

THE GOVERNMENT GUARANTEES AND PRIVILEGES FOR INVESTORS

#	Guarantees and privileges	The entities using guarantees and privileges	Guarantees and benefits matter	Legislative documents and instruments
1	Equality of Investors	Investors	The Government of the Republic of Tajikistan guarantees the rights equality of the foreign and domestic investors that preclude the rights discrimination of investors related to their citizenship, nationality, language, gender, race and religion.	The law of RT "On investments" (article 7)
2	Legal indemnification of investors	Investors	<p>Investor are entitled to invest the properly owned assets and other ownership rights possessed to investor in accordance with the estate right and other legal justification that include in particular the following:</p> <ul style="list-style-type: none"> – real estate; – funds; – authorized funds shares and other membership forms in legal entity; – property rights; – intellectual property and other types of moral rights; – miscellaneous civil rights that are not restricted in circulation by legislation of the Republic of Tajikistan. 	
3	Legal indemnification of investors and investments	Investors	<ol style="list-style-type: none"> 1. Legislation of the Republic of Tajikistan on investments adjustment that consists of the genuine Investment Act and other regulatory legal acts of the Republic of Tajikistan along with the international legal acts admitted by Tajikistan guarantee the protection of rights, legitimate interests and the stability of legislation in the field of investment. 2. Investor in accordance with the civil legislation of the Republic of Tajikistan has the right to compensation for harm caused because of the adoption acts by state organs that are contrary to the legislation of the Republic of Tajikistan also because of illegal actions (inaction) of officials of these organs. 3. The Republic of Tajikistan guarantees the concluded agreements and contracts terms stability between investors and the Government of 	The law of RT "On investments" (article 4)

			<p>the Republic of Tajikistan with exception for cases on contractual changes and amendments made by the consent of parties.</p> <p>4. Investors, engaged in long-term investments within ten years from the date of entry into force of such laws, in case of the amendments introduction to the legislation of the Republic of Tajikistan or the new normative legal acts adoption, that are worsening the investment activities terms implementation, have the right to choose the most favorable conditions for these implementation.</p>	
4	Additional guarantees and indemnification of investors	Investors	<p>1. Legislation of the Republic of Tajikistan along with general guarantees and indemnification of investors can be provided through the additional guarantees and measures of protection of investments.</p> <p>2. Additional guarantees and indemnification can be provided in the total investment amount that is equivalent to five million dollars of the United States of America in the national currency.</p> <p>3. Additional guarantees and indemnification of investments specified in part 2 of this article should be granted to investors as the relevant agreements and treaties based on Laws of the Republic of Tajikistan "On investment agreement", "On state-private partnership", "On concessions" and "On agreements on production section".</p>	The law of RT "On investments" (article 8)
5	Guarantees for revenues application	Investors	<p>1. Investors have the right to:</p> <ul style="list-style-type: none"> - to open in banks and other credit organizations on the territory of the Republic of Tajikistan Bank accounts in national and (or) foreign currency in accordance with legislation of the Republic of Tajikistan; - discretion to use the proceeds derived from the activities, after paying taxes and other obligatory payments. <p>2. Foreign investors are guaranteed the right to transfer outside the Republic of Tajikistan of their income in foreign currency obtained legally because of investment and production activities.</p>	

6	Currency transactions	Investors	<p>1. Investors in the investment activities have the right to free convertibility of the national currency of the Republic of Tajikistan in another freely convertible currency, as well as the purchase of foreign currency and other foreign exchange transactions in accordance with the Law of the Republic of Tajikistan "On currency regulation and currency control".</p> <p>2. Limitations on remittances in foreign currency in the Republic of Tajikistan and Republic of Tajikistan abroad for investors can be entered only based on the legislation of the Republic of Tajikistan to prevent the legalization of income obtained by illegal means.</p>	The law of RT "On investments" (article 9).
7	Guarantees of investor's partnership in the state property privatization	Investors	<p>1. Investor may participate in privatization of objects of state ownership by acquiring ownership rights to state property or share, shares (contribution) in the authorized (share) capital of the privatized organization.</p> <p>2. Procedures and conditions of privatization of the state property are defined by the Law of the Republic of Tajikistan "On privatization of the state property"</p>	The law of RT "On investments" (article 10)
8	Publicity in the government structures activity towards to the investors and access to information related to the implementation of investment activities	Investors	<p>1. Government shall guarantee to investors the free access to legal database.</p> <p>2. Normative legal acts affecting the interests of investors are published in the order established by the legislation of the Republic of Tajikistan and posted on the official website of the authorized state organ in the sphere of investments.</p> <p>3. Other investment information is available on the official website of the authorized state organ in the sphere of investments as other government agencies involved in investment activities. Other information contains on investment activities and includes the information on investment guarantees, benefits and privileges, state in-kind grants, net cash flow for investors, investment opportunities, programs, projects and investment terms, reports on the implementation of investment activity, signed investment</p>	The law of RT "On investments" (article 11)

			<p>agreements,</p> <p>4. Investors, including minority investors, provided free access to information on registration of legal entities, registration of real estate transactions, issued licenses, and other specified in the legislation of the Republic of Tajikistan information that is associated with the exercise of investment activities and does not contain commercial and other secrets protected by law.</p>	
9	Guarantees and indemnification of investors under the expropriation and requisition	Investors	<p>1. The property investor is not subject to nationalization.</p> <p>2. Expropriation of investment, including indirect expropriation in the territory of the Republic of Tajikistan, or measures that are equivalent to expropriation of the investment are prohibited. The exception includes the expropriation of the investment in the interests of the state or society, on a non-discriminatory basis, in accordance with the procedure established by the legislation of the Republic of Tajikistan, with timely, adequate and effective compensation.</p> <p>3. Investments and other assets investors are not subject to requisition except cases of emergencies, natural disasters, accidents, epidemics and epizootics.</p> <p>4. The Government of the Republic of Tajikistan takes the decision on requisition.</p> <p>5. Expropriation, including the indirect expropriation and requisition of the investor's property, has to be made through the property value reimbursement.</p> <p>6. The value of the property determined as of the date of the decision on expropriation or requisition based on current market prices or by other methods of evaluation, by an independent appraisers in the currency in which investments were made, or in any other acceptable to the investor currency.</p> <p>7. Since the emergence of the right to compensation and its payment in the amount of the average annual commercial rate on the day of interest payment accrued in the currency in which investments were made or in any other acceptable to the investor's</p>	The law of RT "On investments" (article 12)

			<p>currency.</p> <p>8. The person whose property is requisitioned, has the right after termination of circumstances, to requisition, to claim return of the property saved, and in the event of his return, to go to court Investor may challenge the legality of the purpose used for the implementation of expropriation and requisition, evaluation • value of the expropriated or requisitioned property, the procedure that complied with state organs in the implementation of expropriation or requisition, in the courts of the Republic of Tajikistan and also in arbitration court, international arbitration and international commercial arbitration.</p>	
10	Rights cession from the investor to another person	Investors	<p>1. Investor is entitled to transfer his rights (assign claims) and duties (translate the debt) in accordance with the legislation of the Republic of Tajikistan to another person. The authorized organ that issued the license to implement the investment activity shall approve the rights and obligations cession for the licensed activities.</p> <p>2. Investing the legal entities properties that have the domineering position on commodity markets of the Republic of Tajikistan has to be done with the consent of the authorized state antimonopoly organ in the cases determined and regulated by the antimonopoly legislation of the Republic of Tajikistan.</p> <p>Tajikistan recognizes the right of a foreign state, its authorized body or insurance Agency under the insurance contract in connection with investment in the territory of the Republic of Tajikistan only in cases where the investor actually invested in the territory of the Republic of Tajikistan and (or) fully complied with his contractual obligations.</p>	The law of RT "On investments" (article 13)
11	Guarantees and indemnification of investors on overseas property and	Investors	<p>Investor is entitled to import information or property to the territory of the Republic of Tajikistan in the form of a documents or electronic records as an investment. Investor has the right on unobstructed export of the specified property and information out-</p>	The law of RT "On investments" (article 14).

	information export		side of the Republic of Tajikistan at the end of the investment period in accordance with the customs legislation of the Republic of Tajikistan. The unobstructed import prescribes the information and property import without obtaining a license, quota and application to it of other measures of non-tariff regulation of foreign trade activity.	
12	Rights of the investor to use of natural resources	Investors	<p>1. Investor is entitled to land and other natural resources usage in accordance with the legislation of the Republic of Tajikistan.</p> <p>2. Investor is entitled to buildings and structures that passes the right to use land in the manner and on the terms stipulated by the legislation of the Republic of Tajikistan.</p>	
13	Guarantees for investors the reinvestment	Investors	<p>1. Investor is entitled to use the profit for reinvestment in the territory of the Republic of Tajikistan at its discretion and taxation payment.</p> <p>2. Reinvestment makes guarantees, indemnification and privileges to Investor in accordance with this Investment Act.</p>	The law of RT "On investments" (V. 15).
14	Concession treaties	Investors	Investor is entitled to concession right to objects based on the concluded concession treaties under the Law of the Republic of Tajikistan "On concessions".	The law of RT "On investments" (article 16).
15	Investments in free economic zones		Legislation on free economic zones regulation of the Republic of Tajikistan guarantees the investment adjustment in free economic zones.	The law of RT "On investments" (article 17)
16	The granting of lands to foreign citizens and foreign legal entities	Investors	<p>Foreign citizens and foreign legal entities have the right to use the land plots granted in urgent use for up to 50 years.</p> <p>The agricultural oriented lands and specially preserved territories may be granted for foreign citizens and foreign legal.</p>	The law of RT "On investments" (article 18).
17	Natural resources usage	Investors	Natural resources can be used by cooperative and public enterprises, institutions, organizations, business entities, irrespective of patterns of ownership, citizens, including legal entities and citizens of other States, unless otherwise provided by legislative acts of the Republic of Tajikistan.	The law of RT "On investments" (article 19)

			The right for natural resources usage for exploration and mining of radioactive raw materials, storage (burial) waste are only legal entities registered in the Republic of Tajikistan, and licensed in the manner prescribed by the Law of the Republic of Tajikistan «On licensing certain types of activities». (Law of the Republic of Tajikistan dated from December 31, 2008, No. 471).	
18	Licensing of the banking activity	Credit and banking institutions	<p>Subsidiary banks and branches of the foreign Bank are subject to supervision and regulation according to the requirements of the banking legislation in relation to domestic banks.</p> <p>The National Bank of Tajikistan may impose restrictions subsidiary banks and branches of foreign banks to carry out banking activities, if in the relevant foreign countries provided for similar restrictions in relation to subsidiary banks and branches of domestic banks.</p>	The law of RT "On investments" (V. 20)
19	The establishment of branches of foreign Bank	Credit and banking institutions	<p>1. The National Bank of Tajikistan may authorize a foreign Bank to open a branch in the Republic of Tajikistan to carry out banking activities.</p> <p>2. Application for a permit is submitted to the national Bank of Tajikistan in writing by a foreign Bank in the state language with the following documents:</p> <ul style="list-style-type: none"> -the decision of a foreign Bank to establish a branch in the Republic of Tajikistan, the registration documents with the indication of the location of the foreign Bank and its branch to be created; -a certificate indicating the surname, name, patronymic, nationality, citizenship, permanent residence, occupation or profession, degree of education, detailed information about work experience for each Executive officer; -copy of the document on the higher economic education of the Executive officer; -copies of last three annual financial statements of the foreign Bank with the auditor's report; -the list of shareholders and ultimate beneficial owners of shares of a foreign Bank with an indication of the location, the number of shares 	Land code of RT (article 25.)

			<p>and copies of document of registration of shareholders;</p> <ul style="list-style-type: none"> -a written Declaration by an Executive employee on the absence criminal convictions, bankruptcy, restrictions in professional activities; -a business plan envisaging business objectives and types of activities description of the organizational structure and internal control system, including appropriate measures for combating legalization of proceeds received by a criminal way, and terrorism financing, as well as the forecast of balance sheet accounts, accounts of income and expenditure and cash transactions for subsequent years of operation; -data on location of the branch; -a document confirming payment of gathering for consideration of the application; -written consent of the foreign banking Supervisory authority of the country in which the foreign Bank to establish a branch in the Republic of Tajikistan and the implementation of consolidated banking supervision over the activities of the foreign Bank; -guarantee the highest management body of the foreign Bank to provide the necessary funds to meet liabilities of the branch arising out of banking operations stipulated in the license. Currency and place of storage of the amount of such guarantee is determined by the National Bank of Tajikistan. <p>3. The National Bank of Tajikistan, if necessary, may establish an additional list of documents not provided for by part two of this article.</p>	
20	The right of ownership of the investor for the products	Investors	The produced by investor production can be exported from the customs territory of the Republic of Tajikistan on conditions determined by agreement of the parties without quantitative export limitations in compliance with the law of the Republic of Tajikistan. The Government of the Republic of Tajikistan, the agreement provides for the allocation of long-term quotas for investor-owned export products outside of Tajikistan.	Land code of RT (article 10.)
21	Guarantees and indemnification of investors on property	Investors	1. The property, newly established or acquired by an investor and used to perform work under the agreement is the property of the investor, unless otherwise provided in the agreement.	RT law "On Banking activity" (part 6-7 (V. 7)

	and information		<p>The right of ownership of said property may move from the investor to the state from the date, when the value of said property are fully reimbursed by the state, or from the date of termination of the agreement. During the term of the agreement, the investor is given complete right to use such property for carrying out of work under the agreement. In this case, the responsibility for the safety and the risk of accidental damage lies with the investor.</p> <p>2. Primary geological, geophysical and chemical information, as well as samples of minerals received by the investor during the execution of work under the agreement, belong by right of ownership to the state. At observance of conditions of confidentiality, the investor has the right to use specified information and samples in order to perform work under the agreement.</p>	
22	Transportation, storage and processing of minerals	Investors	<p>1. Investor has the right to use on a contractual basis objects of pipeline transport and other existing transit and transportation, storage and processing of minerals.</p> <p>2. Investor in the performance of work under the agreement has the right to construct facilities for the storage, processing and transportation of minerals, and in this case, the ownership right to these objects is determined by the agreement taking into account article 12 of this Law.</p>	RT law "On Banking activity" (article 12)
23	Rights and obligations cession from the investor to another person	Investors	<p>1. Investor has the right to transfer in whole or in part its rights and obligations under the agreement to any legal person or any citizen (natural person) only with the consent of the party of the Republic of Tajikistan provided that they have sufficient financial and technical resources and experience of managerial activities necessary for the execution of work under the agreement.</p> <p>2. Transfer of rights and obligations under the agreement by legal and physical person is made in written form through drawing up a special act, which is an integral part of the agreement, in the manner and within the time specified by the agreement, and accompanied by the appropriate renewal of the license for subsoil use within 30 days from the date of signing of the said act.</p>	The law on Agreements on production section (article 11.)

			3. With the consent of the authorized state body, the investor can use its property and property rights as collateral to secure its obligations under contracts entered into in connection with the execution of the agreement, with observance of requirements of the civil legislation of the Republic of Tajikistan.	
24	The government guarantees of the investor rights	Investors	<p>1. The investor is guaranteed protection of property and other rights acquired and exercised by them in accordance with the agreement.</p> <p>2. The investor is not subject to the regulatory legal acts of Executive bodies of state authorities, legal acts of local self-government bodies, if these acts establish limitations on the rights of the investor, purchased and implemented by him in accordance with the agreement, with the exception of restrictions established by regulations in accordance with the legislation of the Republic of Tajikistan of the relevant Supervisory authorities, which are issued in order to ensure safe operations and protection of the subsoil, the natural environment, public health, and in order to ensure public and state security.</p>	

TAXATION, CUSTOMS PRIVILEGES AND PREFERENCES

1	Exemption from custom obligations (the rate of the custom obligations is from 5% to 15%) and value added tax (tax rate 18%).	Entire enterprise	Import of production and technological equipment and components thereto forming a single set (i.e. without these components is not possible the work of production and technological equipment), for the formation or replenishment of the authorized Fund of the enterprise or technical re-equipment of existing production, provided that the property is used directly for the production of goods, performing works and rendering services in accordance with the constituent documents of the enterprise and is not classified as excisable goods, as well as personal property imported in Republic of Tajikistan by foreign employees of enterprises with investment directly for their own needs.	Customs Code of Tajikistan (article 345) of the Tax Code of RT (article 169, part 4) resolution of the government of RT № 93 dated 2.03.13 G.
2	Exemption from value added tax (tax rate 18%) and customs duties (the rate of customs duty from 5% to 15%)	Entire enterprise	Supply of goods, carried out for the implementation of investment projects of the Government of the Republic of Tajikistan within the limits of agreements on grants (credits).	Tax code of RT (article 169, part 4, subparagraph 6)
3	Exemption from value added tax (tax rate 18%) and customs duties (the rate of customs duty from 5% to 15%)	Entire enterprise	Supply of goods, gratuitously transferred to state bodies of the Republic of Tajikistan, the import of goods as humanitarian aid, importation of goods, gratuitously transferred to charitable organizations for elimination of consequences of natural disasters, accidents and catastrophes.	Customs Code of RT
4	Exemption from value added tax (tax rate 18%) and customs duties (the rate of customs duty from 5% to 15%)	Entire enterprise	Import of goods for construction of critical facilities. The list of such goods and especially important objects of determined by the Government of the Republic of Tajikistan.	Customs Code of Tajikistan (article 345, paragraph 7)

5	Operations taxable at zero rate	Entire enterprise	Exports of goods except precious metals and precious stones, jewelry made of precious metals and precious stones, primary aluminum, metal concentrates, scrap ferrous and nonferrous metals, other manufactured in the Republic of Tajikistan metals, goods produced in free economic zones, cotton fiber, cotton yarn and raw cotton, are subject to value added tax at the zero rate.	Tax code of RT (article 169, part 4, subparagraph 7)
6	Exemption from income tax (tax rate 15%. In addition to the income tax, a permanent establishment of a foreign legal entity is taxed on the net profit of this permanent establishment at the rate of 8 per cent.)	Entire enterprise	The new enterprises for production of goods, from the date of initial state registration, when their founders make to the authorized Fund of such enterprises within 12 calendar months after the date of state registration of the following levels of investment, for a period of: a) 2 years, if investment is more than 200 thousand U.S. dollars to 500 thousand U.S. dollars; b) 3 years if the investment is more than 500 thousand dollars to 2 million US dollars; C) 4 years, if the investment amounts to more than 2 million to 5 million U.S. dollars; d) 5 years if the investment volume exceeds 5 million US dollars.	Tax Code of RT (article 172, part 1)

7	<ul style="list-style-type: none"> - value added tax; - tax on users of automobile roads; - profit tax (tax under the simplified system); - tax on vehicles; - taxes on real estate; - social tax in respect of foreign nationals who are directly employed on the construction of hydroelectric power; - state duty for registration of prospectuses of issue of securities made in connection with the construction of a hydroelectric power plant. 	Construction customers and General contractor	Exempt for the period of construction of hydropower stations on the territory of the Republic of Tajikistan	Tax Code of RT (article 312, part 1)
8	Exemption from value added tax (tax rate 18%) and customs duties (the rate of customs duty from 5% to 15%)	Entire enterprise	Import of goods for construction of hydro power plants, which are particularly important objects for the Republic of Tajikistan.	Tax Code of RT (article 312 part 2)

9	Exemption from value added tax (tax rate 18%) and tax on road users (tax rate 2%), social tax (tax rate 25%)	Suppliers and subcontractors of construction, persons directly employed in the construction of hydroelectric power	<p>During construction, suppliers of goods (works, services) for the above construction can be fully or partially exempt from value added tax directly to be calculated against the construction (due to construction) hydropower plants, the size of the exemption, determined by the Government of the Republic of Tajikistan in accordance with part 5 of this article.</p> <p>At the same time, as suppliers of the construction are considered a legal entity, the signatory with the customer the construction of hydroelectric power or its General contractor contracts (contracts, agreements) for the supply of goods, performance of works, rendering of services connected with construction.</p>	Tax Code of RT (article 312, part 3, 4)
10	Exemption from customs duties (the rate of customs duty from 5% to 15%) and value added tax (tax rate 18%)	Entire enterprise	The import of goods directly for their own needs newly created enterprises involved in full cycle of processing of cotton fiber in finished products (from cotton yarn to cotton sewing products) (hereinafter - newly established enterprises), shall be exempt from customs duties and value added tax. In the cases of supply of newly created enterprises imported goods on the domestic market of the Republic of Tajikistan, such transactions are subject to taxation by the customs duties, value added tax and other taxes in the generally established by the Customs code of the Republic of Tajikistan and the Tax code of the Republic of Tajikistan the procedure.	Tax Code of RT (article 313, part 1)
11	Exemption from value added tax (tax rate 18%)	Entire enterprise	Exports of goods produced by newly created enterprises are exempted from value added tax.	Tax Code of RT (article 313, part 2)

12	Exemption from profit tax (the tax paid under the simplified system) and taxes on real estate.	Entire enterprise	Newly established enterprises are exempt from profit tax (the tax paid under the simplified system) and taxes on real estate.	Tax Code of RT (article 313 part 3)
13	Exemption from excise payment	Entire enterprise	Goods transported by transit through the territory of the Republic of Tajikistan; Temporary import of goods into the territory of the Republic of Tajikistan, with the exception of goods intended for re-export.	Tax Code of RT (article 201, part 1, p. 3, 4)
14	Exemption from payment of social tax	Nationals of the foreign countries	The income of foreign nationals from employment in the framework of implementation of investment projects of the Government of the Republic of Tajikistan.	Tax Code of RT (article 215 part 2)
15	Exemption from payment of land tax	Entire enterprise	Land received for use and in accordance with the conclusion issued by the authorized state body on land administration issues approved with the authorized state organizations and land under agricultural development received - within 5 years after receipt (beginning of development) of such lands.	Tax Code of RT (article 274 part 1, paragraph 4)
16	The exemption from tax on the vehicle	Entire enterprise	Tractors, used in agriculture, grain cleaning and special, including cotton pickers, combines with engines.	Tax Code of RT (article 267 paragraph 1)
17	Exemption from customs duties and taxes	Entities and administration of free economic zone	The importation into the territory of the free economic zone of industrial and construction equipment and other necessary goods for infrastructure entities and the administration of the free economic zone without paying customs duties and taxes. The Government of the Republic of Tajikistan approves the list of these goods.	The law on Free economic zones (article 19 paragraph 3)
18	Exemption from customs duties and taxes	Entities of the free economic zone	When exporting from the territory of the free economic zone of the goods outside of the Republic of Tajikistan is not levied taxes and customs duties, excluding fees for customs clearance, and do not apply the prohibitions and restrictions of economic nature.	The law on Free economic zones (article 19 paragraph 4)

19	Exemption from all taxes stipulated by the Tax code of the Republic of Tajikistan, except social tax and the tax to incomes of physical persons.	Entities of the free economic zone	The importation into the territory of the free economic zone of industrial and construction equipment and other necessary goods for infrastructure entities and the administration of the free economic zone without paying customs duties and taxes. The Government of the Republic of Tajikistan approves the list of these goods.	The law on Free economic zones (article 20, part 2)
20	Exemption from customs duties and taxes	Entities of the free economic zone	Profits earned by foreign investors and wages of foreign employees received in foreign currency, may be freely exported by them abroad, and when exporting abroad is not taxable.	The law on Free economic zones (article 20 part 6)