, or products of their processing, confirmation of the export shall be performed in accordance with parts 1, 2 and 3 of this article, and also on the basis of the following documents:

– a freight customs declaration prepared under the “Processing of goods outside the customs territory” customs regime ;

– a freight customs declaration, in accordance with which the “Processing of goods outside the customs territory” customs regime is replaced with the “Export” customs regime;

– a copy of a freight customs declaration prepared while importing goods into the territory of a foreign state under the “Processing of goods in the customs territory”customs regime;

– a copy of a freight customs declaration prepared under the “Export” customs regime when goods or their processed products are exported from the territory of the state in which the products were processed, and certified by the customs authority that performed the customs processing.

5. Upon submission to the tax authority at the place of registration of documents confirming the export of goods, within 120 calendar days from the date of the customs authority's mark specified in paragraph one of part 1 of this article, the taxpayer hasthe right for a refund of tax paid in accordance with part 2 of article 254 of this Code. Otherwise, the taxpayer is not entitled to a refund of the tax paid in accordance with part 2 of Article 254 of this Code.

## CHAPTER 40. TIME AND PLACE OF PERFORMING A TAXABLE TRANSACTION AND SPECIAL RULES

### Article 256. Time of performing a taxable transaction

1. The date of a taxable transaction is the moment of issuing value added tax invoice and excise invoice in respect of this transaction, unless otherwise provided by this article.

2. If value-added tax invoice and excise invoice is not presented before or at the moment (day) of the taxable transaction, part 1 of this article shall not apply, and the following days are considered the moment of the taxable transaction:

– at the time of acceptance, sale or transfer of goods, performance of work or provision of services;

– day of shipment of the goods, if, in accordance with the contract, the delivery of goods includes transportation of goods.

3. If the amount for the supply of goods, the performance of work or the provision of services is paid in advance before the expiration of the period provided for in part 2 of this article, and within five days after the advance payment is made by the supplier, the buyer is not invoiced for value added tax and excise taxes, the provisions of parts 1 and 2 of this article do not apply to this operation. In this case, the date of the advance payment is considered a taxable transaction.

4. For the purposes of part 3 of this article, with the exception of those cases specified in part 5 of this article, if two or more payments are received for a taxable transaction, each payment shall be treated as performed for a separate transaction in the amount of the payment.

5. If the services are provided on a regular basis, then the date of the taxable transaction for each reporting period is one of the following dates when the transaction was previously performed:

- the date of value added tax and excise tax invoice;

- the date of issuing a value added tax and excise tax invoice for payment for the value of goods on financial leasing basis;

- date of payment for services.

6. In any case, for the purposes of part 5 of this article, regardless of provisions of this article, the supplier is obliged to issue an invoice for value added tax and excise taxes for each month no later than the 10th day of the month following the reporting month. If the invoice is not issued within the period specified in this part, and payment is not made, then the last day of the reporting month is considered the date of the service provision. The provisions of this part also apply to the supply of goods under finance lease (leasing) agreements.

7. In case of the application of provisions of part 3 of Article 246 of this Code, the date of a taxable transaction is the beginning of the use of goods, works or services.

8. In cases referred to under part 4 of Article 246 of this Code, the date of a taxable transaction is a moment of delivery of goods, performance of works, or provision of services to employees or other persons.

9. The date of the taxable transaction for the supply of electrical communications, electrical energy, heat, gas, water, and other services provided on a regular basis are considered the dates specified in parts 5 and 6 of this article.

10. For the purpose of this chapter, regardless of the provisions of part 3 of this article, the date for determining a tax base while performing construction and installation work shall be the earliest of the following:

– a date of the receipt (acquisition of a right to) of the current payment from a customer;

– a date of the partial (full) completion of construction work, fixed in the accounting reporting and tax reporting.

11. The date of delivery of goods (works, services) by any automated payment device or other equipment, payment for which is carried out in cash, plastic cards and a token, is the date of receipt of the goods (works, services).

**Article 257. Place of delivery of goods**

1. The place of delivery of goods is the location of the goods at the time of their release (transfer) or at the time of their receipt at the disposal of the buyer. If the goods are delivered by the seller's transport or transport organization, then the place of delivery of the goods is the location of the goods at the time of the start of transportation.

2. When supplying electricity, heat and gas, the place of receipt of such goods is the place of supply of goods. In the case of export of such goods from the Republic of Tajikistan, the place of delivery is considered the Republic of Tajikistan.

**Article 258. Performing works or provision of services in the Republic of Tajikistan**

1. Works or services are considered to be performed on the territory of the Republic of Tajikistan if the place of activity from which these works or services are performed is located in the Republic of Tajikistan, except for the cases specified in part 2 of this article.

2. When performance of works or services is conducted by a person outside the territory of the Republic of Tajikistan and not having a permanent place of business in the Republic of Tajikistan, and the works or services were provided to a person that is not a tax agent, in accordance with Article 260 of this Code, the performance of works or provision of services are considered to be carried out on the territory of the Republic of Tajikistan, if one of the following provisions applies:

1) works or services performed or provided in the Republic of Tajikistan by a person in the Republic of Tajikistan during the performance of these works or services;

2) performance of work or service - remote services rendered rendering of services are carried out by remote services rendered to a resident of the Republic of Tajikistan, in accordance with the provisions of part 3 of this article;

3) services include electric services, and a foreign person actually located in the Republic of Tajikistan initiates a service in his/her own name or in the name of another person, with the exception of electric services provided by:

a) supplier of telecommunication services;

b) a person using global roaming during a temporary stay in the Republic of Tajikistan;

4) services are related to real estate in the Republic of Tajikistan;

5) the buyer of works (services) carries out activities on the territory of the Republic of Tajikistan.

3. For the purposes of paragraph 2) of part 2 of this article, the recipient of remote services is a resident of the Republic of Tajikistan if at least two of the following indicate the Republic of Tajikistan:

– recipient's billing (payment) address of recipient of remote services;

– network address or Internet protocol (IP) of the equipment used to receive remote services or other method of determining the geographic location (geolocation) of the recipient of remote services;

– data (details) of the beneficiary bank, including bank or billing account for payment;

– mobile code of the mobile subscriber's international identification number stored on the card of the subscriber identification unit used by the remote services recipient;

– location of the remote services recipient's fixed line where the service is provided to the recipient.

– any other commercial information indicating that the recipient is a resident of the Republic of Tajikistan.

4. If in part 3 of this article there are two indicators that the recipient of remote services is a resident of the Republic of Tajikistan, and there are two other indicators indicating that the location is in another country, the supplier must determine the recipient's place of residence based on indicators that are more reliable.

5. In relation to a remote service recipient - resident of the Republic of Tajikistan, a foreign legal entity cannot perform operations in accordance with the provisions of Article 260 of this Code, if such a resident does not provide a certificate confirming its recognition as a tax agent. If the tax agent is considered the recipient of the remote service, the provisions of Article 259 of this Code shall apply to the provision of remote service..

6. For the purposes of paragraph 3) of part 2 of this article, a person providing electrical communication services is a person identified as a person providing electrical communication services and controlling the start of the provision of such services. If electrical communication service provider fails to identify the person controlling the provision of such services, then the person controlling the provision of services is one of the following persons:

– a person that pays for services;

– a person entering into a service contract;

– a person receiving an invoice for the services provided.

7. If the supplier, as the initiator of the supply of services, is identified in more than one of the paragraphs of part 6 of this article, then the person supplying the services is the person who, in the order of the sequence of these paragraphs, is considered the first.

8. In this article and article 259 of this Code, the following concepts have the following meanings:

1) remote services - are works or services performed or rendered in the following places:

a) the place where the services or works are actually performed; and

b) the location of the recipient of services or works;

2) Electrical communications services include the transmission or reception of signals, recordings, images, sounds or any other information by wires, radios, fiber optic cables, other electromagnetic systems or similar technical systems and should include:

a) appropriate transfer of the right to perform such transmission, dissemination or receipt of information; or

b) providing access to global or local networks that does not includes the production of recordings, images, sounds or information.

**Article 259. Provision of remote services through an electronic trading platform**

1. In this article, "e-commerce platform" means a website, internet portal, gateway, online store, trading platform or other similar platform, which is electronically operated, through which the original provider provides remote services through another person (trade platform operator) to a third party (recipient), but does not include activities for processing payments.

2. The provisions of this article apply if all of the following conditions are met:

1) original supplier - the supplier provides remote services through the electronic trading platform;

2) the electronic trading platform is operated by a person not having a permanent establishment in the Republic of Tajikistan, and performing the following actions:

a) authorizes payment to the recipient;

b) authorizes delivery of the goods to the recipient; or

c) sets the terms of delivery; and

3) the recipient of the goods is an individual resident of the Republic of Tajikistan in accordance with the provisions of parts 3 and 4 of Article 258 of this Code.

3. In accordance with the provisions of part 2 of this article, the provisions of Article 258 of this Code shall apply if the operator of an electronic trading platform in the course of carrying out taxable activities is recognized as a provider of remote services.

4. If the original supplier and the operator of the electronic trading platform have agreed that payment of value added tax on such transactions will be made by the original supplier, the provisions of paragraph 3 of this article do not apply.

**Article 260. Reverse taxation**

1. Reverse taxation is a special method of calculating value added tax, according to which the tax is calculated and paid by the buyer.

2. The provisions of this article apply if the following conditions are met:

1) an entity outside the Republic of Tajikistan that does not have a permanent place of activity in the Republic of Tajikistan (foreign supplier) provides services or performs works to legal entity operating in the Republic of Tajikistan;

2) provision of services or performance of works are carried out by a foreign supplier outside the Republic of Tajikistan;

3) services or works are carried out by a foreign supplier in the Republic of Tajikistan, and those services or works are taxable transaction.

3. In case of application of part 1 and 2 of this article, tax agents shall withhold taxes from the amount payable to non-residents. The amount of tax is determined by applying the rate established in parts 1 and (or) 2 of part 1 of Article 264 of this Code, to the amount payable to non-residents after tax withholding.

4. If a tax agent is registered for value-added tax purposes, withheld tax is payable to the budget and included in the value-added tax return as payable amount for the month in which the transaction takes place (without the right to take into account the amount of value added tax).

5. If the tax agent is not registered for value added tax purposes, heshe is obliged to pay the withheld tax to the budget within five days from the date of payment of the amount to the foreign supplier, and also submit a value added tax return to the tax authority before the 15th day of the month following reporting month.

6. Subject to the conditions of paragraph 7 of this article, the provisions of paragraphs 3 and 4 of this article shall apply to a person on the basis that the service or work is a separate transaction, payment for which is carried out at a cost equal to the market value of the services or work performed.

7. The provisions of paragraph 6 of this article shall apply in the following situations, if^

– the entity is registered for value-added tax purposes;

– the entity carries out part of the entrepreneurial activity outside the Republic of Tajikistan

(foreign part of the activity);

– part of the entity's foreign activity is carried out to provide services or perform works within the framework of the entity's business in the territory of the Republic of Tajikistan;

– provision of services and performance of works between individuals previously located in the Republic of Tajikistan is considered a taxable transaction.

8. The provisions of Part 2, 3 and 5 of this article shall apply to an entity on the basis that the service or work is a separate transaction, the payment of which is equal to the market value of the service or work performed.

**Article 261. Date of import of goods and transport vehicles**

Date of import of goods and transport vehicles is determined in accordance with customs legislation of the Republic of Tajikistan.

**Article 262. Combined transactions**

1. Delivery of goods, (performance of works, provision of services), that are of an ancillary nature with respect to the principal delivery of goods (performance of work or provision of services), are treated as part of the principal delivery of goods, performance of work or provision of services.

2. A transaction should be considered as consisting of separate transactions if such a transaction has independent elements that are one or all of the following:

- supply of goods (performance of work or provision of services) subject to standard value added tax;

- supply of goods (performance of work or provision of services) subject to value added tax at a rate (including a zero or reduced rate) that differs from the standard rate;

- supply of goods (performance of work or provision of services) exempt from value added tax

3. The provision of services ancillary to the import of goods is considered part of the import, but only if the cost of the import includes the cost of such services.

**Article 263. Transactions performed through a trustee (agent)**

1. Delivery of goods, performance of work or the provision of services by a person who is acting as a trustee (an agent) of another person (a principal) on behalf of and on the instruction of this other person (principal), shall be treated as a transaction performed by the principal, unless otherwise provided by part 2-3 of this article.

2. Provisions of part 1 of this article shall not apply to services provided by a trustee (an agent) to a principal.

3. Provisions of part 1 of this article shall not apply to the delivery of goods to the Republic of Tajikistan by a trustee (agent) of a non-resident. In this case the delivery shall be treated as being performed by the trustee (agent) for the value-added tax purposes.

## CHAPTER 41. PROCEDURE FOR TAX CALCULATION AND PAYMENT

**Article 264. Value-added tax rates and calculation procedure**

1. For taxable transactions and taxable imports, the following rates of value added tax are established:

1) standard rate - 15 percent;

2) reduced rate, except for the taxable import and subsequent delivery of imported goods, applies to construction works, hotel services and catering services - 7 percent, and sales of

domestic agricultural products, processing of agricultural products, training services and health care activities in sanatoriums and resorts without the right to value added tax credit - 5 percent;

3) zero rate.

2. Zero rate applies to taxable transactions established by Article 254 of this Code.

3. If the payer of a reduced value added tax rate carries out taxable import transaction, the subsequent delivery of such imported goods is subject to taxation at the rate specified in paragraph 1) of part 1 of this article. Such a taxpayer has the right to deduct the amount of value added tax paid upon import in accordance with Article 266 of this Code.

4. If the payer of a reduced value added tax rate replaces imported goods with other goods, the taxation of the subsequent delivery of the share of replaced goods is taxed in proportion to the share of imported goods in the total volume of purchases at the standard rate and the remaining share of such (replaced) goods aa reduced rate.

5. The payer of the reduced VAT rate must keep separate records of taxable items for taxable turnover and taxable import in accordance with the requirements of Article 91 of this Code.

6. Taxable turnover consists of the total value of taxable transactions for the reporting period.

7. The amount of value added tax is defined as the product of the value of the taxable turnover by the corresponding tax rate.

**Article 265. Value-added tax on taxable turnover payable to the budget**

1. The amount of value-added tax payable to the budget on taxable turnover for a reporting period is defined as a positive difference between the amount of tax assessed on taxable turnover in accordance with paragraph 1 of part 1 of Article 264 of this Code, taking into part 4 of Article 260 of this Code, and the tax amount to be credited in accordance with Article 266 of this Code.

2. If the amount of value added tax payable, taking into account the cases specified in Article 249 of this Code subject to adjustment, exceeds the amount actually indicated in the taxpayer's return, the excess amount is considered as an adjusted value added tax payable for the reporting period, and the same reporting period is added to the amount of tax payable in accordance with part 1 of this article.

**Article 266. Value-added tax to be creditedt when determining payments to the budget using standard rate**

1. Unless otherwise provided in this article, when using the standard rate, the amount of value added tax to be credited is the amount of tax payable or paid in the following cases:

- if the taxpayer is invoiced for value added tax and excise taxes

- if in the reporting period the date of the transaction on the import of taxable goods occurred in accordance with the provisions of Article 261 of this Code, the amount of value added tax has actually been paid to the budget;

- if taxable transactions for the supply of goods, the performance of work or the provision of services were performed during the reporting period in accordance with the provisions of Article 256 of this Code;

- if the goods (works or services) specified in this part are used for the purposes of the taxpayer's entrpreneurial activities.

2. Calculation of the amount of value added tax in relation to the balance of goods purchased by a taxpayer who switched from the simplified system to the general taxation regime is allowed if the amount of value added tax is not deducted from taxable income.

3. For the purposes of part 1 of this article, the amount of value added tax shall be deemed to be credited in the following cases:

- if the amount of value added tax payable is indicated separately in the supplier's invoices;

- if the amount of value added tax is indicated in the cargo customs declaration, is paid to the budget and is a non-refundable amount in accordance with the conditions of the customs regime;

- if the amount of value added tax is indicated in the payment documents for the purchase of road transport tickets, including railway, air and road tickets;

- if the amount of value added tax is indicated in the payment documents of utility providers and its calculations are made through financial credit organizations.

4. Value- added tax shall be credited in that tax period, in which the goods (works, services) were received, following the procedure established by part 3 of this article.

5. The value added tax credit on import of goods and taxable transactions used by the taxpayer partly for entrepreneurial activity and partly for other purposes is provided based on the share of their use in entrepreneurial activity.

6. The crediting of value-added tax that has been paid (is payable) shall not be allowed in the following cases:

– procuring of light motor vehicles, with the exception of those offered for sale or rent by a person for whom such transaction is a principal entrepreneurial activity;

– entertainment and hospitality expenses, expenditures on charitable activities or for social purposes;

– if the amount of value added tax on the invoices is not indicated separately from taxable transactions;

– if during customs clearance of goods, the payment documents of the value added tax amount do not indicate the details of the importer of goods and products (including name, TIN, UIN);

- expenses on geological prospecting works and works for the preparation to extraction of natural recourses;

– expenses on acquisition, production, construction, assembling and installation, as well as reconstruction (repair) depreciable fixed assets and depreciable intangible assets, regardless of the sum of expenses;

– expenses on acquisition of goods (works, services) from persons who have not actually performed such operations, except for the cases when the taxpayer submits documents confirming the payment of value added tax to the budget;

– if expenses are incurred at a reduced rate of value added tax, with the exception of expenses related to taxable imports, for the persons specified in part 3 of Article 264 of this Code;

– if a foreign person on the territory of the Republic of Tajikistan provides remote services without establishing a permanent establishment.

7. Crediting the amount of value added tax of a taxpayer who in its activities has taxable transactions and VAT exempt transactions is carried out in accordance with Article 268 of this Code. Crediting the amount of value added tax by a taxpayer with only an exempt transaction is not allowed.

8. If the amount of value added tax payable by the buyer, taking into account the cases specified in Article 249 of this Code, exceeds the amount actually specified in the taxpayer's declaration, in this case the amount may be credited for the exceeded amount of value added tax for the reporting period.

9. It is prohibited to credit the amount of value added tax on invoices and excise taxes issued for fraudulent or practically unfulfilled transactions, and previously credited amounts of value added tax are invalidated.

10. In the cases and in accordance with the procedure established by Article 341 of this Code, credit of sales tax on primary aluminum is allowed upon presentation of supporting documents.

11. Regardless of the provisions of this article, credit of value added tax for the import of goods paid by value added tax taxpayers engaged in wholesale and retail trade, procurement,

supply and marketing is allowed only upon the occurrence of taxable transactions for the reporting period.

**Article 267. Adjustment of the value-added tax to be credited**

1. Value-added tax that was previously credited shall be excluded from the subsequent amount of the value-added tax to be taken as a credit in the following cases:

– in respect of goods (works, services) not used for the purposes of taxable turnover;

– in respect of, invoices that have been presented are considered invalid in accordance with part 9 of article 266 of this Code;

– when the value of the received goods (works, services) changes in the cases specified in part 1 of Article 249 of this Code;

– in case of cancellation of the registration of a taxpayer as a value added tax payer in relation to the amount of value added tax previously charged on the balance of goods (works, services) of taxpayer;

– in case of damage or loss of goods, including fixed assets, except for cases of damage or loss of goods as a result of accidents, with the submission to tax authorities of a conclusion of an authorized state body on emergency situations or a conclusion (report) of an independent examination and customs examination is approved in accordance with provisions of article 363 of the Customs Code of the Republic of Tajikistan;

– in case of non-compliance with the provisions established by Article 269 of this Code.

2. For the purposes of this Code:

a) damage to goods (property) is a deterioration in all or certain qualities (properties) of the goods (property) as a result of which the given goods (property) cannot be used for purposes of taxable turnover.

b) loss of goods (property) is an event as a result of which goods (property) are destroyed and (or) lost. Loss of goods (property) sustained by a taxpayer within the limits of normal wear and tear established by the legislative acts of the Republic of Tajikistan shall not be considered loss in this context.

3. An adjustment to the amount of value-added tax applied as a credit shall be made in the same tax period in which the circumstances referred in part 1 and 2 of this article occurred.

**Article 268. Procedure for crediting the value-added tax for exempt transaction**

1. If goods (works, services) are used in transactions exempt from the payment of value added tax, the amount of value added tax payable to suppliers and upon import is not taken into account.

2. When carrying out taxable and tax-exempt transactions, the credit of the value added tax is determined by the proportional method for the tax period.

3. The amount of value added tax attributable to credit, according to the proportional method, is determined from the share of the taxable transaction in the total amount of the transaction.

**Article 269. Invoices for value-added tax and excise taxes**

1. Unless otherwise provided in parts 9, 11, 12, 13 and 14 of this article, a person, who is registered as payer of the value-added tax and not included in the list of irresponsible taxpayers and who performs a taxable transaction, is obliged, as of the date of registration for the purposes of the value-added tax enters into force, to present the value-added tax and excise invoice to the recipient (buyer) of goods, works or services.

2. An invoice for value added tax and excise taxes is a document developed in the form established by the authorized state body, for the purpose of offsetting value-added tax and containing the following information:

– legal or trade name and address of the taxpayer and purchaser (customer);

– the taxpayer identification numbers of the taxpayer and the purchaser (customer);

– universal identification number of taxpayer and buyer (customer);

– the number of the certificate of registration for the value-added tax of taxpayer (supplier) and date of issue;

– the list of goods delivered, shipped, transported (work performed or services rendered);

– advance transactions;

– the amount of taxable transaction;

– the amount of excise tax on excisable goods and services;

– the amount of value-added tax;

– the date of issue of the value-added tax invoice;

– the ordinal number of the value-added and excise invoices.

3. The value added tax invoice is prepared in electronic format and only provided electronically to the payer of the value-added tax and other persons who are not value added tax payers, a printed or an electronic copy thereof is set to such taxpayer's personal account.

4. Printed copies of received invoices are attached to the tax return by persons registered as value added tax payers to credit the amount of value added tax in accordance with the provisions of this Code.

5. The VAT and excise tax invoices are prepared electronically, provided to the buyer directly (online) and stored in the electronic database of the tax authorities until the end of the statute of limitations. The VAT and excise tax invoices are registered in the register electronically through an information software.

6. The form and procedure for maintaining the register value added tax and excise taxe invoices specified in part 5 of this article shall be determined by the authorized state body.

7. Value added tax invoice and excise tax invoices have corresponding series and numbers and are issued electronically by the taxpayer in the manner prescribed by the authorized state body. The form of an invoice for value added tax and excise taxes, including the additional invoice, is determined by the authorized state body.

8. A taxpayer must present a value-added and excise tax invoice to a purchaser of goods (customer of work, services) not later than the date of performing of taxable transaction (supply of goods, performing works, rendering services). A value -added and excise tax invoice shall be certified by the electronic signatures of duly authorized officials of the supplier.

9. Taxpayers supplying electricity, water, and gas, communication services, public facilities, railway shipments, transportation services and bank transactions, which are subject of value – added tax, have the right to prepared the value – added and excise tax invoices at the end of tax period within the deadline, established by part 5 of article 256 of this Code.

10. The value of taxable transaction shall be indicated in invoice separately for each item of goods (works, services).

11. Value-added and excise tax invoices shall be issued only when taxable transactions are performed. If the delivery of goods and the performance of work and (or) provision of services are exempt from the value-added tax in accordance with the provisions of this section, no value-added and excise tax invoices shall be drawn up. In this case, the taxpayer draws up the accounting form of the invoice for payment purposes.

12. Taking into account provisions of part 2 of this article, a value-added and excise tax invoices for export transactions must include:

– a record indicating that the invoice pertains to an export transaction;

– the country and point of destination of the exports;

– the value-added tax rate applicable to the export transaction.

13. An invoice is not required in the following cases:

– settlements for the provision of utility services (including energy supply, thermal energy supply, water and natural gas and other services), communications services education and health services provided to population via financial credit institutions, cash registers and (or) using automatic payment devices that serve that serve as the basis for accounting records;

– transportation of passenger by travel means where tickets are issued;

– when supplying goods (providing works, performing services) exempt from the value-added tax;

– when registering foreign persons as a payer of value added tax in accordance with the provisions of Article 277 of this Code.

14. In the case of retail deliveries of goods, performing of works or provision of services to end-customers, who are not value added tax payers, issues a receipt of a financial credit institution or a check of cash registers and automatic payment devices instead of value added tax and excise invoice. For the purposes of this part, retail sales are considered as delivery of goods, performance of works and provision of services, intended for personal, residential or consumer use, to end-users at market prices

15. Instruction on usage of the value-added and excise invoices is developed and approved by the authorized state body in coordination with the authorized state body in the field of finance.

**Article 270. Drawing up supplementary invoices when adjusting a taxable transaction**

1. In the event of adjustment in the value of taxable turnover, a supplementary invoice is prepared, where the following information should be indicated:

– the ordinal number and date of preparation of the supplementary invoice;

– the ordinal number and date of preparation of the invoice being adjusted;

– the name, address, tax identification number and universal identification number of the taxpayer and recipient of the goods (work, services);

– name of goods (works, services), units of measurement, quantity (volume) and cost of goods (works, services) before and after adjustment

– the value of the adjustment in taxable transaction, not including the value-added tax;

– the amount of the value-added tax;

– excise tax on excisable goods.

2. A supplementary invoice shall be prepared by the supplier of the goods (work, services) and confirmed by the recipient of the said goods (work, services).

**Article 271. Special rules**

The tax base and other elements value added taxation for provision of Islamic banking services, insurance services, commission sales, sales of second-hand (partially used) goods and other types of activities, that are difficult to directly (immediately) determine in accordance with this section, are determined in a different order established by the Government of the Republic of Tajikistan.

## CHAPTER 42. ADMINISTRATIVE AND FINAL PROVISIONS

**Article 272. Submission of tax returns and payment of the value-added tax**

1. Taxpayer, with the exception of part 2 of this article, must submit to the tax authority a declaration on value added tax payable to the budget for each reporting period no later than the 15th day of the month following the reporting period.

2. Foreign entities providing remote services to individuals are required to submit a tax return, other documents (information) and information no later than the 20th day following the reporting period

3. Regardless of part 1 of this article, when importing goods, value added tax is accrued and collected in accordance with this Code and the customs legislation of the Republic of Tajikistan.

4. Instructions on calculation and payment of the value-added tax and forms of returns and annexes to them are approved on the proposal of the authorized state body by the authorized state body in the field of finance.

**Article 273. Tax period**

1. Tax period for value added tax, with the exception of part 2 of this article, is a calendar month.

2. Tax period for foreign entities providing remote services to individuals, is a calendar quarter.

**Article 274. Procedure for the refund of the amount of excessively credited value-added tax**

1. In respect of a taxpayer subject to taxation at zero rate, the tax amount to be applied as a credit in excess of the amount of tax assessed for the reporting period shall be refunded from the relevant budget by a financial authority together with the tax authority, within 30 calendar days from the moment the tax authority receives a request from the taxpayer for a refund of mentioned excess.

2. The refund of the amount of excessively credited value added tax is made on the basis of the following documents:

– the value-added tax return for the tax period;

– documents confirming export of goods provided for in article 255 of this Code;

– conclusion of the authorized state body on validity of the value-added tax amounts to be refunded.

3. The refund of the excessively credited value added tax is transferred to the taxpayer's bank account after sequential execution of the following steps:

– crediting the value-added tax in respect of outstanding arrears owed by a payer of the value-added tax on other taxes, including arrears on the value-added tax for previous tax periods;

– credit in respect of the value-added tax payable for import of goods.

4. Amounts of excessively credited value added tax in relation to taxpayers who do not have operations taxed at a zero rate, is carried over to cover (repay) VAT liabilities, for the next six tax periods. Any excess balance is refundable from the budget within 30 days of the expiration of these six tax periods.

5. If tax authorities uncovers cases of an excessively returned amount of value added tax to the taxpayer by mistake, the tax authorities have the right to recover such amounts in the prescribed manner.

6. The procedure for refunding taxes to be applied as a credit in excess of the amount of value added tax assessed for a reporting period shall be approved by the Government of the Republic of Tajikistan.

**Article 275. Procedure for taxation of public investment projects**

1. Goods (works, services) purchased at the expense of credit (grant) agreements on financing (implementation) of investment projects of the Government of the Republic of Tajikistan (hereinafter in this article - agreements) are exempt from value added tax on the basis of an application from the relevant authorized sectoral body of the grant recipient (credit recipient) or a person authorized by him/her, subject to the following conditions:

– goods (work, services) are procured from proceeds of the agreements approved by the Government of the Republic of Tajikistan and/or ratified by Majlisi namoyandagon of Majlisi Oli of the Republic of Tajikistan;

– goods (work, services) are purchased exclusively for the purposes stipulated in the given agreements;

– supply of goods (work, services) is carried out in accordance with the agreement (contract) concluded directly with the relevant body of grant recipient (loan recipient) or with a person assigned by him/her for project implementation and/or principal contractor (supplier).

2. The procedure for exemptions from the value-added tax of goods (work, services) procured from proceeds of agreements on implementation of public investment projects is approved by the Government of the Republic of Tajikistan.

**Article 277. Refund of the value-added tax to diplomatic missions, consular representations and equivalent representations, as well as members of their staff accredited in the Republic of Tajikistan**

1. Refund of the value-added tax to diplomatic missions, consular representations and equivalent representations accredited in the Republic of Tajikistan, the list of which is defined by the Government of the Republic of Tajikistan, as well as members of their staff (in this article hereinafter to be referred as "representations") shall be carried out on a condition if such refund is provided on a reciprocal basis by international legal act to which the Republic of Tajikistan is a party.

2. The value-added tax paid by the representations to suppliers of goods (work, services) intended for official use of these representations, as well as for personal use of their diplomatic, administrative-technical and service personnel, including family members residing with them, shall be refunded in case if such refund is provided by international tax treaties.

3. Refund of the value-added tax to the representations shall be carried out on findings of tax departments in Gorno-Badakhshan Autonomous Oblast, other oblasts and Dushanbe city on the basis of combined statements (registers), prepared by these representations and certified copies of documents (invoices, receipts, etc.) confirming the fact of payment of the value-added tax.

4. Consolidated registries shall be filled out following the form approved by the authorized state body and shall be submitted by the representations to the Ministry of foreign affairs of the Republic of Tajikistan for confirmation of the exchange of notes regarding observance of the principle of reciprocity in granting concessions on indirect taxes (the value-added tax and excise) in accordance with the provisions set by international tax treaties. Following the confirmation, consolidated registers shall be submitted to the tax authority identified by the authorized state body for carrying out the refund.

5. If the amount of value added tax is not indicated in the documents attached to the final registers as a separate line, the refund is possible only if the supplier of goods (works, services) confirms the receipt of value added tax by the budget.

6. Refund of the value-added tax to the representations shall be carried out by authorized state body in the field of finance following the procedure established in part 4 of this Article within 30 calendar days of the receipt of consolidated registers by the authorized state body from the Ministry of foreign affairs of the Republic of Tajikistan. The value-added tax amount to be refunded from the budget shall be transferred from the state budget to the appropriate accounts of the representation offices.

7. The procedure for refunding the value-added tax to the representations shall be determined by the Government of the Republic of Tajikistan considering the provisions of this article.

## CHAPTER 43. TAXATION SPECIFICS OF REMOTE SERVICES PROVIDED BY FOREIGN ENTITIES

### Article 277. Taxpayers

1. Foreign entities, without a business place in the Republic of Tajikistan that provide remote services directly to individuals and individual entrepreneurs, and the place of provision of such services according to article 258 of this Code, is considered the territory of the Republic of Tajikistan, and are recognized as taxpayers.

2. If such services are provided for legal entities of the Republic of Tajikistan and permanent establishments of foreign legal entities, then according to Article 260 of this Code, the entities purchasing such services are recognized as tax agents.

### Article 278. Procedure for registration (deregistration) of foreign entities providing remote services

Foreign entities providing remote services directly to individuals, to whom the provisions of Article 277 of this Code apply, are registered (deregistered) electronically on the basis of submission of an application and other documents following the form approved by the authorized state body. An application for registration (deregistration) of foreign entities is submitted to the authorized state body no later than 30 calendar days from the date of commencement (end) of the provision of remote services.

### Article 279. Representative of a foreign provider of remote value added tax services

1. Tax authority may require a remote service provider, subject to registration as a value added tax payer but without a permanent place of business in the Republic of Tajikistan, to perform one or both of the following:

– to appoint a representative of the foreign provider of remote value added services in the Republic of Tajikistan;

– to ensure the payment of the value added tax for remote services to the budget of the Republic of Tajikistan.

2. The representative of the foreign supplier of remote value-added services is responsible for all the work stipulated in this chapter, including the application for registration, filing VAT returns and paying value added tax.

3. Registration of a foreign remote service provider's representative for value added tax is carried out in the name of the person representing it.

4. A person may be a representative for value added tax for more than one remote service provider, but should be registered separately for each entity.

5. A representative of a foreign remote service provider is liable for the value added tax of the entity he represents.

6. For the purposes of this chapter, electronic services include services provided through an information and communication network, including the Internet information and communication network (hereinafter referred to as the information and communication network) automatically using information technology.

7. Electronic services include:

- granting rights to use software for computers (including computer games), and electronic database through an information and communication network, including by providing remote access to them, as well as their updates and additional functionality;
- implementation of advertising services in information and communication network, including through the use of software for electronic computers or an electronic database used in the information and communication network, as well as the provision of advertising space in the information and communication network;
- provision of services for placing proposals for the acquisition (sale) of goods (works, services) and property rights in the information and communication network;
- provision through the information and communication network of technical, organizational, informational and other opportunities, carried out using information technologies and systems for establishing contacts and sign contracts (transactions) between sellers and buyers (through trading platforms operating on the Internet, in real time, where potential buyers offer a price for goods (works, services) through an automated procedure and the parties are notified of the sale by an automatically generated message);
- ensuring and (or) maintaining economic activity, as well as supporting electronic resources of users, including sites and (or) pages of sites on the Internet, providing access to them for other users of the information and communication network;
- interactive bets on gambling in bookmakers;
- providing access to information and communication networks, as well as providing users with the opportunity to change them;
- storage and processing of information, provided that the person who submitted this information has access to it through the information and communication network;
- providing real-time computing power for placing information in the information system;
- provision of domain names, provision of hosting services;
- provision of services for administration of information systems, sites on the Internet;
- provision of services carried out automatically via the Internet when data is entered by the buyer of the service, automated services for searching for data, selecting and sorting them upon request, providing the specified data to users through information and telecommunication networks (in particular, real-time reports of the stock exchange of securities time, real-time automated translation);
- granting rights to use electronic books (publications) and other electronic publications, informational, educational materials, graphic images, musical works with or without text, audiovisual works, including by providing remote access to them for viewing or listening via the Internet;
- provision of services for searching and (or) providing customer with information about potential buyers;
- providing access to search engines on the Internet;
- maintaining statistics on Internet sites.

8. Electronic services do not include:

- sale of goods (performance of work, provision of services), if when ordering via the Internet, the delivery of goods (performance of work, provision of services) is carried out without using the Internet;
- implementation (transfer of rights to use) of programs for electronic computers (including computer games), databases on tangible media;
- provision of consulting services by e-mail;
- provision of services for providing access to the Internet.

9. Tax authority establishes methods, procedures and requirements for the appointment of a representative of a foreign provider of remote services for value added tax and the obligations of the representative.

## SECTION IX. EXCISE TAX

## CHAPTER 44. EXCISE TAX

### Article 280. Taxpayers

1. According to this chapter, taxpayers of excises taxes shall be legal entities, including their separate subdivisions that carry out taxable operations on the territory of the Republic of Tajikistan.

2. Payers of the excise taxes shall be the following persons:

1) legal entities residents of the Republic of Tajikistan that produce excisable goods in the Republic of Tajikistan;

2) legal entities residents of the Republic of Tajikistan providing electric communication services (excisable services);

3) non-resident legal entities of the Republic of Tajikistan that produce goods in the Republic of Tajikistan through permanent establishments, and provide excisable services;

4) subjects of foreign economic activities transferring excisable goods across the customs border of the Republic of Tajikistan;

3. In case the excisable goods are manufactured in the territory of the Republic of Tajikistan from raw materials supplied by the customer (customer-supplied raw materials), the payer of excises shall be the manufacturer.

### Article 281. Object of taxation

1. The object of taxation is excisable goods and taxable transactions with them, as well as excisable activities.

2. The following taxable transactions in respect of excisable goods shall be the object of taxation:

1) Export of excisable goods manufactured in the territory of the Republic of Tajikistan outside the enterprise (place of manufacture), including:

a) supply of excisable goods, except for the cases when the excise tax for such goods was earlier paid;

b) transfer of excisable goods to other person for processing on the basis of customer-supplied raw materials;

c) delivery (transfer) of excisable goods that are the product of processing of customer-supplied raw materials and (or) materials, including excisable customer-supplied raw materials and (or) materials;

d) contribution of excisable goods into the statutory fund (capital) of an economic entity as a contribution;

e) use of excisable goods while making mutual settlement by goods and payments in kind;

f) deliver of excisable goods carried out by a manufacturer to its separate subdivisions;

g) sale of competitive weight of excisable goods while conducting the procedure of bankruptcy of the taxpayer if the excise for the specified goods was not earlier paid in the territory of the Republic of Tajikistan according to the legislation of the Republic of Tajikistan.

2) Import of excisable goods to the territory of the Republic of Tajikistan and their senders across the border of the Republic of Tajikistan in accordance with the customs legislation.

3) Sale of confiscated, ownerless excisable goods, excisable goods bequeathed to the state and excisable goods transferred to the state on gratuitous basis in the territory of the Republic of Tajikistan, if in respect of the mentioned goods the excise was not earlier paid in the territory of the Republic of Tajikistan;

4) Use of excisable goods for own manufacturing needs and (or) for manufacturing of other excisable goods, or consumption of excisable goods at the place of production by employees or other persons.

5) Assembly (furnishing) of excisable goods determined in paragraph seven of part 1 of article 282 of this Code, and their alienation;

6) Damage, loss of excisable goods.

2. Excisable activities are the provision of certain types of services in the field of telecommunications (regardless of the type and form of their reflection in the license for the provision of telecommunications services), determined by part 2 of Article 282 of this Code.

**Article 282 List of excisable goods and excisable activities**

1. Excisable goods include:

– all types of spirits, alcoholic drinks, soft drinks and energy drinks, excluding pure drinking water;

– processed tobacco, industrial tobacco substitutes, tobacco products;

– nicotine-containing products, nicotine-containing liquids, heated tobacco products, e-cigarettes and smoke emitters;

– mineral-based fuel, petroleum and refined petroleum products, bituminous substances; mineral wax, liquified gas;

– tires and rubber pneumatic tire casings,; solid or semi-pneumatic tires and tire casings, rubber tire treads and rim strips;

– passenger cars and other vehicles intended for passenger transportation;

– finished carpet products imported to the Republic of Tajikistan;

– any imported water, including carbonated water, products for transportation or packaging of goods made of plastic: corks, lids, caps and other closures imported into the Republic of Tajikistan;

– jewelry made of precious metals and precious stones and also their parts made from precious metals and (or) plated with precious metals.

2. Excise activities are a set of electrical connunication services, including:

– public cellular mobile communication services of all standards (mobile communication services);

– data transmission services (including cable communication and IP - telephony), including through network of operators;

– services of telematic agencies,including through the Internet network;

– services of international (long-distance) telecommunication through network of operators.

**Article 283. Tax base**

1. Tax base of excisable goods is:

– the actual volume of excisable goods;

– the amount of taxable transaction defined on the basis of cost of retail trade of excisable goods with deduction of the value-added tax and excises;

– the amount of taxable transaction based on actual volume index of the excisable goods defined in accordance with the Customs code of the Republic of Tajikistan with deduction of the value-added tax and excise taxes;

– the amount of a taxable transaction of excisable goods when used as payment in kind, as a gift, when the pledged goods are transferred into the ownership of the pledgee or an exchange transaction, as well as on a gratuitous basis, determined on the basis of the retail price of the goods minus value added tax and excise taxes.

2. Prices defined in accordance with paragraphs two and four of part 1 of this article for calculation of tax obligation on excises cannot be less than current retail price.

3. In case of setting different rates of excises for different types of spirits, soft and alcohol beverages in accordance with part 1 of article 286 of this Code, tax base shall be defined separately on transactions that are taxable under different rates.

4. The price of packaging, with exception of packaging that is returned, shall be taken into account while determining the amount of taxable transaction.

5. Provisions of parts 1-3 of this article shall be applied regardless of whether the goods are manufactured from own or customer-supplied raw materials.

6. Tax base for selected types of activities in the field of electrical communication is the amount of gross income less the value-added tax and excises.

7. In the even of damage or loss of excisable products manufactured and/or imported to the Republic of Tajikistan, excise tax is paid in full on the amount of damaged and (or) lost excisable goods, except for cases when damage or loss of goods occurred as a result of an emergency, which is confirmed in accordance with the provisions of the procedure established by paragraph five of part 1 of Article 267 of this Code. For excisable goods imported into the Republic of Tajikistan, this provision is applied if the taxpayer applied to the imported excisable goods the procedure and (or) established customs procedures and (or) regimes providing for non-payment of customs payments in accordance with the requirements of Article 363 of the Customs Code of the Republic of Tajikistan.

8. For the purposes of this article, damage, loss of excisable goods shall be understood to mean events described in part 2 of Article 268 of this Code.

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**Article 284. Time of performance of a taxable transaction in respect of excisable goods**

1. The time of performance of a taxable transaction in respect of excisable goods manufactured in the territory of the Republic of Tajikistan shall be the time of supply (transfer) of excisable goods, including:

– release (supply, sale) of excisable goods outside the enterprise (place of manufacture);

– transfer of excisable goods to another person for processing;

– return of processed excisable goods and/or excisable goods produced from customer-supplied raw materials to the customer (person specified by him);

– transfer of excisable goods when they are used for one’s own manufacturing needs;

– preparation of a certificate regarding the write-off of the damaged excisable goods or the time (date) on making a decision regarding their further use in the production process, in case of damage of excisable goods.

– loss of excisable goods;

– contribution of the goods into statutory fund (capital) of the subject of entrepreneurship;

– mutual settlement and settlement with excisable goods;

– sale of confiscated, ownerless excisable goods, excisable goods bequeathed to the state and excisable goods transferred to the state on gratuitous basis in the territory of the Republic of Tajikistan, if in respect to the mentioned goods excise was not earlier paid in the territory of the Republic of Tajikistan;

– sale of competitive weight of excisable goods if on the specified goods the excise was not earlier paid in the territory of the Republic of Tajikistan;

– assembly (furnishing) of excisable goods determined in paragraph six of part 1 of article 282 of this Code.

2. In respect to the excisable goods imported into the Republic of Tajikistan, the time of the taxable transaction is the date of importation of such goods in accordance with the customs legislation.

3. When carrying out activities for the provision of excisable services, the date of the taxable transaction is the time specified in paragraph 5 of Article 256 of this Code.

**Article 285. Tax rates**

1. The rates of excise tax for excisable goods shall be defined by the Government of the Republic of Tajikistan on the basis of the Foreign Economic Activity Commodity Nomenclature of the Republic of Tajikistan.

2. Excise tax rates are established as a percentage of the value of the excisable goods (ad valorem rates) and/or as a fixed (absolute) amount per unit of measure of the excisable goods in physical terms.

3. Excise tax rates for spirit products are identified depending on the product's content of absolute (100-percent) alcohol.

4. Excise tax rates for services in the field of electrical communication shall be established at the amount of 7 percent of tax base.

**Article 286. Exemption**

1. The following shall be exempt from payment of excise:

– production of alcoholic beverages by an individual for his own consumption based on a list and limits established by the Government of the Republic of Tajikistan;

– import of two liters of alcoholic beverages or two carton (400 units) of cigarettes, jewelry in a quantity of 4 units (at the price not exceeding 150 indexes for calculations) by an individual for his/her own consumption (use), as well as motor fuel according to the standard capacity of fuel tank of the vehicle for persons entering the Republic of Tajikistan by car;

– goods in transit across the territory of the Republic of Tajikistan;

– temporary import of goods in the territory of the Republic of Tajikistan, except for goods intended for re-export;

– excisable goods, except for alcohol and tobacco products, imported as humanitarian assistance, as well as those imported for the purpose of their unrequited transfer to charitable organizations to aid in dealing with the aftereffects of natural disasters, accidents, and catastrophes, and for unrequited transfer to state bodies of the Republic of Tajikistan;

– export of excisable goods, if such export meets the requirements established by article 287 of this Code;

– import of new cars directly by a legal entities and individual entrepreneurs carrying out activities on the basis of patent (the release date of vehicle should not exceed 1 (one) year, with a mileage of up to 10 thousand kilometers) with commodity nomenclature 8702, 8703, 8704 and 8705 from payment of 50 percent of the rates established by the Government of the Republic of Tajikistan;

– import of vehicles driven only by electric motors, including electric vehicles, electric buses and trolleybuses. (as amended by the Law of the Republic of Tajikistan dated March 18, 2022, No. 1867).

2. The excise tax exemptions specified in paragraphs 3) - 7) of part 1 of this article shall apply only in cases in which the conditions are met for exemption from customs duty under the respective regimes in accordance with the customs legislation of the Republic of Tajikistan. In these cases, if for the purposes of collecting customs duty imports fall under the "Customs duty

refund" customs regimeor if the payment of customs duty is required in the event of a violation of the exemption conditions, the same regime shall apply to the collection of excise tax.

**Article 287. Confirmation of excisable goods export**

1. While exporting excisable goods, the following documents must be submitted by the taxpayer to tax authority with which the taxpayer is registered for confirmation of the validity of the exemption in accordance with article 286 of this Code, within 120 calendar days of the date of the notation made by the customs authority that released the excisable goods under the "Export" regime:

– a freight customs declaration or a copy thereof, certified by a customs authority, with notations by the customs authority that released the excisable goods under the "Export" regime, and in the case of export of the excisable goods under the "Export" regime via the main pipeline system regime or application of the incomplete periodic declaration procedure, a complete freight customs declaration with notations by the customs authority that performed the customs processing;

– an agreement (contract) for delivery of the excisable goods being exported;

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– copy of shipping documents with the notation of the customs authority located at the point of entry into the customs territory of the Republic of Tajikistan, and in the case of the export of excisable goods under the "Export" regime via the main pipeline system, an acceptance certificate for the goods;

– payment documents of credit financial institution and their copies confirming actual receipt of currency proceeds from delivery of excisable goods in accounts of the taxpayer in the Republic of Tajikistan.

2. In case of carrying out external economic operations on exchange of goods (works, services), the taxpayer submits documents confirming import of goods (performance of works, rendering services), received under the specified operations in the territory of the Republic of Tajikistan.

3. In the event that a delivery of excisable goods for export is not confirmed in accordance with parts 1-2 of this article, such export shall be subject to the tax following the procedure established under this section for taxation of delivery of excisable goods into the territory of the Republic of Tajikistan.

4. While submission of documents confirming the export of excisable goods to the tax authority with which taxpayer is registered, within 180 calendar days of the date of the notation referred to in part 1 of this article, the taxpayer shall be entitled to a refund of the tax assessed in accordance with part 3 of this article, with exception of the interest charged. Otherwise, in case of non-observance of the term established by this part,the taxpayer shall not be entitled for a credit or refund of the tax paid in accordance with part 3 of this article if such a case is not related to force majeure circumstances.

**Article 288. Excise tax credit**

1. An excise tax payer, when paying excise tax to the budget, has the right to a credit of the amount of excise paid by him upon acquisition (receipt) or importation of excisable goods into the customs territory of the Republic of Tajikistan, if excisable goods are used as the main raw material for the production of excisable goods.

2. A payer of excise for excisable services in the field of electrical communication services, with regard to internet services has a right to credit the amount of excise paid in relation to a set of excisable services of electric communication, if these services are used by the taxpayer for rendering excisable services of electrical communication services.

3. According to part 1 of this article, crediting shall be carried out to the amount of excise for the quantity of excisable raw materials actually used within a tax period for manufacturing of excisable goods, if manufacturing of excisable goods is carried out based on norms.

4. Provisions of parts 1 and 3 of this article shall be applied while transfer of excisable goods manufactured from customer-supplied excisable raw materials used as a raw material, in the condition of confirmation of payment of the excise by the owner of the customer-supplied excisable raw materials.

5. Crediting or refund according to articles 117 and 118 of this Code the excise paid for excisable goods used for medical purposes by medical institutions and pharmacies by payers of excises, as well as by pharmaceutical enterprises in the production of medicines, shall be permitted in accordance with the procedure and norms established by the Ministry of Health and Social Protection of Population of the Republic of Tajikistan upon coordination with the authorized state body in the field of finance and the authorized state body.

6. Crediting or refund of excise tax is allowed only in the following cases, including:

- upon submission of an invoice confirming the payment of excise tax at the time of purchase of the excisable goods (raw materials);

- confirmation of the payment of excise tax by the owner of the customer-supplied excisable goods (raw materials);

- upon submission of documentation confirming import of raw meterials. A list of documents confirming the payment of excise tax is established by an authorized state body.

7. In accordance with this article crediting or refund of tax shall be performed with respect to the volume (quantity, value) of the actual use in the tax period of excisable goods (raw materials) for manufacturing of other excisable goods, for medical purposes by medical institutions and pharmacies, and also by pharmaceutical enterprises in the production of medicines.

**Article 289. Tax period**

Tax period for excise tax is a calendar month.

**Article 290. Payment of excise taxes**

1. In the case of manufacturing of excisable goods, the excise tax shall be paid on taxable transactions not later than the 15th day of the month following the month in which the taxable transaction has been performed.

2. A taxpayer shall not have the right to move the excisable goods outside of the production premises without payment of the excise tax.

3. In the case of import of goods, excise shall be collected by customs authorities following the procedure specified by this Code and the customs legislation.

4. Payment of excise into budget for services in the field of electrical communication shall be carried out not later than the 15th day of the month following the month in which the excisable transactions have been performed.

**Article 291. Tax control of excisable alcoholic, non-alcoholic and tobacco products**

1. Tax control of accounting of output volume (bottling), storage, transportation, and release outside of the production premises of excisable alcohol, non-alcohol and/or tobacco products manufactured in the territory of the Republic of Tajikistan is carried out pursuant to this article and in the procedure defined by the Government of the Republic of Tajikistan.

2. The customs authorities of the Republic of Tajikistan exercise control over the volume, quantity, and labeling of excise goods imported into the Republic of Tajikistan under the “Release for free circulation” customs regime, as well as those sold in the Republic of Tajikistan under another customs regime.

3. In order to fully account for the turnover of excisable goods in the territory (location) of producers of excisable goods, in the cases established by Article 44 of this Code, a tax post may be placed.

4. The import of excisable alcohol and (or) tobacco products into the territory of the Republic of Tajikistan under the “Release for free circulation” regime shall be permitted by customs authorities only after prior application of excise stamps to these products under the procedure established by the authorized state body.

5. Stamping of excisable alcohol and (or) tobacco products with excise stamps shall be provided by importer of these goods. In order to obtain excise stamp, excisable alcohol and (or) tobacco products imported into the Republic of Tajikistan is subject to placement in temporary storage warehouses and (or) clearance in the "Customs warehouse" regime in accordance with the customs legislation of the Republic of Tajikistan.

6. Customs clearance of excisable alcohol and (or) tobacco products under of excisable alcoholic and (or) tobacco products under the "Release of goods for free circulation" customs regime may be performed in batches in proportion to the amount of customs duties and taxes established by the tax and customs legislation of the Republic of Tajikistan.

**Article 292. Location of the excise payment**

1. Excise tax payments on excisable goods shall be made at the place where the payer of the excise tax is registered, with the exception of those cases referred to in parts 2 and 3 of this article.

2. Payers of the excise tax on excisable goods that have separate subdivisions shall pay the excise tax to the relevant budget based on the location of the separate subdivisions which carry out manufacturing of excisable goods.

3. Excise for separate types of services in the field of electrical communication shall be paid to the budget based on the taxpayer’s place of registration (regardless of having separate subdivisions).

**Article 293. Submission of excise tax return**

1. Payers of excisetaxes shall submit tax returns in a procedure and in form established by the authorized state body no later than 15th day of the month following the tax reporting period.

2. Payers of excises that have separate subdivisions along with return must also submit calculations on the excise for separate subdivision.

3. Tax returns on payment of excise on rendering services in the field of electrical communication shall be submitted no later than 15th day of the month following the tax reporting period to the tax authority at the place of taxapayer’s registration (reporting) (regardless of a separate subdivision).

4. Instruction on calculation and payment of excise tax, and also forms of returns are approved on the proposal of the authorized state body by the authorized state body in the field of finance.

**Article 294. Refund of excise tax in case of commodities re-export**

1. In case of re-export of goods, the excise tax paid upon their importation shall be refunded in the actual amount of re-export in the manner prescribed by the customs legislation within 30 days after submission of a written application by the taxpayer, if the excise tax was paid when importing such goods.

2. Provisions of part 1 of this article do not apply to import of goods which are exempt from the excise in accordance with fifth paragraph of part 1 of article 286 of this Code.

**Article 295. Excise stamps**

1. An excise stamp is a strict reporting document with a certain degree of protection and is put into circulation by the body implementing financial policy to record and control the production of certain excisable imported goods.

2. The procedures for manufacturing and circulation of excise stamps, compiling a list of excisable goods of domestic production and imported goods subject to mandatory labeling are approved by the Government of the Republic of Tajikistan.

3. The Government of the Republic of Tajikistan shall identify the list of excisable domestic and imported goods, which require mandatory excise stamps. When selling excisable goods subject to labeling, without excise stamps, such goods are seized in the manner prescribed by the legislation of the Republic of Tajikistan

4. Manufacturers and entities importing excisable goods are responsible for stamping of excisable goods.

5. Unless otherwise provided by this article, in the event of damage or loss of excise stamps the excise shall be paid in the amount of the declared types of excisable products.

6. Calculation of the excise based on damaged or lost excise stamps intended for stamping of excisable goods in accordance with the provisions of this Code shall be performed on the basis of the established excise tax rates applicable to the unit volume of the container (package, packaging) indicated on the sticker.

7. In the event that an excise stamp does not indicate the unit volume of the container (package, packaging), calculation of the excise based on damaged or lost excise stickers shall be performed on the basis of the largest unit volume of the container (package, packaging) during the tax period preceding the period in which the excise stickers were damaged or lost.

8. In the event of damage, loss of excise stamps, the excise shall not be paid in the following cases:

– the damage or loss of excise stamps occurred as a result of emergency situations confirmed by authorized bodies under the procedure established in paragraph five of part 1 of article 267 of this Code;

– the damaged excise stamps have been transferred by tax authorities on the basis of a certificate on writing-off or liquidation.

9. Labeling of excise goods is optional in the following cases:

1) export from the territory of the Republic of Tajikistan under the “Export” customs regime;

2) import of excisable goods into the territory of the Republic of Tajikistan by subjects of duty-free trade under the "Duty-free trade" customs regime;

3) excisable goods transported through the customs territory of the Republic of Tajikistan under the “International transit” customs regime;

4) importation of alcoholic and tobacco products into the territory of the Republic of Tajikistan by an individual over 21 years of age within the limits established by the legislation of the Republic of Tajikistan.

**Article 296. Value added tax invoices and excise tax invoices**

Taxpayer who supplies and (or) exports excisable goods is obliged, in the manner prescribed by Articles 269 and 270 of this Code, to issue an invoice for value added tax and excises to the recipient of excisable goods.

## SECTION X. TAXES FOR NATURAL RESOURCES

## CHAPTER 45. TAXES FOR THE USERS OF NATURAL RESOURCES

### §1. General provisions

**Article 297. General provisions**

1. When using natural resources, including their use under an agreement on the use of natural resources and (or) the use of water to generate electricity, taxes are charged and paid.

2. Taxes on natural resources include:

– subscription bonus;

– commercial discovery bonus;

– royalty on extraction;

– royalty on water.

3. The present chapter uses the following concepts for taxation purposes:

– natural resource users are entities engaged in prospecting and exploration of deposits, extraction of minerals, extraction of useful components from mineral raw materials and (or) processing of technogenic mineral formations;

– deposit - natural resources area (or part thereof) containing natural accumulation of minerals;

– minerals – mineral and organic origin from layer of the soil, chemical composition and physical properties that allow their use in material production (such as raw materials or fuel). There are solid, liquid and gaseous minerals.

– mineral resources – natural minerals and organic substances formed in the earth's crust in the solid, liquid and (or) gaseous state, and their chemical composition and physical properties allow to be effectively used in production and (or) consumption;

– extraction - complex of works related to the exploitation of mineral resources from subsoil to the surface, as well as technogenic mineral formations;

– processing of mineral raw materials and (or) technogenic mineral formations – operations associated with the selection of useful components from mineral raw materials and technogenic mineral formations, as well as the production of minerals from it;

– commercial discovery – mineral resources, discovered within the contract territory of the natural resource user, approved by the State commission of the Republic of Tajikistan on reserves of mineral resources and are economically effective for extraction;

– subscription bonus is a single fixed tax on the use of natural resources to gain the right to use natural resources within the limits determined by the license (is permitted).

– commercial discovery bonus – single fixed tax paid by natural resource users to gain the right to use natural resources, for each commercial discovery, within the limits determined by the license (permission). The basis for its calculation is the amount of renewable mineral resources approved by the authorized state body in the field of geology. The provisions on the signature bonus and the commercial discovery bonus do not apply to state-owned enterprises engaged in the performance of work on the geological study of subsoil, financed from the state budget;

– loose minerals - natural mineral formations, including precious metals and precious stones, tin, tungsten, rare metals, semi-precious stones and others, formed as a result of physical and chemical weathering of rocks, manifestations and deposits of primary and mineral resources;

– artisanal and free-bearing method - a method of organizing the extraction of alluvial minerals, carried out in accordance with the permission of the authorized state body in the field of finance by individual entrepreneurs and legal entities, in subsoil areas with unaccounted reserves and not included in the state balance of mineral reserves of the Republic of Tajikistan

– technogenic mineral formations – accumulation of formed minerals at the level of the land surface as a result of the extraction and processing of minerals stored in the form of waste from the mining, processing and metallurgical industries;

– mining royalty - a tax paid by the natural resource user separately for each type of mineral mined in the territory of the Republic of Tajikistan, regardless of whether they were delivered (shipped) to buyers (recipients) or used for their own needs.

4. A non-resident may use natural resources in the Republic of Tajikistan through a legal entity established in accordance with the legislation of the Republic of Tajikistan.

5. The following persons are not payers of mineral resource tax:

– individuals for common mineral resources and groundwater, extracted on the land plots allotted to them for use, if the extracted mineral resources are not used for entrepreneurial activities;

– producers of agricultural production, fish farmers, and state institutions engaged in extraction of underground water resources for their own economic needs and for improvement of agricultural land-reclamation conditions;

– natural resource users, which simultaneously extract ground water and other natural resources, but these waters are re-injected for maintenance of formational pressure;

– persons extracting drainage groundwater which are not counted in the state balance of mineral resources, by developing the deposits of mineral resources, construction and operation of underground structures;

– entities involved in the extraction of water from wetlands;

– individuals engaged in the production of loose minerals using the methods of self-activity and self-bringing and comply with the conditions provided by the legislation on extraction of loose mineral resources.

6. Natural resource taxes are deductible for corporate income tax purposes on gross income.

7. Instruction on the calculation and payment of taxes on natural resources, as well as forms of tax returns (calculations) shall be approved by the authorized state body by agreement with the authorized state body in the field of finance.

8. The payment of taxes by users of natural resources does not exempt natural resources users from paying other taxes established by this Code, as well as from fulfilling tax obligations for other types of activities (not related to the use of natural resources) in accordance with tax legislation as of the date of occurrence of such obligations not related to use of natural resources.

**Article 298. Establishment of the tax regime in natural resource use contracts**

1. Conditions of tax payment by the natural resource users (in this section hereinafter to be referred to as “tax regime”) established for each natural resource user in accordance with this Code shall be specified in natural resource use contract (in this section hereinafter the contract) concluded between the natural resource user and the authorized body of the Government of the Republic of Tajikistan (in this section hereinafter, the authorized body) by agreement with the authorized state body in the field of finance and the authorized state body, following the procedure determined by the Government of the Republic of Tajikistan.

2. Contract shall be concluded between the natural resource user and the authorized body not later than 3 calendar months after receipt of the license (permission), if other terms are not envisaged by the Government of the Republic of Tajikistan.

3. The natural resource use without a license (permission) and a natura; resource use contract is prohibited.

4. While using natural resources without a license and conclusion of the natura; resource use contract, taxes for natural resource use (bonuses and royalties on extraction) for the entire period of such activity shall be collected by 2-fold rates, established in accordance with this Code,

and such user tis brought to responsibility in the manner envisaged by the legislation of the Republic of Tajikistan.

5. The tax regime established under a contract shall comply with the requirements of the tax legislation of the Republic of Tajikistan on a date the contract is signed.

6. Inclusion of issues related to the payment of natural resource user's taxes in the licenses and other documents related to natural resource use, except for natural resources use contracts, is prohibited.

7. In cases when natural resources use is carried out under the same contract by several taxpayers in line with legislation of the Republic of Tajikistan, the tax regime established under the contract shall be the same for all natural resource users (taxpayers) indicated in the contract. For the purposes of taxation, the taxpayers shall be considered as single taxpayer in respect of activities performed under such contract, maintain a single consolidated accounting and pay taxes from the natural resource users in accordance with the tax legislation of the Republic of Tajikistan.

8. A natural resource user shall maintain a separate accounting for the calculation of tax obligations in accordance with the tax regime provided under the agreement and for calculation of tax obligations from the activity (not related to natural resource use) that falls outside the scope of the given contract.

9. The provisions of part 7 of this article in a part of separate accounting shall not apply to the cases in which a natural resource user, along with the activities under contracts on extraction of common mineral resources and (or) groundwater, performs activity (not related to natural resource use) that falls outside the scope of the given contracts.

10. In the case of processing of by-products and other minerals by the user of natural resources without making changes to the contract, taxes for the use of natural resources (bonuses and royalties for extraction) in accordance with the provisions of this Chapter are calculated and paid at a double rate

## §2. Subscription bonus

### Article 299. Taxpayers

1. The subscription bonus is paid by the entity that obtained the right to use natural resources by winning a tender or through direct negotiations and (or) received licenses (permits) for the extraction of natural resources or geological exploration in accordance with the legislation of the Republic of Tajikistan.

### Article 300. Size of subscription bonus

1. The size of the subscription bonus shall be set in accordance with rules determined by the Government of the Republic of Tajikistan and shall be reflected in the natural resource use contract.

### Article 301. Terms for payment of subscription bonus

1. The established amount of the subscription bonus is paid by users of natural resources after obtaining a license (permit) for the right to extract natural resources within the following terms:

a) for common mineral resources and minerals (with the exception of entities operating in the field of coal, oil, gas condensate and natural gas mining):

– 30 percent of the set subscription bonus amount within 30 calendar days upon receipt of the license (permission) for the right to extract natural resources;

– remaining 70 percent of the set amount of subscription bonus within 1 (one) year from the date of commencement of mining operations in equal shares for each month of the reporting

period. In some cases, for separate deposits of mineral resources the Government of the Republic of Tajikistan may provide 2 (two) years of equal shares for each month of the reporting period.

b) for the extraction of coal, oil, gas condensate and natural gas, depending on the size of the accrued subscription bonus:

– up to 200,000 indicators for calculations within 2 (two) years in equal installments for each reporting month;

– from 200,000 to 500,000 indicatos for calculations for 4 (four) years in equal installments for each reporting month;

– from 500,000 up to 1 million indicatos for calculations for 6 (six) years in equal installments for each reporting month;

– from 1million to 5 millions indicators for calculations for the first 10 (ten) years from the beginning of activity by equal installments for each reporting month;

– more than 5 millions indicators for calculations for 20 (twenty) years from the beginning of activity by equal installments for each reporting month.

2. The user of natural resources, regardless of the provisions of part 1 of this article, can immediately pay the full calculated amount of the subscription bonus.

3. The subscription bonus is paid by users of natural resources who have received a license (permit) for geological research within the following terms, unless otherwise established by the Government of the Republic of Tajikistan:

– fifty percent of the established amount within 30 calendar days from the date of issue of the document confirming the right to geological survey;

– fifty percent of the established amount no later than 30 calendar days from the date of effectiveness of the contract for geological survey.

4. Subscription bonus for common mineral resources and groundwater is payable to the budget at the place of location of a deposit.

5. The Government of the Republic of Tajikistan may set another terms for payment of subscription bonus for some deposits of mineral recourses.

**Article 302. Tax return**

The declaration on the signature bonus is submitted by the user of natural resources to the tax authorities at the location of the deposit during the first payment period and is entered into the taxpayer's bankbook within the time limits established for the payment of such a bonus.

## §3. Commercial discovery bonus

**Article 303. Taxpayers**

1. Taxpayers of the commercial discovery bonus are users of natural resources who have applied to the authorized state body in the field of geology for the commercial discovery of minerals in the contract area when conducting operations on the use of natural resources within the framework of the obtained licenses (permits) for the use of natural resources.

2. Commercial discovery bonus is paid by the natural resources users, functioning on the basis of the following licenses (permissions):

1) for mineral resources extractions in the following cases:

a) for each commercial discovery of mineral resources within the contract area, previously announced by the natural resource user in the relevant area within a license (permission) for exploration;

b) for the detection in the course of additional exploration of a deposit leading to an increase of the volume of mineral resources extraction initially established by the authorized state body of the Republic of Tajikistan for these purposes;

c) for each commercial discovery of other mineral resources in the course of additional exploration of a deposit of extractable reserves, approved by the authorized body of the Republic of Tajikistan.

2) For a combined exploration and extraction for each commercial discovery of mineral resources in the contract area, including the discovery in the course of additional exploration of a deposit leading to an increase of the reserves of extractable mineral resources initially established by the authorized body of the Republic of Tajikistan.

3. In respect of the licenses (permissions) for carrying out the exploration of deposits of mineral recourses which do not provide their subsequent extraction a commercial discovery bonus shall not be paid.

**Article 304. Size of commercial discovery bonus**

The size of commercial discovery bonus is set in the order determined by the Government of the Republic of Tajikistan, and is reflected in the natural resource contract.

**Article 305. Deadlines for payment of commercial discovery bonus**

1. The amount of the commercial discovery bonus shall be paid by users of natural resources to the budget no later than the 15th day of each next three months following the month in which the license (permit) for mining operations was issued to the taxpayer, with an aggregate amount of at least 30, 60 and 100 percent.

2. The commercial discovery bonus for common minerals and groundwater is paid at the place of registration of the taxpayer at the location of the deposit no later than the 15th day following the month in which the license (permit) was issued..

**Article 306. Tax return**

The return for the commercial discovery bonus is submitted by users of natural resources to the tax authorities at the location of the deposit within the time period for the first payment established in accordance with Article 305 of this Code for the payment of this bonus, and is entered into thebankbook of the taxpayer within the time limits established for the payment of such a bonus.

**§4. Royalty for extraction**

**Article 307. Taxpayers**

Payers of royalties for extraction are users of natural resources performing the following actions within the framework of each issued license (permit) for the use of natural resources:

– extraction of mineral resources, including technogenic mineral formations;

– processing of mineral resources with receiving useful components.

**Article 309. Object of taxation**

1. The object of royalty for extraction (hereinafter referred to as royalty) are the following volumes of extracted minerals, including the volumes of by-products extracted by technological means (hereinafter referred to as associated minerals):

– extracted from deposits or subsoil plots allocated separately to the taxpayer in the territory of the Republic of Tajikistan;

– extracted from waste (loss), taking into account technological separation, if such extraction is subject to separate licensing (permission).

2. Objects of royalty are determined separately for each type of extracted products.

3. The objects of royalty are:

– the volume of extracted minerals (including by-products extracted by technological means);

– useful components formed from minerals, mineral raw materials, technogenic mineral formations;

– extracted hydrocarbons that have undergone primary processing, including associated mineral resources and their useful components;

– useful components extracted during the processing of hydrocarbons, but not subject to taxation as a finished product under the previous extraction and processing as a part of processed mineral resources;

– mined precious and non-ferrous metals and precious stones, including from technogenic mineral formations;

– groundwater used for business activities, including groundwater that have undergone primary treatment;

– other minerals, including mineral raw materials that have undergone primary processing.

4. Objects of royalty for extraction of precious and nonferrous metals and precious stones shall be extracted precious and nonferrous metals and precious stones, including the technogenic mineral formations.

**Article 309. Tax base**

1. The tax base for royalty is the value of the volume of extracted minerals, including jointly extracted, calculated at the average delivery price for the reporting period, unless otherwise provided by this article.

2. The average delivery price for each extracted mineral for the reporting period is determined separately by dividing the total sales in national currency (taking into accout value added tax and excise taxes) by the volume of sales in physical terms. In the absence of sales of minerals in the reporting period, the tax base is determined based on the average supply price of minerals in the last reporting period in which the sale has occured.

3. If there is no supply of extracted minerals and their full use for the taxpayer's own needs, the cost of minerals produced during the tax period is determined based on the actual cost of production and (or) primary processing (enrichment, purification) attributable to these minerals in in accordance with the requirements of this Code and the legislation of the Republic of Tajikistan on accounting, increased by 20 percent.

4. In cases where one part of the extracted mineral is sold, and the other part of the mineral is used for own needs, the tax base for the mineral is calculated based on the average selling price of this mineral for the entire volume of the extracted mineral.

5. The tax base for royalty is determined by the user of natural resources independently, taking into account the technological separation in relation to each extracted mineral, taking into account by-products extracted during the extraction of the main mineral.

6. The tax base for certain types of minerals, with the exception of precious metals, as well as precious stones, is determined as the amount of extracted minerals in physical terms.

7. The tax base for precious metals in pure chemical form is estimated on the basis of their initial valuation in the amount of extracted minerals.

8. The tax base for the extraction of precious stones from ore, alluvial and technogenic deposits is determined based on the amount of minerals obtained after the initial extraction and initial valuation of rough stones. In this case, rare gems are calculated separately, and the source of the royalty tax for them is also determined separately. Estimation of the cost of mined precious stones is carried out on the basis of their initial assessment in accordance with the legislation of the Republic of Tajikistan on precious metals and precious stones..

9. The value of precious metals (gold, silver and platinum) and other metals mined by the user of natural resources in the tax period is calculated basing on the averageprice of such metals,

listed on the London Metal Exchange, London Precious Metals Exchange or other international (regional) exchange.

10. The cost of certain types of minerals extracted by natural resources user in the tax period is determined on the basis of the average estimated price of the main construction assets, determined by the authorized state body in the area of construction and architecture.

11. Unless otherwise provided in other parts of this article, the value of minerals extracted by the user of natural resources during the tax period, including by-products, is based on the average delivery price of these minerals formed for the tax period on the international (regional) exchange, or in another manner determined by the authorized state body in the field of finance and the authorized state body.

**Article 310. Rates of royalty for extraction**

1. Royalty rates on extraction of common mineral resources are set in the following amounts:

| № | Name of common mineral resources | Rates (as a percentage and somoni of the taxable base) |
|---|---|---|
| 1. | Sand (except for molding, quartz (glass) sand for porcelain and faience and cement industry) | 5% |
| 2. | Sand molding, glass sand for porcelain and cement industries | 9 %, but not less than 10 % of indication for calculation/m3 |
| 3. | Sand and gravel mixtures | 5 %, but not less than 10 % of indication for calculation /m3 |
| 4. | Clay (except for fire-proof clay, high-melting clay, molding clay for porcelain and cement industries, floridon, lake, bentonite, acid and kaolin clay) | 5% |
| 5. | Refractory, high-melting, molding clay for the porcelain and faience and cement industries, floridon, pigmented, bentonite, acid-resistant and kaolin | 5 %, but not less than 10 % of indication for calculation /m3 |
| 6. | Loum (except for loum for the cement industry) | 7% |
| 7. | Loum for the cement industry | 6 %, but not less than 10 % of indication for calculation /m3 |
| 8. | Quarry stone | 5% |
| 9. | Sandstone (except for bituminous, facing, silica and sandstone for glass industry) | 5 %, but not less 10% of indication for calculation /m3 |
| 10. | Sandstone bituminous, facing, silica and sandstone for glass industry | 4% |
| 11. | Chalk stone | 6% |
| 12. | Quartzites (other than silica, fluxing, facing, ferrous quartz for production of silicon carbide, crystalline silicon ferroalloys) | 6% |

| | | |
|---|---|---|
| 13. | Quartzites silica, fluxing, facing, ferrous quartz for production of silicon carbide, crystalline silicon ferroalloys | 6% |
| 14. | Dolomite (except for dolomite for bituminous and cement industry) | 6% |
| 15. | Dolomite for bituminous and cement industry | 5 %, but not less than 10 % of indication for calculation /m3 |
| 16. | Marlstone (except for marlstone for bituminous and cement industry) | 7% |
| 17. | Marlstone for bituminous and cement industry | 10% |
| 18. | Limestone (except for bituminous limestone, facing limesone, dusty limestone for cement, steel, chemical, glass, paper and sugar industries, as well as for the production of alumina) | 6% |
| 19. | Bituminous limestone, facing limestone, dusty limestone for cement, steel, chemical, glass, paper and sugar industries, as well as for the production of alumina | 6% |
| 20. | Shell limestone for the cement industry | 10 %, but not less than 10 % of indication for calculation /m3 |
| 21. | Shell limestone (except facing and decorative shell limestone) | 6% |
| 22. | Marble and facing and decorative shell limestone | 6% |
| 23. | Shale (except for fuel and healing shale) | 6% |
| 24. | Fuel and healing shale | 5% |
| 25. | Argillite and aleurolite | 5% |
| 26. | Magmatic, volcanic and metamorphic rocks (except for facing, decorative rocks, rocks for production of fire-proof and acid-resistant materials, stone molding and mineral wool, and other rocks suitable for use in the cement industry) | 6% |
| 27. | Magmatic, volcanic and metamorphic facing, decorative rocks, rocks for production of fire-proof and acid-resistant materials, stone molding and mineral wool, and other rocks suitable for use in the cement industry | 5% |
| 28 | Block made of natural stone | 5 %, but not less than 10 % of indication for calculation /m3 |
| 29 | Marble chips | 5 %, but not less than 10 % of indication for calculation /m3 |
| 30 | Construction gravel | 5 %, but not less than 10 percent of indication for calculation /m3 |
| 31 | Construction sand | 5 %, but not less than 10 % of indication for calculation /m3 |
| 33 | Gypsum | 6% |

**2.** Royalty rates on extraction of groundwater by the categories of groundwaters are set in accordance with the following table:

| № | List of groundwater: | Rates (as a percentage from the tax base) |
|---|---|---|
| 1 | For therapeutic groundwaters (therapeutic muds) and pure mineral water for pouring in bottles (by industrial processing). | 10% |
| 2 | For groundwaters used for other purposes (except for the purposes specified in paragraphs 3 and 4 of this table). | 8% |
| 3 | For groundwaters extracted by utility companies to meet the needs of the population. | 2% |
| 4 | For groundwaters extracted by the utilities companies, regardless of the form of ownership, to meet the needs of the rural population. | 0,2% |

Note: According to the requirements of part 1 of article 309 of the Tax Code, the calculation of the royalty tax for the extraction of groundwaters to bottling (through industrial processing) shall be calculated on the basis of the cost of the first commercial product .

3. Royalty rates on extraction of mineral resources are established in the following rates, except for part 1 and 2 of this article:

| № | Name (item) of common mineral resources | Rates (as a percentage of tax base) |
|---|---|---|
| 1. | Oil, gas condensate and natural gas | 8% |
| 2. | Coal and bog muck | 4% |
| 3. | Ferrous metals (iron, manganese, chromium, vanadium) | 4% |
| 4. | Basic and rare metals (copper, lead, zinc, stannum, nickel, cobalt, molybdenum, mercury, stibium, bismuth, cadmium, aluminum, strontium, titanium, zirconium, lithium, wolframium, tantalum, niobium and others) | 6% |
| 5. | Alluvial mineral resources | 10% |
| 6. | Noble metals (gold, silver, platinum) | 6% |
| 7. | Precious stones | 8% |
| 8. | Colored stones (semiprecious stone) and (or) piezo-optical raw materials | 9% |
| 9. | Radioactive raw materials | 6% |
| 10. | Mining and chemical raw materials and thermal waters | 5% |
| 11. | Mining raw materials (concentrate) and (or) non-metallic raw materials for the steel industry | 5% |
| 12. | Other minerals that are not listed in this table, as well as in parts 1 and 2 of this article | 3% |
| 13. | Mineral extraction from technogenic mineral formation | 10 % of the tax rate for the mining |

| | | |
|---|---|---|
| 14. | Alluvial minerals mined by artisanal and free-bearing methods | 0 |

5. The amount of royalty for extraction of all types of minerals payable to the budget is determined as the sum of the derivative value (volume) of each extracted mineral by natural resources user during the tax period to corresponding mining royalty rates.

6. Entities that used natural resources in production, construction and sale, but do not have documents for their purchase, or the submitted documents are not justified, the royalty from such natural resources are accrued and paid to the budget at the twofold rate specified in this article.

**Article 311. Procedure for establishment and payment of royalty for extraction in natural form**

1. In case an additional agreement is concluded between the natural resources user and the authorized state body in the field of industry and new technologies on the payment of royalty for production in kind, such payment can be made in agreement with the authorized state body in the field of finance and the authorized state body.

2. The value of royalty paid in kind must be equivalent to the monetary amount of this tax.

3. Natural resources user and the recipient shall submit to the tax authority at the place of location of the deposit a reporting on payment of royalties on extraction in natural form within the prescribed terms according to the form and the manner established by the authorized state body.

4. The recipient is responsible for the timely and full payment of the amount of the royalties on extraction (according to the calculations of the natural resources user) to the budget in accordance with the laws of the Republic of Tajikistan, as well as for all received production.

**Article 312. Tax period, procedure for filing return and payment of royalty for extraction**

1. Tax (reporting) period for determination and payment of royalties on extraction shall be a calendar month.

2. Return (calculation) of royalties on extraction shall be submitted by the natural resources user to the tax authority at the place of location of the deposit in the form and the manner established by the authorized state body by the 15th day of the month following the tax reporting period.

3. Royalties on the extraction for all types of mineral resources shall be paid not later than the 15th day of the month following the reporting period.

## §5. Royalty for water

**Article 313. Taxpayers**

Payers of royalty for water (in this chapter hereinafter to be referred to as “taxpayers”) shall be persons using water resources of the Republic of Tajikistan for generation of electricity.

**Article 314. Object of taxation**

The object of taxation of royalty for water are water ofacilities used for the purpose of generation of electricity in hydro power stations.

**Article 315. Tax base**

1. The tax base is defined as the amount of electricity generated for tax period without taking into account losses in the further transmission (supply).

2. The tax base is determined by the taxpayer separately for each water object.

**Article 316. Exemption**

Objects with a production capacity of up to 1000 kilowatts of electricity are exempt from calculation and payment of royalty for water.

**Article 317. Tax period**

The tax period for royalty for water shall be a calendar month.

**Article 318. Tax rate**

Water royalty rate shall be set while using water object for the purpose of generation of electricity at the rate of 0.06 of the index for calculations for each 1,000 kilowatt/hour of produced electricity at the end of the tax period.

**Article 319. Procedure for calculation of royalty for water**

1. Amount of water royalty at the end of each tax period shall be calculated by multiplying the tax base to the tax rate.

2. The amount of royalties for water must be paid to the budget no later than the 15th day of the month following the tax period.

**Article 320. Tax return**

Tax return is submitted by the taxpayer to the tax authority at the place of its registration no later than the 15th day of the month following the tax period in the manner established by the authorized state body.

## §6. Export rent

**Article 321. Taxpayers**

Export rent payers are entities exporting concentrates of precious, ferrous, non-ferrous, rare, radioactive metals, mining and chemical raw materials, precious stones, raw materials from primary processing ornamental stones, raw cotton, cotton fiber, cotton yarn and thread, cocoon, silk thread, wool and leather (hereinafter in this paragraph - goods) from the Republic of Tajikistan.

**Article 322. Object of taxation**

The object of export rent taxation is the volume of exported goods from the territory of the Republic of Tajikistan. For the purposes of this chapter, the notion of export means the following operations:

– export of goods outside the Republic of Tajikistan under the "Export" customs regime;

– putting up for sale goods previously exported from the territory of the Republic of Tajikistan under the "Processing" customs regime.

**Article 323. Tax base**

1. The tax base of export rent for the reporting period is the value determined based on the average supply (export) cost of goods at the time of export specified in export agreements.

2. Tax base shall be determined by the taxpayer separately for each type of taxation object.

**Article 324. Tax period**

The tax period for export rent is a calendar month.

**Article 325. Tax rate**

The export rent rate is set in the following amount of the tax base:

- from January 1, 2023 -2 percent;
- from January 1, 2025 - 4 percent;
- from January 1, 2027 – 6 percent.

**Article 326. Procedure for calculating and paying export rent**

1. The amount of export rent at the end of each tax period is calculated as the derivative of the tax base by the tax rate.

2. The amount of export rent is payable to the budget no later than the 15th day of the month following the tax period

**Article 327. Tax return**

A tax return is submitted by the taxpayer to the tax authority at the place of its registration no later than the 15th day of the month following the tax period following the procedure set forth by the authorized state body.

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## SECTION XI. SOCIAL TAX

## CHAPTER 46. SOCIAL TAX

**Article 328. Taxpayers**

1. Payers of social tax are:

– legal entities, their separate subdivisions, permanent establishments of non-residents and individual entrepreneurs – employers who pay wages, rewards and other benefits to resident individuals performing for them a work for hire on the basis of labor agreements (contracts) or without them;

– legal entities, their separate subdivisions, permanent establishments of non-residents and individual entrepreneurs who remunerate for provided services (performed works) in the Republic of Tajikistan to resident individuals who are not registered as individual entrepreneurs, on the basis of civil law agreements or without them;

– individuals specified in the first and second paragraphs of this part that received wages, remuneration, other benefits, and compensations for services rendered (works performed);

– individuals engaged in individual entrepreneurial activities on the territory of the Republic of Tajikistan, including those operating as members of dekhkan farms without establishment of a legal entity.

2. If a taxpayer pertains simultaneously to several categories of taxpayers specified in part 1 of this article, the taxpayer shall calculate and pay tax on each basis.

3. For the purposes of this chapter:

- the taxpayers specified in the first and second paragraphs of part 1 of this article are policyholders,

- taxpayers specified in the third paragraph of part 1 of this article are recognized as the insured persons,

- payers specified in paragraph four of part 1 of this article are recognized as both policyholders and insured persons.

4. Citizens of the Republic of Tajikistan, who are migrant workers, have the right to submit a written application to the administration in their permanent place of residence in the Republic of Tajikistan and voluntary become payers of social tax and pay it in the amount and manner determined by the Government of the Republic of Tajikistan.

**Article 329. Object of taxation**

1. The object of taxation for taxpayers referred to in the first and third paragraphs of part 1 of article 328 of this Code shall be:

– wages, remunerations, and other income, determined in accordance with article 186 of this Code, paid by the taxpayers to the benefit of employees;

– payments, remunerations, and other income paid to the benefit of individuals, not specified in the first and second paragraphs of part 1 of article 328 of this Code.

2. The object of taxation for the taxpayers specified in the second and third paragraph of part 1 of article 328 of this Code, shall be wages, remuneration, and other benefits under labor and civil legal agreements on performance of works, provision of services paid by the taxpayers to the benefit of individuals who are not individual entrepreneurs, including payments and remuneration under author's contracts.

3. The object of taxation for the taxpayers referred to in the fourth paragraph of part 1 of article 328 of this Code, is the gross income from entrepreneurial activity.

4. Pursuant to parts 1 and 2 of this article shall not be included into object of taxation:

– amounts payable under civil legal contracts, the subject of which is the transfer of ownership or other rights to the property (property rights);

– amounts payable under agreements related to granting the right to use property (property rights)

– amounts payable to foreign nationals and stateless persons under labor agreements concluded with branches and representative offices of resident legal entities located outside the territory of the Republic of Tajikistan;

– amounts payable to foreign nationals and stateless persons in connection under civil law contracts, the subject of which is the performance of works, provision of services.

**Article 330. Tax base**

1. The tax base for the taxpayers-insurers specified in the first paragraph of part 1 of Article 328 of this Code is the amount of wages, remuneration and other benefits paid by the insurers to individuals for the tax period.

2. The tax base of the taxpayers referred to the second paragraph of part 1 of article 328 of this Code shall be determined as the amount of payments, remuneration, and other benefits reimbursed without deductions to individuals for the tax period.

3. The tax base of individual taxpayers, referred to in the third paragraph of part 1 of article 328 of this Code, shall be determined as the amount of wages, payments, remunerations, and other benefits received for the tax period without deductions.

4. When determining the tax base for individuals, any payments and remuneration, including royalty, determined by the object of taxation, are taken into account, with the exception of the benefits provided for in Article 331 of this Code.

5. In case of resident individuals, who perform works and provide services to diplomatic, consular representations of foreign states, representations of international organizations in the Republic of Tajikistan under labor and (or) civil legal agreements (contracts), the tax base shall be defined as the amount of wages, payments and other remunerations paid to them in the tax period.

6. Information on incomes of resident individuals specified in part 5 of this article shall be submitted to the authorized state body by the Ministry of Foreign Affairs of the Republic of Tajikistan on a quarterly basis by 15th day of the month following the end of a quarter.

7. The tax base of individual entrepreneurs, including members of dekhkan farms without establishing a legal entity, specified in paragraph four of part 1 of article 328 of this Code, is the gross income without deductions received from entrepreneurial activity by such taxpayers for the tax period in cash and (or) in kind.

8. When paying wages, payments and other remuneration in the form of goods (works, services), the tax base is determined by the cost of these goods (works, services) on the day they are paid, based on their market prices (tariffs), and in case of state regulation of prices ( tariffs) for these goods (works, services) - based on state regulated retail prices.

**Article 331. Exemption**

The following income shall be exempt from payment of the tax:

– the income of foreign nationals performing works and (or) providing services to diplomatic and consular representations of the Republic of Tajikistan abroad;

– the income of foreign nationals from work for hire in the context of the implementation of investment projects of the Government of the Republic of Tajikistan;

– the income exempted from personal income tax in accordance with part 1 of article 189 of this Code.

**Article 3332. Tax rates**

1. The social tax rate for policyholders is set in the amount of:

- for budget institutions 25 percent,
- for all other organizations - 20 percent.

2. The social tax rate for insured persons is set in the amount of:

- for budget institutions - 1 percent;
- for all other organizations - 2 percent.

3. For individuals engaged in entrepreneurial activity based on a patent, as well as members of dehkan (farm) households, without establishment of a legal entity, the minimum size of social tax shall be established by the Government of the Republic of Tajikistan.

4. For individual entrepreneurs operating on the basis of a certificate (dekhkan farms without establishing a legal entity), recognized as insured persons, the social tax rate is equal to 1.0 percent of the tax base, but not less than the highest social tax rate (taking into account the regional coefficient) established for an individual entrepreneur operating on the basis of a patent. If such an entrepreneur has no income for the reporting period, it is paid in the amount of two indicators for calculations, taking into account the regional coefficient established for an individual entrepreneur carrying out activities under a patent.

5. For resident individuals performing works and providing services to diplomatic, consular missions of foreign states, representative offices of international organizations in the Republic of Tajikistan, the social tax rate is set at 20 percent for policyholders and 2 percent for insured persons.

**Article 333. Tax period**

The tax period for social tax shall be a calendar month, unless otherwise provided by article 334 of this Code.

**Article 334. Procedure for calculating and payment of social tax**

1. Unless otherwise established by this chapter, the amount of social tax shall be determined by multiplying the tax base to the relevant tax rate.

2. The social tax is transferred to the budget in the cases provided for in paragraphs 1-3 of part 1 of Article 328 of this Code, in the manner established in Article 236 of this Code, before the 15th day of the month following the tax period.

3. The social tax of citizens of the Republic of Tajikistan being civil servants in international organizations, diplomatic, and consular missions, and equivalent organizations of the Republic of Tajikistan abroad is paid quarterly before the 15th day of the month following the reporting quarter, in the manner established by the Ministry of Finance of the Republic of Tajikistan.

4. Individual entrepreneurs operating on the basis of a patent shall pay social tax simultaneously with payment of the patent fee to the budget. Individual entrepreneurs operating on the basis of a certificate, as well as citizens of the Republic of Tajikistan defined in part 4 of article 332 of this Code shall submit a tax return and shall simultaneously pay the tax by the 15th day of the month following the tax period.

5. The taxpayers specified in paragraphs one and two of part 1 of Article 328 of this Code shall submit a single return on social tax and income tax to the tax authorities at the place of their registration and pay the taxes monthly before the 15th day of the month following the reporting month, in the manner established by the authorized state body.

6. Dehkan farms without establishment of a legal entity, shall submit a social tax return with regards to the member of dehkan farm to the tax authorities at the place of their registration in respect of the members of these farms each half calendar year by the 15th day of the month, following the reporting half-year period, in the form, developed by the authorized state body, and shall pay the tax.

7. Citizens of the Republic of Tajikistan specified in part 5 of article 332 of this Code shall submit unified declaration on social tax and personal income tax to the tax authorities at the place of their registration quarterly by the 15th day of the month following the reporting quarter, in the form established by the authorized state body, and shall pay the amount of tax.

8. Control over payment of social tax shall be carried out by tax authorities.

9. Instructions for calculation and payment of social tax, tax return forms (calculations) for policyholders and insured persons (indicating name, surname, patronymic, and Insurance Identification Number (IIN)) shall be approved by the authorized state body by agreement with the Ministry of Finance of the Republic of Tajikistan, Ministry of Labor, Migration and Employment of the Population of the Republic of Tajikistan and Agency of Social Insurance and Pension under the Government of the Republic of Tajikistan.

## SECTION XII. SALES TAX

## CHAPTER 47. SALES TAX (ON PRIMARY ALUMINIUM)

### Article 335. Main concepts and provisions

1. The following concepts are used in this chapter:

1) taxable goods - primary aluminum

2) the following taxable transactions (hereinafter for the purposes of this chapter - sale):

a) supply of taxable goods;

b) import of taxable goods into the Republic of Tajikistan and (or) export of taxable goods outside the customs territory of the Republic of Tajikistan;

c) processing of taxable goods by their manufacturer, their transfer for processing, as a pledge and (or) as raw materials supplied by the customer;

d) delivery (sale) of taxable goods under futures (forward) contracts or other transfer (alienation) of taxable goods;

e) transfer to another person of taxable goods resulting from the provision of services for the production of taxable goods in accordance with the customs processing regime in the customs territory of the Republic of Tajikistan.

2. The sales tax on primary aluminum (hereinafter - the sales tax) shall be paid in the course of taxable transactions, and no value added tax shall be levied in the course of such transactions, except for taxable transactions stipulated in paragraph 2), subparagraph e) of this article.

### Article 336. Taxpayers

The payers of sales tax are entities that have the object of taxation.

### Article 337. Object of taxation

1. Taxable transactions with taxable goods are considered the object of taxation.

2. Other types of taxable goods produced using the “Processing” customs regime in the customs territory and subject to sales tax are determined by the Government of the Republic of Tajikistan.

### Article 338. Tax base

1. Unless otherwise established by parts 2-4 of this article, the tax base is the cost of taxable goods. When calculating the tax base, the price of a unit of taxable goods, taking into account the quality, type and grade, is determined basing on the prices established at the date of the taxable transaction on the London Non-Ferrous Metals Exchange.

2. Taxpayers who resell taxable goods shall pay the sales tax as a difference between tax amounts, calculated basing on the prices used for taxation at the sales date of taxable goods to customers and the purchase date from their suppliers.

3. The tax base for imported taxable goods with under the “Release for free circulation” customs regime is determined in accordance with customs legislation on the basis of prices determined in accordance with part 1 of this article.

4. The tax base for taxable goods produced using the “Processing” customs regime in the customs territory is the cost (volume) of processing products, in accordance with prices determined in accordance with part 1 of this article.

**Article 339. Tax rate**

1. The 3% rate is set for the sales tax for primary aluminum in relation to the tax base determined by parts 1-3 of Article 338 of this Code.

2. The 1% rate is set for the sales tax for primary aluminum in relation to the tax base determined by part 4 of Article 338 of this Code.

**Article 340. Calculation procedure and tax payment deadlines**

1. The amount of tax payable is calculated by taxpayers independently on the basis of the value (volume) of taxable goods and the tax rate. The type of taxable transaction should be specified in tax payment documents.

2. When reselling taxable goods, the sales tax is determined taking into account the price of taxable goods on the date of purchase (receipt), on the date of sale (transfer) and the volume of the taxable transaction.

3. If there is no information about the exchange price on the day of sale (transfer), the tax is calculated basing on the available latest information about the exchange price of the taxable goods on the date closest to the day of sale. The tax amount is adjusted by the taxpayer, upon receipt of data on the exchange price of the sold taxable goods, on the date of sale.

4. The tax is paid before the delivery (transfer) of the taxable goods or no later than 3 days after the receipt of funds to the payer's account in financial credit institution or when paying in cash at his cashier's office, and in other taxable transactions - until the shipment, delivery or transfer of taxable goods. Entities that as a result of taxable transactions, have acquired taxable goods, within 10 days must submit copies of documents confirming the payment of tax to the large taxpayers office. In the absence of these documents, these entities are obliged to pay the entire amount of tax from their own funds.

5. When exporting taxable goods outside the Republic of Tajikistan, the tax is paid before crossing the customs border of the Republic of Tajikistan at the current prices at the time of export. Customs clearance of the export of taxable goods outside the Republic of Tajikistan is carried out on the basis of confirmation by the large taxpayers' office of the payment of sales tax.

6. Calculation of the tax on taxable transactions when importing primary aluminum to the Republic of Tajikistan using the customs release under the “Release for free circulation” customs regime is carried out taking into account the requirements of this chapter and the customs legislation of the Republic of Tajikistan.

7. The sales tax return in the form established by the authorized state body, and supporting documents (calculations) on the payment of tax in relation to the tax base determined by parts 1-3 of Article 338 of this Code, shall be submitted by the taxpayer to the relevant tax authority within the time limits established for the payment of tax.

8. The sales tax return in the form established by the authorized state body, and supporting documents (calculations) on the payment of tax in relation to the tax base determined by part 4 of Article 338 of this Code, shall be submitted to the relevant tax authorities by the supplier no later than the 15th day of the month following the reporting month.

**Article 341. Crediting the amount of sales tax against the value added tax when supplying products of processing to the domestic market of the Republic of Tajikistan**

1. In the case of delivery to the domestic market of the Republic of Tajikistan of goods that are products of processing for taxable goods in the Republic of Tajikistan, it is allowed to credit the paid amount of sales tax in terms of the tax base determined by parts 1-3 of Article 338 of this Code against the value added tax.

2. In case of delivery of products of processing for taxable goods to the internal market of the Republic of Tajikistan, crediting in accordance with Part 1 of this Article is carried out in the manner provided for by Article 268 of this Code.

3. When exporting products of processing, sales tax is not credited against the payable value added tax.

4. When the difference between the amount of the value added tax payable for the delivery of products of processing to the domestic market and the corresponding amount of sales tax is negative, no sales tax amount is reimbursed from the budget. Any positive difference between the above amounts shall be paid to the budget.

5. Instructions on the procedure for calculating and paying sales tax, as well as forms of returns (calculations) are approved upon submission by the authorized state body by the authorized state body in the field of finance.

6. Sales tax payment control is fulfilled by the tax authorities.

## SECTION XIII. LOCAL TAXES

## CHAPTER 48. REAL ESTATE TAX

### Article 342. General provisions

1. Majlises of people's deputies of cities (districts) shall establish local taxes in their territory, specified in article 24 of this Code.

2. Provisions of the general part of this Code shall apply in respect of the local taxes.

3. Decisions of the Majlises of people's deputies of cities (districts) on the local taxes must comply with the provisions of this Code and shall be officially published in publicly available periodic printed publication in the relevant territory.

### Article 343. Main provisions and tax period

1. The following concepts are used for the purposes of this section:

– property - real estate, land and vehicles;

– real estate (hereinafter, real estate objects, residential and non-residential buildings), unfinished building project, constructions, including cottages, garages, sheds, livestock buildings and other ancillary buildings) and property that cannot be moved without causing material damage

– land plots – land transferred in line with the legislation or actually used on the basis of supporting documents or without them;

– means of transport – road, rail, water and air transport.

2. The following property taxes shall be established in this chapter:

– tax on items of immovable property;

– land tax;

– vehicle tax

3. The tax period for property taxes shall be a calendar year.

## §1. Real estate tax

### Article 344. Taxpayers

Payers of real estate tax are individuals and legal entities – owners of items of immovable property or persons using this property.

### Article 345. Object of taxation

1. The objects of taxation are residential and non-residential buildings, construction projects in progress (from the moment of residence or use), structures, including penthouses (a living area (apartment, structure) on the roof or a separate area of the upper floor of the building) cottages, garages, sheds, premises for animal housing, auxiliary buildings and other property that cannot be moved without causing material damage.

2. Items of immovable property shall also include containers, cisterns, kiosks, sheds, carriages used for entrepreneurial activity and placed stationary for at least 3 months in each calendar year at the place of entrepreneurial activity.

### Article 346. Tax base

1. The tax base is the total area occupied by the taxable object, and for multi-storey buildings, the area of each floor of such building is calculated separately.

2. For auxiliary premises of individuals, including garages, sheds, premises for keeping animals and other auxiliary premises not used for business, the tax base is 50 percent of the area occupied by such buildings.

3. The area of basements and attics of residential buildings that are not used for entrepreneurial activities is not included in the tax base. When using such objects in entrepreneurial activities, the tax base of basements and attics of residential buildings is taken at 50 percent of the occupied area.

4. The area of real estate objects is determined on the basis of the relevant technical documents or other official documents.

5. In case of failure to submit the relevant documents, as well as the impossibility of external measurement of an immovable object, the area of such an object is determined by the tax authorities with the participation of the taxpayer according to the total usable area of the internal premises of the immovable object, increased by a factor of 1.25.

**Article 347. Concessions**

The following properties are tax exempt:

– real estate objects of state institutions directly used by these institutions to fulfill their statutory tasks and financed from budgetary funds;

– items of immovable property where following persons are registered: hero of the Soviet Union, hero of Social Labor, Kahramoni Tojikiston, holders of the Order of Sitorai Prezidenti Tojikiston, the Order of Zarrintoj, the Order of Ismoili Somoni, participants of the Great Patriotic War of 1941 - 1945, persons with equivalent status, participants of other military operations on protection of the Union of Soviet Socialist Republics, including soldier-internationalists, the liquidators of the Chernobyl nuclear power plant disaster, , disabled persons of groups I and II;

– real estate objects of lonely pensioners living alone or together with minor children or a child with disabilities in a separate house;

– real estate objects of large families where one or both parents have died and five or more children under the age of sixteen reside;

– real estate objects of parents and widows (widowers), children up to the age of 16 of military personnel and employees of internal affairs bodies who died in the line of duty;

– items of immovable property of religious organizations which are not used for entrepreneurial activity;

– state items of immovable property leased in the prescribed manner the rent payments for which is transferred in full amount to the state budget;

– backyard seasonal and permanent greenhouses.

– 2. The benefits established by paragraphs three - five of part 1 of this article are applied on the basis of a pension certificate, a certificate of a state award, a registry office certificate on the number of children and a death certificate for military personnel and employees of the internal affairs bodies.

**Article 348. Tax rate**

1. The tax rate on real estate objects is determined, depending on the area occupied by the real estate object and the purposes of its use, as a percentage of the indicator for calculations, taking into account regional coefficients in the context of cities and districts, is set in the following amounts:

1) for real estate objects used as residential buildings (premises) as well as their ancillary buildings:

- up to 90 square meters - 3 percent;
- from 90 to 200 square meters - 4 percent;
- more than 200 square meters - 6 percent.

2) for real estate for trade activities, establishment of catering establishments, other types of services and performance of work;

- up to 250 square meters - 12 percent;
- from 250 to 500 square meters - 15 percent;
- more than 500 square meters - 18 percent;

3) for real estate objects used for other types of activities:

- up to 200 square meters - 9 percent;
- from 200 to 500 square meters - 12 percent;
- more than 500 square meters - 15 percent.

4) for real estate objects located in the cities of Dushanbe, Khujand, Bokhtar and Kulyab, the rates specified in paragraphs 2) and 3) are applied at a double rate.

2.The following regional factors regulate the amount of tax payments for real estate objects.

| **Group** | **Names of cities and districts** | **Regional coefficients** |
|---|---|---|
| 1. | Territory of Dushanbe City | 1.0 |
| 2. | Territory of cities of Khujand, Bokhtar and Kulob | 0.8 |
| 3. | Administrative territory of the cities of Guliston, Buston, Istiqlol, Istaravshan, Isfara, Kanibadam, Penjikent, Vahdat, Gissar, Tursunzade, Rogun, Nurek, Levakant, Kushoniyon and Khorog | 0.6 |
| 4. | Territory of other settlements and district administrative centers not indicated in groups 1, 2 and 3 | 0.4 |
| 5. | Territory of the villages belonging to the districts (cities): Istaravshan, Guliston, Buston, Bobojon Gafurov, Isfara, Kanibadam, Spitamen, Jabbor Rasulov, Penjikent, Vahdat, Rudaki, Tursunzade, Shahrinav, Gissar, Yavan, Vose, Dangara, Kulyab, Farkhor, Mir Sayyid Ali Hamadoni, Muminabad, Nurek, Vakhsh, Qubodiyon, Jayhun, Nosiri Khisrav, Panj, Levakant, Khuroson, Jaloliddin Balkhi, Dusti and Shakhritus | 0.3 |
| 6. | Territory of villages belonging to other districts and not listed in groups 5 and 7 | 0.2 |
| 7. | Territory of villages belonging to the city of Rogun, the districts of Devashtich, Aini, Kukhistoni Mastchokh, Shahristan, Nurobod, Rasht, Vanch, DarvozDarvaz, Ishkashim, Roshtkala, Rushan, Murghab and Shugnan | 0,1 |

3. For real estate objects located in tourism and recreation development zones and used for business purposes, the tax rates are set at double the tax rates provided for by Part 1 of this Article.

## §2. Land tax

### Article 349. Taxpayers

1. Payers of land tax are:

- land users to whom land plots were transferred for life-long inheritable, perpetual, fixed-term use;

- land users who actually use land plots with the exception of those using the unified agricultural system;

- producers of agricultural products operating under the general taxation system

2. In case land plot for leasing, the lessor is considered to be the payer of the land tax.

3. Subject to the provisions of chapters 52-53 of this Code and after 36 calendar months, the taxpayer may switch from the general taxation system to the simplified taxation system for agricultural producers.

**Article 350. Object of taxation**

1. The object of land taxation is land plots - settlements, lands outside settlements, taking into account the quality, cadastral zone of land, purpose of use and environmental features of land plots, the ownership of which is determined by the land legislation of the Republic of Tajikistan.

2. The object of land tax is determined in accordance with the land legislation of the Republic of Tajikistan, taking into account the quality, cadastral valuation of land, purpose of use and environmental features.

3. Taking into account the provisions of part 2 of this article, the basis for determining the land tax is the land use document and the cadastral zone of land.

4. The amount of land tax, regardless of the results of economic activities of land users, is established per unit of land in the form of fixed payments for a period of one year.

**Article 351. Tax base**

1. The tax base for calculating the land tax is the area of the land plot specified in the documents confirming the right to land use, or the area of the land plot that is actually used (disposed of) by the land user, with the exception of land exempt from tax.

2. Taxable area includes all vested lands, including land occupied by buildings, structures, land plots, which are necessary for their maintenance, protection zones of the objects, technical zones and other areas.

3. For a separate subdivision of a legal entity, the tax base shall be an area of a land plot assigned to this branch (representative office) within the respective administrative boundaries.

**Article 352. Land tax rates**

1. Tax rates per hectare of land by regions and cities (districts), taking into account cadastral zones and types of land, including land belonging to settlements, land under forest and shrubs of settlements and agricultural land are established by the Government of the Republic of Tajikistan every 5 years upon submission of the authorized state body for the regulation of land relations in coordination with the authorized state body.

2. The authorized state body shall carry out annual indexation of land tax rates in line with inflation rate for the previous calendar year defined by the authorized body in the field of statistics, and shall publish indexed land tax rates for the current calendar year on the official web-site.

3. Lands used by individuals in settlements (cities, towns and villages) are subject to taxation in the following order:

1) The area of each land plot assigned to a land user under separate (independent) supporting documents for the taxation purposes shall be treated separately, in accordance with subparagraphs a) and (or) subparagraph b)) of paragraph 2 of part 3 of this part.

2) Calculation of the amount of land tax depending on the size of land plot assigned to the land user and the purpose of its use shall be performed in the following order:

a) for land plots including land used as residential buildings (premises) and their subsidiary buildings:

– up to 0.12 hectares of irrigated land and up to 0.15 hectares of non-irrigated (rainfed) land – according to the established rates;

– from 0.12 hectares to 0.20 hectares of irrigated land and from 0.15 to 0.25 hectares of non-irrigated (rainfed) land - with a 2-fold rate for the areas specified in the first paragraph;

– more than 0.20 hectares of irrigated land and more than 0.25 hectares of non-irrigated (rainfed) land — 3-fold rate for the areas specified in the first paragraph.

b) for lands used for the purpose of carrying out entrepreneurial activities, with the exception of individual entrepreneurs carrying out activities under the simplified system for agricultural producers, with a fivefold rate for the areas specified in paragraph one of subparagraph a) of paragraph 2) of this part.

4. In relation to lands used by legal entities, a five-fold land tax rate is applied, established by paragraph one of subparagraph a) of paragraph 2) of part 3 of this article is applied.

**Article 353. Land tax exemptions**

1. The following territories and land plots are exempt from payment of land tax:

– territory of nature reserves, national and dendrological parks, botanical gardens, historical, cultural and architectural monuments, the list and area of the territories of which are established by the Government of the Republic of Tajikistan;

– lands of state institutions used for carrying out activities under the charter (regulations) of such institutions, with the exception of lands of such institutions transferred (used) for entrepreneurial activities;

– lands recognized as disturbed in accordance with the decree of the Government of the Republic of Tajikistan, as well as lands recognized by the official conclusion of the authorized state body for the regulation of land relations and the authorized state body in the field of agriculture, which are at the stage of agricultural development, for a period of 5 years after receipt (start of development ) of such lands;

– lands under a strip of tracking zone along the state border that are not used for other purposes;

– public lands in settlements and lands used for municipal services, including lands of religious organizations, cemeteries, , if no entrepreneurial activity is not carried out on such lands;

– lands in the free state reserve as well as lands covered by glaciers, landslides, rivers and lakes if no entrepreneurial activity is not carried out on such lands;

– lands where renewable energy sources are installed (with nominal power of 0.1 megawatt and more) for 5 years from the date of commission;

– land under public roads and railroads, as well as lands occupied by public power and water supply facilities and state hydraulic structures, if no entrepreneurial activity is not carried out on such lands;

– lands allocated to ensure the defense and security of the Republic of Tajikistan, in accordance with their location and area established by the Government of the Republic of Tajikistan, if no entrepreneurial activity is not carried out on such lands;

– one household land plot and a land plot allocated to the persons specified in paragraph two of part 1 of Article 347;

– household plots allocated to voluntary and environmental resettlers from other regions of the Republic of Tajikistan for permanent residence in regions identified by the Government of the Republic of Tajikistan, - within 3 calendar years after land allocation;

– homesteadsd and land for housing construction allocated to teachers and doctors working in general education and medical institutions in rural areas- during the period of their work in such institutions

– land used for scientific and educational purposes, and also for testing varieties of agricultural crops, decorative and fruit trees by scientific organizations, experimental and

scientific-testing farms, scientific research institutions and educational institutions specializing in agriculture and forestry, according to the land area and the list of land users determined by the Government of the Republic of Tajikistan, if no entrepreneurial activity is carried out on such lands;

– household plots and land allocated for housing for all groups of disabled people (except for disabled people of te I and II groups) within the limits established by the Land Code of the Republic of Tajikistan, if such families have a disabled person and the person recognized as disabled does not have a job;

– lands of pastures, meadows, forests and other lands used for laying orchards and vineyards, for a period of 5 years from the date of laying orchards and vineyards, if such lands have not previously been used for agricultural production.

2. In order to use the tax benefits provided for by this article, the taxpayer is obliged to submit to the tax authority at the location of the land plot the relevant documents defining the right to land use and other supporting documents.

**Article 354. General procedure for calculating and paying land tax and (or) real estate tax**

1. Calculation of land tax and (or) real estate tax is done by multiplying the tax base by the corresponding tax rates separately for each object of taxation.

2. Land tax and (or) real estate tax are calculated starting from the month following the month in which the taxpayer acquired (received) the right to use (or possess) the object of taxation.

3. In case of termination of the right to use (or possess) the object of taxation, land tax and (or) real estate tax are calculated for the actual number of months of use (possession) of the object of taxation, including the month of termination of the above rights.

4. When lands (settlements) change from one category of lands (settlements) to another during a calendar year, real estate taxes for the current year are paid by taxpayers at the rates previously established for these settlements (land categories), and in the next year - at the rates established for the new category of land (new settlements).

5. When a settlement is transferred from one administrative-territorial unit to the other, a new tax rate on real estate is applied from January 1 of the year following the year when the territorial change occurred.

**Article 355. Procedure for submitting tax calculations**

1. Calculation of the amount of land tax and (or) real estate tax for legal entities payable for the reporting year, based on the information of the authorized sectoral bodies, is formed by tax administrations at the place of registration of the taxpayer using a software of tax authorities before February 1 of the reporting year, and an electronic notification about it is sent to the taxpayer's personal account.

2. In the event the authorized sectoral bodies receive additional information or a taxpayer provides explanations (or explanatory documents), the tax administration within one month from the date of receipt of such information is obliged to consider them and enter the corrected report for the reporting period into the software of the tax authority, and send the appropriate notification to the taxpayer. The form of the report is determined by the authorized state body.

3. The calculation of land tax and (or) real estate tax of individuals who do not use them in their business activities is carried out by tax authorities at the location of land and (or) real estate based on information from authorized sectoral bodies through a software of tax authorities, before February 1 of the reporting year, and a notification is sent electronically to the personal account of the taxpayer.

4. If, for any reason, a notice of amounts of land tax and (or) real estate tax is not communicated to a taxpayer, such an individual a person must apply to the tax authority at the

location of this property and receive tax calculations and independently pay the amount of taxes due within the timeframe specified by this Code.

5. Taxpayers must submit the necessary information about new objects of taxation for newly allotted (acquired, received, built, ownership change) land plots and (or) real estate objects to the tax authority within 30 calendar days from the date of their allocation (acquisition, receipt, construction, ownership change).

**Article 356. Terms of payment**

1. The amount of land tax and (or) real estate tax for the reporting year is paid by taxpayers not later than the 15th day of the second month of each quarter, in the amount of one fourth of the annual tax amount.

2. A taxpayer may pay the full amount of land tax and (or) real estate tax.

3. A taxpayer must make payments for land tax and real estate tax within the time limits specified in part 1 of this article. In the taxpayer fails to makethe land tax and real estate tax payments within the established time frame, interest is charged for the late payment by the tax authority.

4. Instructions on the calculation and payment of land tax and (or) real estate tax, as well as the forms of returns are approved on submission of the authorized state body by the authorized state body in the field of finance.

5. Control over the payment of land tax and (or) real estate tax is carried out by tax authorities in coordination with self-government bodies of settlements and villages.

## § 3. Vehicle tax

**Article 357. Taxpayers**

1. Vehicle tax payers are persons who own and (or) use a vehicle recognized as an object of taxation.

**Article 358. Object of taxation**

1. The objects of taxation are cars, motorcycles, scooters, buses and other self-propelled pneumatic and caterpillar mechanisms, airplanes, helicopters, railway locomotives, motor ships, yachts, sailing vessels, boats, snowmobiles, motor sledges, motor boats and other water and air vehicles (hereinafter in this chapter - vehicles), the list of which is determined by the Government of the Republic of Tajikistan.

2. Registration of objects of taxation is carried out by internal affairs bodies, authorized bodies in the field of transport, defense, agriculture and (or) other state bodies (hereinafter referred to as authorized bodies for registration of vehicles).

3. Regardless of the unsuitability of the vehicle or its non-use, for various reasons, the presence or absence of state registration of the vehicle, the taxpayer is required to pay vehicle tax.

4. A vehicle is not recognized as an object of taxation if it is excluded from state registration and deregistered in accordance with the procedure established by regulatory legal acts.

5. The authorized bodies specified in part 2 of this article must conduct an inventory of vehicles at least once every three calendar years and notify the authorized state body electronically.

**Article 359. Tax base**

The tax base of the tax on vehicles is the engine power, expressed in units of horsepower or units of electricity consumption, or kilogram pressure of a jet engine.

**Article 360. Tax rates**

1. Vehicle tax rates are set depending on engine power, jet engine pressure, name, seats, load capacity, field of activity based on one horsepower of engine, 1 kWh of engine power, and one kilogram of jet engine pressure):

| **Name of object of taxation** | **Tax rate in % of index for calculations** |
|---|---|
| Motorcycles and scooters (per horsepower) | 2.5 |
| Light motor vehicles (per horsepower):<br>- up to 250 horsepower<br>- from 250 to 300 horsepower<br>- from 300 to 350 horsepower<br>- over 350 horsepower | 7.5<br>10<br>12<br>15 |
| Buses (up to 12 seats) (per horsepower) | 7.5 |
| Buses (for 13-30 seats) (per horsepower) | 8.5 |
| Buses (over 30 seats) (per horsepower) | 9.5 |
| Trucks and other transport vehicles with weight-carrying capacity up to 10 tons (per horsepower) | 11 |
| Trucks (with weight-carrying capacity from 10 up to 20 tons) (per horsepower) | 12.5 |
| Trucks (with weight-carrying capacity from 20 up to 40 tons) | 13.5 |
| Trucks (with weight-carrying capacity over 40 tons) (per horsepower) | 14.5 |
| Tractors, motor vehicles for construction, pneumatic and tracked self-propelled mechanisms, except for those used in the agricultural industry (per horsepower) | 2 |
| Snowmobile and snow sleigh (per horsepower) | 1.8 |
| Boats, motor boats, yachts, sailboats, jet skis and other water transport (per horsepower) | 15 |
| Locomotives used in the railways (per horsepower) | 1 |
| Airplanes, helicopters and other aircraft (for each kilogram of the kilogram-force of the jet thrust) | 10 |

Note: for objects of taxation, the capacity of which is expressed in electricity, the rate is established at 50 percent of the rates set in the table for each 1 kWh.For vehicles with an internal

combustion engine and with an electric motor, the tax is calculated for the engine with the highest power, and in the case of equal engine power - for the internal combustion engine

2. Vehicle tax rates are posted on the official website of the authorized state body annually before February 1 of the calendar year.

**Article 361. Exemptions**

Followings shall be exempt from the tax:

– tractors, grain harvesters, cotton harvesters and special harvesters with engines used in agriculture;

– buses and trolley buses, vehicles used by enterprises as a public transport;

– specialized medical motor vehicles;

– registered special military vehicles and special military equipment;

– one light motor vehicle belonging to the disabled person of I or II groups;

– industrial railway transport (except for locomotives);

– one light motor vehicle, regardless of the engine capacity, which is the property of a Hero of the Soviet Union, Hero of Socialistic Labor, Kahramoni Tojikistan, the order of Zarrintoj, the order of Ismoili Somni, a participant of the Great Patriotic War of 1941-1945, persons with equivalent status, participants of other military operations on protection of the Union of Soviet Socialist Republics, soldier-internationalists, the liquidators of the Chernobyl nuclear power plant disaster.

**Article 362. Procedure for tax payment**

1. The vehicle tax is payable to the relevant local budget at the place of state registration of a vehicle not later than the date of registration or annual vehicle technical checkup.

2. In the case of re-registration of a vehicle as well as buying and selling, the vehicle tax is not paid, if the previous owner has paid the vehicle tax for this calendar year.

3. Registration, re-registration and technical checkup is done only after tax payment for a current year.

4. The calculation of the amount of vehicle tax of legal entities is formed by the tax authority at the place of registration of vehicles on the basis of information from the authorized body for the registration of vehicles before April 1 of the current year, and a notification about this is sent electronically through the information system of the tax authorities to the taxpayer's personal account. The form of tax calculation is established by the authorized state body.

5. In the event that additional information is received by the authorized body for registration of vehicles and (or) the taxpayer submits an explanation (or substantiated documents), the tax authority, within one month from the date of receipt of such information, is obliged to consider it, enter the corrected report into the information system of the tax authorities and send a notification to the taxpayer

6. Annualy, before April 1st, the authorized bodies for registration of vehicles are obliged to electronically provide the authorized state body with the following information:

- about vehicle owners

- on the number of vehicles that passed state registration (were registered) by these authorities as of December 31 of the reporting year, taking into account the engine power of the vehicle;

- on the number of vehicles that have passed the annual technical inspection

- the amount of tax paid for the reporting year.

7. Tax payment control is carried out by authorized bodies for registration of vehicles.

8. In order to ensure full payment of vehicle tax, the tax authorities send notices to legal entities and their separate subdivisions of the accrued tax amounts within the following periods:

1) within 10 days after the preparation of a report by tax authorities on the calculated amount of tax payable by legal entities and their separate subdivisions;

2) no later than two months from the date of receipt by the tax authority of documents and (or) other information required to calculate (recalculate) the amount of relevant taxpayer's taxes for the previous tax period;

3) no later than one month from the date of receipt of information that the respective organization is under liquidation contained in the Unified State Register of Legal Entities.

9. Instructions for the calculation and payment of vehicle tax, as well as forms for calculating the vehicle tax, are approved upon submission of the authorized state body by the authorized state body in the field of finance.

## SECTION XIV. SPECIAL TAXATION REGIMES

## CHAPTER 491. TAXATION REGIME FOR ACTIVITIES IN FREE ECONOMIC ZONES

### Article 363. Main provisions

1. The regime of taxation of activities in the free economic zone establishes the procedure and conditions for taxing the activities of subjects of the free economic zone operating in isolated areas of the territory of the Republic of Tajikistan that meets the requirements of the legislation of the Republic of Tajikistan.

2. Foreign and domestic goods imported into free economic zones are completely exempt from customs duties and taxes under the control of customs authorities on the terms determined by the "Free Customs Zone" customs regime.

3. When exporting goods from the territory of the free economic zone, customs payments are not charged, with the exception of customs clearance fees.

4. When goods are moved from the territory of free economic zones to another part of the customs territory of the Republic of Tajikistan, customs payments are levied.

### Article 364. Tax system in free economic zones

1. The tax system in free economic zones applies to legal entities, individual entrepreneurs operating on the basis of a certificate, branches of foreign legal entities registered in the territory of free economic zones as a subject of a free economic zone that meet the following requirements:

– registered with the tax authorities in accordance with the established procedure;

– should not have separate subdivisions outside the territory of the free economic zone;

– carry out activities not prohibited by the regulations on the respective free economic zone.

2. The subjects of the free economic zone and the administration of the free economic zone within the framework of activities carried out in the free economic zone, and the property used by them, are exempt from paying any taxes provided for by this Code, with the exception of taxes established by part 3 of this article.

3. The subjects of the free economic zone are payers of social tax and tax agents in relation to persons who are paid (should be paid) income, remuneration, payments, benefits and other payments in the manner prescribed by this Code.

4. The provisions of part 2 of this article apply only to that part of the activities of subjects of free economic zones, which is carried out on the territory of a free economic zone.

**Article 365. Calculation and tax payment procedure**

1. Calculation and payment of taxes, as well as submission of tax returns by subjects of the free economic zones, is carried out in accordance with the provisions of this Code.

2. The administration of the free economic zone on a quarterly basis, no later than the 15th day of the month following the reporting quarter, submits to the tax authority at the place of its registration the information about the number and activities of subjects of the free economic zone and objects of taxation in the form established by the authorized state body.

3. Subjects of the free economic zone are required to keep records of economic activities in the manner prescribed by the legislation of the Republic of Tajikistan.

4. Objects of taxation located on the territory of the free economic zone and not belonging to the subjects of the free economic zone are taxed in accordance with the tax legislation of the Republic of Tajikistan.

**5.** Relationship between the tax administration and the administration of the free economic zone is determined by an agreement concluded between them.

**6.** Control over the payment of taxes by the subjects of free economic zones is carried out by tax and customs authorities.

## CHAPTER 50. TAXATION OF SUBJECTS OF SECURITIES MARKET

**Article 366. Taxation of subjects of securities market**

1. The provisions of this article apply to the subjects of securities market - professional participants in the securities market (hereinafter referred to as professional participants), issuers and investors participating in the organized securities market.

2. The activities of professional participants include:

- brokerage and dealer activities;
- activity to determine mutual obligations (clearing) for operations with securities;
- depository activities;
- activities related to organization of trade on the securities market.

3. Professional participants carrying out activities specified in part 2 of this article, in the course of carrying out this activity, are exempt from paying 50 percent of the following taxes:

- tax on income of legal entities;
- value added tax.

4. Issuers - legal entities, both residents and non-residents, whose securities are in circulation on stock exchanges operating in the territory of the Republic of Tajikistan, are exempt from payment of corporate income tax (tax under the simplified regime) on income received in connection with increase in value of securities on the date of placement of securities on stock exchange of the Republic of Tajikistan.

5. Investors - individuals and legal entities, both residents and non-residents, who receive income from an increase in the value of securities (coupon, discount, etc.) on the day of their circulation on the stock exchange, depending on such income, are exempt from payment of income tax on gains on securities.

6. The provisions of part 5 of this article does not apply to investors who have purchased (paid for) the shares belonging to them.

7.In order to oversee granting of benefits, inclusion of persons specified in parts 3, 4 and 5 of this article in the special register of the authorized state body and the grounds for the acquisition of tax benefits by them, the stock exchange timely provides substantiated information

for registration with the authorized state body. The benefits specified in this article are used only after the specified registration and provision of the appropriate certificate.

8. In the event that issuers and investors carry out transactions with securities on the unorganized securities market, such transactions are subject to taxation in accordance with the general procedure established by this Code.

9. For securities market entities taxable in accordance with this chapter, the retention period for accounting documents and tax reports, as well as the limitation period is extended by the period of provision of tax benefits in accordance with parts 3, 4 and 5 of this article.

10. Instructions on taxation of securities market entities taxable in accordance with this chapter, as well as the form of returns (reports, information) are approved by the authorized state body in coordination with the authorized state body in the field of finance.

## CHAPTER 51. TAXATION REGIME OF INDIVIDUALS CARRYING OUT ENTREPRENEURIAL ACTIVITY ON THE BASIS OF A PATENT OR CERTIFICATE

### §1. General provisions

#### Article 367. General provisions

1. Taxation regime of individuals is carried out on the basis of a patent or a certificate.

2. Individuals carrying out entrepreneurial activities on the basis of a patent, regardless of income, pay the tax established for such activities in a fixed amount.

3. Individuals carrying out entrepreneurial activities on the basis of a certificate are subject to taxation in accordance with the provisions of this chapter and chapter 52 of this Code.

4. Entrepreneurial activity of an individual without state registration is prohibited. When carrying out entrepreneurial activity without state registration, the income of such a person is taxed at double rate established for such activity.

5. It is prohibited to use the taxation regime established by this chapter for the purpose of concealing or underestimating the tax obligations of individual entrepreneurs and (or) persons using their services, including:

- if an individual entrepreneur operating on the basis of a patent or a certificate mainly provides services to one person and (or) receives income from one source and (or) the fulfillment of signs of an employment contract by him/her is provided;
- if the choice of a supplier of goods, a contractor of works or services is mainly due to the use of the tax regime established by this Chapter.

6. An individual entrepreneur acting on the basis of a certificate has the right to keep accounting records in accordance with the provisions of Article 89 of this Code or in accordance with the simplified accounting system established by the authorized state body in the field of finance.

7. Taxation of the income of individual entrepreneurial activities of non-resident individuals is carried out in the manner determined by the Government of the Republic of Tajikistan, taking into account the income tax rate established by part 2 of article 183 and other provisions of this Code

## § 2. Taxation of individual entrepreneurs operating on the basis of a patent

### Article 368. Main provisions of taxation of individual entrepreneurs operating on the basis of a patent

1. A patent is a document confirming the state registration of resident and non-resident individuals as individual entrepreneurs operating on the basis of a patent.

2. Taxation of persons specified in part 1 of this article is carried out in accordance with the Rules for taxation of individual entrepreneurs operating under a patent (hereinafter referred to as the patent regime), approved by the Government of the Republic of Tajikistan, subject to the following conditions:

– activity of individual entrepreneur carried out directly by the individual without hiring labor and carrying out external economic activity;

– the gross income of individual entrepreneur shall not exceed 200 thousand somoni for a calendar year (hereinafter to be referred to as "threshold income for the patent regime").

3. An individual entrepreneur operating on the basis of a patent does not have a right to use other taxation regimes established by this Code.

4. Application of the patent regime shall not be permitted in the event of failure to fulfill one of the conditions provided for by part 2 of this article, as well as in the cases provided for by part 4 of article 367 of this Code. in the following cases:

5. If an individual entrepreneur operating on the basis of a patent hires an employee and his/her gross income exceeds 200 thousand somoni for a period not exceeding twelve calendar months, such an entrepreneur must, within 10 calendar days from the moment of occurrence of such cases, apply for the termination of activities on the basis of a patent and transfer to another regime.

6. An individual entrepreneur operating on the basis of a patent is exempt:

– from payment of taxes established in parts 2 Article 24 of this Code on income from his/her individual entrepreneurial activity, with the exception of income tax and social tax, which are included directly in the cost (price) of a patent;

– from filing tax reporting, except for filing a return on gross income for the previous calendar year (or for the period from the beginning of the calendar year in case of termination of economic activity) with copies of bank documents on tax payment.;

7. If an individual entrepreneur - patent holder fails to fulfill at least one of the conditions provided for in part 2 of this article, such individual entrepreneur is taxed at a rate 5-fold the monthly tax rate applicable to his activities.

8. To determine the maximum income of individuals operating under the patent, the tax authorities, using information provided, can exercise control over the activities of entrepreneurs.

9. Individual entrepreneurs carrying out their activities based on a patent pay other taxes for individuals established by this Code.

10. The tax liability of an individual entrepreneur operating under a patent remains until the official cancellation of state registration.

### Article 369. Taxpayers and their registration

Individuals-residents and non-residents complying with the provisions of parts 1 - 3 of Article 368 of this Code are considered payers operating under the patent regime.

1. Individual entrepreneurs operating on the basis of a patent are registered with the tax authority at the place of business. When such a taxpayer changes his/her place of business, his/her bankbook is automatically sent to the relevant tax authority.

2. The transition from the patent regime to another taxation regime, as well as from a different taxation regime to the patent regime, is carried out after the carrying out state registration in accordance with the established procedure.

3. Tax obligation of an individual operating based on a patent shall be terminated from the 1st day of the month following the month of termination of the state registration of such individual entrepreneur.

**Article 370. Tax rate**

Tax rates for individual entrepreneurs operating under a patent for certain types of activities are determined by the Government of the Republic of Tajikistan in accordance with this chapter, taking into account regional regulatory coefficients.

**Article 371. Tax period**

The tax period for individual entrepreneurs operating on the basis of a patent is a calendar month.

**Article 372. Procedure for payment of taxes**

1. Payment of taxes under patent regime shall be performed by the taxpayer independently by advance payment by the 5th day of every month for one or several months to the budget at the place of the activity of a taxpayer.

2. Individual entrepreneurs operating on the basis of a patent must, no later than March 1 of the year following the calendar reporting year, send to the tax administration at the place of business electronically a copy of the document confirming payment of taxes for the previous calendar year.

## § 3. General principles of taxation of individual entrepreneurs operating on the basis of a certificate

**Article 373. General principles of taxation of individual entrepreneurs operating on the basis of a certificate**

1. Gross income of resident and non-resident individuals, registered as individual entrepreneurs operating on the basis of a certificate (hereinafter to be referred to as entrepreneurs operating on the basis of a certificate), from all types of their performed activities for the previous twelve full consecutive (one after another) calendar months, cannot exceed 1 million somoni.

2. If the gross income of a business entity for 12 consecutive months exceeds 1 million somoni, such entrepreneur must register as a legal entity and carry out activities under the general taxation regime.

3. The transition of entrepreneur working under a certificate to a general taxation regime and his registration as a legal entity is done without a tax audit. In this case, for taxation purposes, the obligations of such individual entrepreneurs are transferred to the newly created legal entity.

4. Entrepreneurs, operating on the basis of a certificate, depending on the type of the activity and received income, shall use the following special tax regimes in the prescribed manner:

– simplified taxation regime for subjects of small enterpreneurship;

– simplified taxation regime for agricultural producers;

– special taxation regime for gambling business entities.

5. Entrepreneurs acting on the basis of a certificate, simultaneously applying 2 special tax regimes provided for in paragraph 4 of this article, are required to keep separate records of income, expenses and ongoing business transactions in accordance with the established procedure for each special tax regime used.

6. Special tax regimes are used by entrepreneurs operating on the basis of certificate, in case if their incomes and activities correspond to the requirements of these special tax regimes.

7. Unless otherwise provided by this article, other taxes shall be paid by entrepreneurs operating on the basis of a certificate in accordance with the requirements of this Code.

8. Entrepreneurs operating on the basis of certificate shall not be exempt from the fulfillment of duties of tax agents prescribed by this Code.

9. The rules of taxation of individual entrepreneurs, acting on the basis of a certificate, are approved by the Government of the Republic of Tajikistan.

10. Unless otherwise provided by this chapter, the rules of taxation, types of activities and fixed rate of corresponding taxes for entrepreneurs operating on a certificate with special conditions are determined by the Government of the Republic of Tajikistan.

## CHAPTER 52. SIMPLIFIED TAXATION SYSTEM FOR SUBJECTS OF SMALL ENTREPRENEURSHIP

### Article 374. General provisions

1. The simplified tax regime (hereinafter referred to as the tax under the simplified regime) is applied to business entities whose gross income for 12 consecutive months, exceeded 1 million somoni.

2. When transferring from the simplified taxation regime to the general regime and from the general regime to the simplified regime, the gross income of the taxpayer is determined using the accrual method.

3. Subjects that are payers of tax under the simplified regime pay income tax in a simplified manner.

4. Taxpayers operating under the simplified regime have the right to voluntarily calculate and pay tax under the simplified regime on gross income or the permitted difference between income and expenses.

5. A taxpayer, who pays the tax under the simplified system, shall not be a payer of:

– corporate income tax, except for the income the tax on which is withheld at the source of payment;

– tax on the income of an individual entrepreneur acting on a certificate, except for income from which tax is withheld at the source of payment;

– value-added tax, except for value-added tax on goods imported into the customs territory of the Republic of Tajikistan and value-added tax of a non-resident, collected at the source of payment

6. Tax payers under the simplified regime shall pay other taxes established by this Code, unless otherwise provided by this chapter.

7. Tax payers under the simplified regime are obliged to fulfill the obligations of tax agents provided for by this Code.

8. Regardless of the provisions of parts 1-7 of this article, a taxpayer under the simplified regime has the right to voluntarily submit to the tax authorities an application for registration as a value added tax payer in accordance with the requirements of the general taxation system.

### Article 375. Taxpayers

1. The following persons are recognized as taxpayers under simplified regime:

– persons whose entrepreneurial activity has started in the current calendar year, irrespective of whether such persons undrwent the state registration;

– persons meeting the conditions of parts 1 and 3 of article 374 of this Code and the first paragraph of part 3 of this article.

2. Tax under the simplified regime shall not apply to the following taxpayers:

– individuals registered as individual entrepreneurs on the basis of a patent;

– investment funds, professional participants of the securities market, insurance and credit organizations, microfinance institutions, pawnshops, natural resources users, primary aluminum suppliers, excisable product manufacturers and importers, intermediary persons acting on the basis of commission contracts, instructions and other intermediary contracts;

– individual entrepreneurs applying the simplified tax regime for producers of agricultural production, except for incomes, taxation of which is not regulated under the simplified tax regime for agricultural producers;

– persons applying a special taxation regime for gambling business entities, with the exception of income not related to the gambling business.

3. Transition from the general taxation system to the simplified tax regime, and from the simplified regime to the general regime shall take place in the following manner:

– if, as a result of no more than 12 consecutive previous calendar months, the gross income of a taxpayer using the general tax regime is less than the amount established by part 1 of Article 374 of this Code and if 36 calendar months have passed since the transfer of such a person from the simplified regime to the general tax regime, the taxpayer may within a period of not more than 10 calendar days from the moment of occurrence of such cases, submit an application to the tax authority of the place of registration for the transition to a simplified tax regime;

– if, as a result of no more than 12 consecutive calendar months, the gross income of a taxpayer using the simplified tax regime exceeds the amount established by part 1 of Article 374 of this Code, the taxpayer is obliged to submit an application to the tax authority of the place within 10 calendar days from the date of occurrence of such cases accounting for the transition to a general tax regime;

– if the taxpayer voluntarily applied for registration as a payer of value added tax, he/she is obliged to submit an application to the tax authority at the place of registration for the transition to the general taxation system within a period not exceeding 10 calendar days from the date of application;

– in case if a taxpayer does not fulfill the requirements established by the first or second paragraph of this part, the relevant tax authority shall ensure the transition of the taxpayer to the other tax regime, inform the taxpayer about it and bring the taxpayer to responsibility for the late transition to the other tax regime according to the legislation of the Republic of Tajikistan.

4. Taxpayer has a right to voluntarily pay the tax under simplified regime with respect to the difference in income and expenses if they submit an application to a local tax authority following the established form within the following deadlines:

1) newly established taxpayers – within 5 business days from the date of state registration;

2) current taxpayers – by December 31 of the calendar year.

5. For taxpayers who choose to pay tax under the simplified regime based on the difference between permitted income and expenses, calculation and payment of tax is done:

– newly established - from the date of filing application;

– for current taxpayer after filing an application – from January 1 of the next calendar year;

6. Taxpayers who have chosen one of the methods for calculating tax under the simplified regime must adhere to this regime until the end of the current calendar year. Such taxpayers have the right to change the chosen regime from the beginning of the next year, if they submitted an application to the tax authorities at the place of registration by December 31 of the current year.

**Article 376. Object of taxation**

1. Unless otherwise provided by parts 2, 3 and 4 of this article, the object of taxation for the tax under the simplified system shall be the gross income, in particular income from the supply of goods (performance of works and provision of services), as well as other received incomes.

2. The object of taxation for the simplified regime shall be gross income for taxpayers specified in part 4 of Article 375, reduced by the amount of deductions provided by chapters 28 and 29 of this Code.

3. When the taxpayer chooses the method of calculating tax according to the simplified system from gross income without deductions, the object of taxation is determined using cash method.

4. When a taxpayer chooses the method of calculating tax according to the simplified system from gross income minus expenses, in this case, the object of taxation of such a taxpayer is calculated using accrual methodю.

5. Accounting for income and expenses on an accrual basis is carried out in accordance with the provisions of the Article 93 of this Code.

6. Gross income received by a foreign legal entity operating in the Republic of Tajikistan through a branch and (or) representative office, is determined on the basis of its income received from the sources in the Republic of Tajikistan.

**Article 377. Tax base**

1. The tax base under the simplified regime is recognized as monetary value of the gross income received for a tax period, unless othwerise envisaged by this article.

2. In case of non-payment for the goods supplied by the taxpayer (works performed or services rendered), for a period of more than 6 months, for the purposes of calculating the tax, these goods (works, services) are considered paid to the taxpayer. If debtors fail to pay bad debts to the taxpayer, previously included in its taxable income, they are deducted from taxable income of the taxpayer.

3. Taxpayers applying simplified taxation regime may apply the simplified accounting system established by the authorized state body in the field of finance for the purposes of determining the tax base.

4. For taxpayers specified in part 4 of Article 375 of this Code, the tax base is the gross income received during the tax period, minus the permitted deductions.

**Article 378. Concessions**

1. Concessions provided by paragraphs 6) and7) of part 2 of article 189 of this Code shall not apply for the purposes of this chapter.

2. Subsidies, received by state institutions from the budgetary funds in order to maintain their operation, are not included in their gross income.

**Article 379. Tax period**

The tax period for taxpayers under the simplified regime is a calendar year, and the reporting period is a calendar quarter.

**Article 380. Tax rates**

The tax rate for the tax under the simplified system shall be established in the following amounts:

1) For the taxpayer's operations specified in article 375 of this Code, except taxpayers specified in part 4 of article 375 – 6%;

2) for the activities of taxpayers provided for in part 4 of Article 375 of this Code, the rates established in part 4 of article 183 of this Code.

**Article 381. Procedure of calculation and payment of the tax under the simplified system**

1. The tax under the simplified regime for taxpayers who have determined the tax base in accordance with Part 1 of Article 377 of this Code is calculated by multiplying the respective gross income amount by the respective tax rate.

2. In case a taxpayer performs several types of activities, the accounting of the gross income from these activities, as well as the calculation of the respective amounts of tax shall be made separately.

3. For taxpayers whose tax base is established in accordance with paragraph 4 of Article 377 of this Code, the amount of tax under the simplified regime is calculated in the manner established by Section VII of this Code for income tax.

4. Taxpayers who, prior to the transition from the general tax regime to the simplified regime, used the accrual method when calculating taxes, must comply with the following rules when paying tax under the simplified regime:

– the tax base of the simplified regime includes the amount received before the transition to the simplified taxation regime, according to which the supply of goods, performance of work and provision of services is done under the contract after the transition to the tax under the simplified system;

– funds received for the supply of goods, performance of work and provision of services after the transition to the simplified taxation regime is not included in the tax base, if the said funds were added to income under the general tax regime according to the accrual method.

5. Incomes from the sale of goods (performance of works, provision of services, property rights) during the period of application of the simplified taxation regime, the payment (partial payment) of which was not made before the date of transition to the general taxation regime, are included in income in the last return for the simplified taxation regime upon transition to general tax regime.

6. The amount of tax received under the simplified system before the transition to the general taxation system, in connection with which the supply of goods, performance of work and provision of services under the contract after the transition to the general taxation system, is deducted from the amount of income tax in the general taxation system.

7. When transitioning from the general tax regime to simplified regime and the reverse transition, taxpayers with respect to value added tax comply with the following rules:.

- when transferring to the simplified tax regime, the amount of value added tax calculated and paid to the budget from the amounts of payment (partial payment) received before such a transition on account of the forthcoming supply of goods (works, services) carried out in the period after the transition to tax under the simplified regime, are subject to credit for value added tax in the last tax period;

- in the transition to the general tax regime, the amount of value added tax paid by the taxpayer applying the tax under the simplified regime in relation to the remainder of the goods (work, services) purchased by him, are accepted by this taxpayer for value added tax credit in the first tax period after the transition on the general tax regime.

8. A tax return in the form approved by the authorized state body is submitted quarterly, no later than the 15th day of the month following the tax period.

9. Tax payment under the simplified regime is done quarterly at the place of registration of the taxpayer before the date specified for filing of a return to the local budget.

10. Instructions on the calculation and payment of the tax under the simplified system, as well as forms of returns (calculations) are approved on submission of the authorized state body by the authorized state body in the field of finance.

## CHAPTER 53. SIMPLIFIED TAX REGIME FOR PRODUCERS OF AGRICULTURAL PRODUCE

### Article 382. General provisions

1. Simplified taxation regime for agricultural producers (hereinafter to be referred to as "unified agricultural tax") is a special tax regime for subjects engaged in the production of agricultural production without its further industrial processing.

2. Unified tax shall apply to legal entities and dehkan farms, and other legal entities - producers of agricultural produce.

3. A taxpayer of the unified agricultural tax engaged in the production of agricultural products without subsequent industrial processing is exempt from paying the following taxes:

– the corporate income tax (tax under the simplified system for subjects of small entrepreneurship), except for the income taxable at the source of payment;

– the value-added tax, except for value-added tax payable on goods imported into the customs territory of the Republic of Tajikistan, and (or) in the case of transactions taxable at the source of payment;

– the land tax.

4. Members of dehkan (farm) households paying unified agricultural tax on agricultural activities carried out without establishment a legal entity shall be exempt from personal income tax.

5. Instructions for determining the norms for the use of equipment and labor force (including manual labor) per one hectare of land for agricultural producers are approved by the Ministry of Agriculture of the Republic of Tajikistan in agreement with the Ministry of Labor, Migration and Employment of the Population of the Republic of Tajikistan.

6. When conducting non-agricultural activities at the same time, payers of the unified agricultural tax are additionally taxed under the simplified regime or under the general taxation regime. Such a taxpayer must keep separate records of income and expenses for the production of agricultural and non-agricultural products.

7. Payers of the unified agricultural tax, pay other taxes in the manner prescribed by this Code, and perform the duties of tax agents.

8. Payers of the single agricultural tax have the right to switch to the general taxation regime.

### Article 383. Taxpayers

1. Producers of agricultural products that comply with the provisions of Article 382 of this Code are recognized as payers of the unified agricultural tax..

2. For the purpose of this chapter the agricultural production shall include any type of agricultural production that does not undergo processing.

3. The following taxpayers cannot be payers of the unified agricultural tax:

– state institutions;

– taxpayers engaged in production of excisable goods;

– land users who lease land plots from dekhkans (farmers), s and other legal entities-producers of agricultural products, for agricultural activities;

– taxpayers using the simplified taxation regime for gambling business entities.

4. Transition from the general tax regime to the unified agricultural tax and from the unified agricultural tax to the general tax regime is carried out from January 1 of the calendar year following the reporting year in the following order:

– producers of agricultural products subject to the unified agricultural tax have the right not later than January 10 of the calendar year following the reporting year to submit an application to the relevant tax authority for the transition to the general tax regime;

– producers of agricultural products taxed under the general tax regime, can apply before January 10 of the corresponding calendar year to the tax authority for the transition to the unified agricultural tax regim, only after 3 calendar years.

5. To transfer from one tax regime to the other, the taxpayer must fully fulfill all tax obligations under the current (previous) tax regime.

**Article 384. Object of taxation and tax base**

1. The object of taxation of the unified agricultural tax is a land plot of producer of agricultural production, except for land exempt from the unified tax in line with article 385 of this Code.

2. The tax base is the area of the land plot indicated in the documents confirming the right to use it, or actually used by the taxpayer (without documents).

3. The amount of the unified agricultural tax does not depend on the results of the taxpayer's activities and is set in the form of a stable payment for the assigned land area for the year

4. Gross income of a payer of the unified agricultural tax for the previous calendar year is defined on a accrual basis in the same manner as for the taxpayers under the general regime.

5. Payers of the unified agricultural tax are required to keep accounting records, based on the form approved by the authorized state body in the field of finance in agreement with the authorized state body.

**Article 385. Tax concessions**

The following land plots are exempt from paying the unified agricultural tax:

– land plots of the territories of reserves, botanical gardens, national and dendrological parks, the list of organizations and the area of the territory of which are established by the Government of the Republic of Tajikistan, if the allocated land plots are not used for entrepreneurial activities;

– land plots recognized as disturbed in accordance with the decree of the Government of the Republic of Tajikistan, as well as lands recognized in accordance with the official conclusion of the authorized state body for the regulation of land relations and the authorized state body in the field of agriculture, being at the stage of agricultural development;

– lands under a strip of tracking zone along the state border if they are not used for entrepreneurial activity;

– lands of the free state reserve, if such lands are not used for an entrepreneurial activity;

– lands of pastures, meadows, forests and other lands allocated for laying orchards and vineyards, if such lands were not previously used for agricultural production, allocation of a land plot. The taxpayer is obliged, within 45 calendar days after laying of orchards and vineyards, to officially submit information to the tax authority at the place of their location on the actual area of orchards and vineyards. In case of failure to submit the specified information within the established time limits, these lands are subject to taxation as lands occupied by perennial plantations..

**Article 386. Unified agricultural tax rates**

1. The annual rates of the unified agricultural tax based on the land cadastre are established by the Government of the Republic of Tajikistan for each hectare of land every 5 years on the proposal of the authorized state body for the regulation of land relations, agreed with the authorized state body.

2. The unified agricultural tax rates for lands not determined by the provisions of part 1 of this article are the land tax rates established by part 1 of article 352 of this Code.

3. For irrigated arable lands actually used for growing raw cotton, unified tax rates are set at half the rates determined in accordance with part 1 of this article. Information on the volume of land actually used for growing raw cotton is reported by the taxpayer to the tax authority at the place of its registration before June 1 of the calendar (reporting) year.

4. The authorized state body shall carry out annual indexation of rates of the unified agricultural tax,in line with inflation rate for the previous year. Indexed rates of the unified agricultural tax for the current year are published on the official web-site of the authorized state body.

**Article 387. Tax period**

The tax period for the unified agricultural tax is a calendar year.

**Article 388. Deadlines for calculating and payment of the unified agricultural tax**

Payer of the unified agricultural tax annually, before March 1 of the current year, must submit to the tax authority at the location of his land a tax return for the current calendar year.

1. The amount of the unified agricultural tax for the current year shall be paid by the taxpayer no later the that 10$^{th}$ day of the third month of each quarter in the following amounts from the annual tax:

– the first quarter of the current calendar year - 15 percent;

– the second quarter of the current calendar year - 15 percent;

– the third quarter of the calendar year - 35 percent;

– the fourth quarter of the current calendar year - 35 percent.

2. The full amount of the unified agricultural tax can be paid by the taxpayer in advance and in full.

3. Instructions on calculation and payment of the unified agricultural tax, and the tax return (settlements) templates are established on submission of the authorized state body in coordination with the authorized state body in the field of finance.

4. Control over payment of unified agricultural tax is carried out by tax authorities in coordination with self-government bodies of settlements and villages.

## CHAPTER 54. SIMPLIFIED TAX REGIME FOR GAMBLING BUSINESS ENTITIES

**Article 389. Concepts used in this chapter**

1. Simplified taxation regime for gambling entities (hereinafter referred to as the gambling business tax) is a special tax regime, whereby gambling entitieswill be taxed, with the exception of income of gambling entities taxed at the source of payment.

2. For the purposes of this chapter, the following definitions are used:

- gambling business - activities for the provision of services in connection with betting with game participants, based on the risk of winning or losing, and (or) organizing work to conclude such bets between two or more game participants;

- bet - a risk-based agreement on winning, concluded by two or more participants in the gambling business between themselves or with the entity (owner, representative of the owner) of the gambling business, the outcome of which depends on an event, the outcome of which is unknown;

- gambling table - a place specially equipped by the entity (owner) of the gambling business with one or more playing fields, intended for holding games (with and without winnings), in which the entity (owner) of the gambling business through its representatives participates as a party or as an organizer, except for gambling;

- slot machine - special equipment (mechanical, electrical, electronic or other technical equipment) and (or) a personal computer used to play games (with or without winnings) without the participation of the subject (owner, representatives of the owner) of the gambling business in these games, except for gambling;

- sweepstake counter - game money counting equipment that determines the bet amount and payout winnings.

- bookmaker's office counter - specially equipped place of the owner of the gambling business, where the amount of bet is taken into account and the amount of winnings to be paid is determined;

- gambling business site - any site through which the gambling business is conducted;

- game track - a special track designed for bowling (bowling alley);

- billiard table - a special table designed for playing billiards;

- loto - a game on special cards with numbers (pictures or other symbols), which are closed by chips;

- lottery - an organized mass game in which the distribution of benefits and losses depends on the random extraction of a particular ticket or number (lot) and the size of the prize fund for each lottery issue. Part of the funds contributed by the players goes to the organizers of the lottery, the other part is paid to the state in the form of taxes;

- other objects of gambling business used for generating income, determined by local government authorities;

- lottery issue - the number of lottery tickets prepared for sale by the lottery organizer;

- registration card for accounting for taxation items, a document certifying the registration of taxation items related to the gambling business with tax authorities, the form of which is approved by the authorized state body.

3. Using of the simplified taxation regime for gambling business entities exempts from paying the following taxes, with the exception of income taxed at the source of payment:

- tax on income from gambling business;

- income tax directly on income from the gambling business of an individual entrepreneur operating on the basis of a certificate;

- value added tax, excluding value added tax for the services (work) supplied by non-residents and in connection with the import of goods into the Republic of Tajikistan.

4. Entities subject to gambling business are not exempt from the duties of tax agents provided for by this Code.

**Article 390. Taxpayers**

Taxpayers of the gambling business tax are legal entities, their branches, branches and representative offices of foreign legal entities and individual entrepreneurs engaged in entrepreneurial activities in the gambling business.

**Article 391. Object of taxation**

1. The objects of taxation of the gambling tax are:
- gambling business website;
- sweepstake counter;
- the bookmaker's counter;
- gambling table;
- a slot machine without a cash prize;
- playing track (when playing bowling (bowling alley);
- billiard table (when playing billiards);
- lotto organization (when playing lotto);
- lottery sale;
- other objects of the gambling business, determined by local government authorities.

2. For the purposes of this chapter, each object of taxation specified in part 1 of this article (except for sale of lotteries), no later than 10 calendar days before the date of application (use), must be registered with tax administration at the place of establishing of such object of taxation.

3. Each issue of lottery tickets for sale as specified in Part 1 of this Article and the nominal volume of their sales in monetary terms is subject to registration with the relevant tax administration no later than 10 calendar days before the date of sale of lottery tickets.

4. Registration is carried out by tax administration on the basis of the taxpayer's application for the registration of the object(s) of taxation with the obligatory issuance of the corresponding certificate within 10 calendar days. Application forms and certificates are approved by the authorized state body.

5. A taxpayer is obliged to register with the tax administration at the location of taxable items any change in the number of taxable items no later than 10 calendar days before the date of establishing or termination of use of each taxable item, including each issue of lottery tickets for sale.

6. Upon termination of activities in the field of gambling and (or) disposal of all taxable items (completion of the sale of lottery tickets), the registration card for accounting objects must be submitted to the tax authority within 10 calendar days.

7. Carrying out gambling business without registering taxable items is not allowed.

**Article 392. Tax base and tax rate**

1. For the purpose of calculating the tax base of the gambling tax, the income expected from each unit of the taxable object (each issue of lottery sales) is used.

2. The amount of tax on the gambling business for the tax period, taking into account parts 3 and 4 of this article, regardless of the fixed amount of income received from each object of taxation (each issue of lotteries for sale), is established by local authorities state power of cities (districts) in coordination with the authorized state body.

3. The tax rate for the bookmaker is set no less than 5,000 indicators for calculations for each tax period.

4. The tax rate for other types of gambling websites is determined by local authorities.

5. The tax rate for sweepstakes, bookmaker offices and lottery sales is set at fixed rate established by local government authorities.

5. Payers of tax on gambling business are obliged to keep records of income and expenses in the manner determined by the regulatory legal acts of the Republic of Tajikistan.

**Article 393. Tax period**

The tax period is a calendar month.

**Article 394. Procedure for Payment of Tax**

1. The amount of tax is calculated by the taxpayer independently, taking into account the base and tax rate established for each taxable object.

2. The tax return shall be filed by the taxpayer with the tax authority at the place of registration of taxable items no later than the 15th day of the month following the reporting period.

3. When issuing a certificate of registration of an object (objects) of taxation, the amount of tax is determined as the sum of the total number of relevant objects of taxation (including new objects of taxation) and the tax rate established for these objects of taxation in the following order:

- the full amount of tax is paid on objects for the reporting period, if such objects were put into operation before the 15th day of the reporting month;
- 50 percent of the amount is paid for objects for the reporting period, if such objects were put into operation after the 15th day of the reporting month.

4. Payment of tax on gambling business is made by the taxpayer (his/her authorized representative) to the local budget at the location of the taxable object no later than the 15$^{th}$ day of the month following the reporting month.

5. In the event that a gambling business entity carries out other types of activities, registration of activities in the gambling business and other activities, as well as their taxation shall be carried out separately.

6. Instructions for calculating and paying tax on gambling business, as well as forms of returns (calculations) are approved on submission of the authorized state body in agreement with the authorized state body in the field of finance.

## CHAPTER 55. SIMPLIFIED TAXATION REGIME FOR POULTRY FARMING, FISH FARMING, AND PRODUCTION OF COMBINED FEED FOR POULTRY AND CATTLE

**Article 395. Simplified taxation regime for poultry farming, fish farming, and production of combined feed for poultry and cattle**

1. Business entities in the field of poultry farming, fish farming and the production of combined feed for poultry and cattlet are exempt from paying the following taxes:

- corporate income tax;
- value added tax;
- property tax;
- land tax.

2. In cases of delivery of imported goods to the domestic market of the Republic of Tajikistan, such transactions are subject to taxation on value added tax, customs duty and other taxes in accordance with the standard procedure established by this Code and the Customs Code of the Republic of Tajikistan.

3. Instructions on taxation of activities taxable in accordance with this chapter, as well as the forms of declarations (reports, information) are approved by the authorized state body upon coordination with the authorized state body in the field of finance.

## CHAPER 56. SIMPLIFIED TAXATION REGIME FOR INNOVATIVE AND TECHNOLOGICAL ACTIVITIES

**Article 396. Simplified taxation regime for innovative and technological activities**

1. The simplified taxation regime for innovative and technological activities is a special taxation regime for the activities of subjects of innovative and technological activities.

2. The list of types of innovative and technological activities is identified by the Government of the Republic of Tajikistan.

3. When implementing their activities, the subjects of innovative and technological activities are exempt from payment of any types of taxes provided for by this Code, with the exception of payment of social tax as a taxpayer-policyholders, payment of personal income tax and social tax of the insurer, as well as at the time of payment of income at the source of payment, including dividends as a tax agent.

4. Import of innovation and technological equipment by subjects of innovation and technological activity, which will be used directly for the own needs, is exempt from value added tax. In the case of sale of imported innovative and technological equipment by subjects of innovative and technological activities, such operations are subject to value added tax and other taxes under the general procedure established by this Code.

## SECTION XV. FINAL PROVISIONS

## CHAPTER 57. FINAL PROVISIONS

**Article 397. Transitional provisions**

1. Hereinafter, before adjustment of legislative acts of the Republic of Tajikistan with the Tax Code of the Republic of Tajikistan, legislative acts of the Republic of Tajikistan related to the taxation, shall have effect in part where they are not contrary to this Tax Code.

2. Tax Code of the Republic of Tajikistan shall be implemented in legal relationships, arising after its enforcement. In legal relationships, arose before the adoption of the Tax Code of the Republic of Tajikistan, Tax Code of the Republic of Tajikistan shall be applied to the rights and obligations, which arise after its enforcement, if the established limitation period is not expired.

3. Prior to the adoption of decisions by the Majlis of People's Deputies of cities (districts) on local taxes, the calculation and payment of local taxes is carried out in accordance with the Tax Code of the Republic of Tajikistan dated September 17, 2012 and other regulatory legal acts.

4. The value added tax rates established in paragraph 1 of Article 264 for taxable transactions and taxable imports are set from January 1, 2024 to 31 December 2026 at 14 percent, amd from January 1, 2027 at 13 percent;

5. Payers of value added tax taxed at the standard rate, when transfeering to a reduced value added tax rate in accordance with paragraph 2) of part 1 of Article 264 of this Code, must cancel the amount of value added tax credited as of the date of entry into force of this Code, with theexception of the amount of value added tax paid on taxable imports.

6. The effect of chapters 46-48, with the exception of chapter $47^1$ of the Tax Code of the Republic of Tajikistan dated September 17, 2012, in relation to entities that applied them before December 31, 2021, continues to be applicable until the expiration of these benefits, in accordance with the provisions of this chapter.

7. The provisions of Chapter $47^1$ of the Tax Code of the Republic of Tajikistan dated September 17, 2012 and Chapter 55 of this Code are valid until December 31, 2023.

8. The provisions of Chapter 56 of this Code are valid until December 31, 2026.

9. The Ministry of Finance of the Republic of Tajikistan, together with the Ministry of Economic Development and Trade of the Republic of Tajikistan, the Ministry of Industry and New

Technologies of the Republic of Tajikistan, the Ministry of Agriculture of the Republic of Tajikistan, the Tax Committee under the Government of the Republic of Tajikistan, the Customs Service under the Government of the Republic of Tajikistan, the Statistical Agency under the President of the Republic of Tajikistan, the National Bank by March 31, 2022 shall develop regulatory legal acts for implementation of provisions of this Code, and take measures to introduce a single integrated electronic form of accounting for transactions performed by a taxpayer, electronic marking, an electronic fiscal receipt, an electronic invoice for the value of goods (works, services) and of a cashless form of payment.

10. Natural resources users and the Ministry of Finance of the Republic of Tajikistan, representatives of an authorized state body in the field of geology, must bring existing agreements on the use of natural resources in accordance with the provisions of this Code. Such adjustments or changes to the terms of the agreement must be made within sixty days from the date of effectiveness of this Code.

11. The provisions of paragraphs five, eight, thirteen and fourteen of part 4 of article 251 of this Code are valid until December 31, 2026.

12. The provisions of paragraph 10) of part 2, parts 5 and 6 of article 251, paragraph seven of part 1 of article 286 and chapter 50 of this Code are valid until December 31, 2026.

13. The rate established in paragraph one of part 4 of Article 183 of this Code is valid until December 31, 2025, and from January 1, 2026 the tax rate is set at 18 percent.

14. The concept of "profit tax", previously used in regulatory legal acts on taxes, is henceforth recognized as a "tax on income of legal entities".

15. The provisions of Chapter 11 of this Code shall apply to individual entrepreneurs operating on the basis of a certificate, with special conditions in non-stationary places, and to individual entrepreneurs operating on the basis of a patent, from January 1, 2023.

16. From January 1, 2022 to December 31, 2031, land plots used for mulberry plantations are not subject to land tax and unified agricultural tax.

17. From January 1, 2022 to December 31, 2031, legal entities processing cocoons, silk fabrics, atlases, adras and other weaving products made from them are not subject to taxation for these types of activities, with the exception of personal income tax and social tax. (as amended by the Law of the Republic of Tajikistan dated March 18, 2022, No. 1867).

**Article 398. On recognition as invalid of the Tax Code of the Republic of Tajikistan**

Tax Code of the Republic of Tajikistan, on September 17, 2012 (Ahbori Majlisi Oli of the Republic of Tajikistan, 2012, №9, art. 838; 2013, №12, art. 889, art. 890; 2015, №3, art. 210, №11, art. 965, art. 966; 2016, №3, art. 150, №11, art. 883; 2017, №1-2, art. 21, №5, p. 1, art. 280; 2018, No. 2, Art. 66, art. 67, No. 7-8, Art. 529; 2019, No. 4-5, Art. 227, No. 6, Art. 322, No. 7, Art. 473; 2020, No. 1, art. 21, Art. 22, No. 7-9, Art. 614, No. 12, Art. 918, Art. 919) subject to the provisions of Article 397 of this Code from January 1, 2022.

**Article 399. Effectiveness of the Tax Code of the Republic of Tajikistan**

1. Enact the Tax Code of the Republic of Tajikistan (with the exception of Chapter 33 of this Code) from January 1, 2022.

2. The provisions of Chapter 33 of this Code shall enter into force from January 1, 2023.

President of the Republic
of Tajikistan Emomali Rahmon
Dushanbe, 23.12.2021
№1844