

Кумитаи андози назди Ҳукумати  
Ҷумҳурии Тоҷикистон



Tax Committee under the Government  
Republic of Tajikistan

# DRAFT NEW EDITION OF THE TAX CODE OF THE REPUBLIC OF TAJIKISTAN



# TYPES of TAXES



## CURRENT

### 8 Nationwide taxes

- Income tax
- Profit tax
- Value added tax
- Excise tax
- Natural resources taxes
- Social tax
- Tax on primary aluminum sales
- Road user tax

### 2 Local taxes

- Vehicle tax
- Real estate tax

## PROPOSED

### 6 Nationwide taxes

- Income tax (individuals and legal entities)
- Value added tax
- Excise tax
- Natural resources taxes
- Social tax
- Tax on primary aluminum sales

### 1 Local tax

- Property taxes  
(real estate tax, land tax and tax on vehicles)

# Special tax regimes



## Current 4

- Tax treatment of individuals conducting business on the basis of a patent or certificate
- Simplified tax regime for small business entities
- Simplified tax regime for producers of agricultural products
- Special tax regime for gambling business entities

## Proposed

- Tax regime of individuals conducting business on the basis of a patent or certificate
- Tax regime of activity of free economic zones
- Tax regime of subjects of security market (till 31.12.2026)
- Simplified tax regime for small business entities
- Simplified tax regime for producers of agricultural products
- Simplified tax regime for gambling business entities
- Simplified tax regime of activities for poultry farming, fish breeding and production of the combined forages for birds and animals (in force till 31.12.2023)
- Simplified tax regime for innovation and technology activity (in force till 31.12.2026)

# Tax rates

## Value added tax (VAT)



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### Current

**18%**

Standard rate

**7%**

Reduced rate for construction works and public catering services

**5%**

Reduced rate for education and private health services

### Proposed

**15%**

Standard rate

**7%**

Reduced rate for construction works and catering services

**5%**

Reduced rate for education and private health services in sanatoriums and resorts

**5%**

Sale of domestic agricultural products, processing of agricultural products

#### Note:

- A reduced VAT rate is applied without the off-set right: it is charged on the total turnover of goods (work, services)
- VAT rates for taxable transactions and taxable imports are set from 1 January 2024 to 31 December 2026 at 14 per cent and from 1 January 2027 at 13 per cent

# Tax rate

On income of legal entities (profits)



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## Current

**23%** All types of activities

Production **13%**

Extraction of  
natural resources **13%**

## Proposed

**20%** Credit and financial institutions  
and mobile companies

**18%** Other activities

Production **13%**

Extraction of  
natural resources **18%**

Note: According to the transitional provision of the draft Tax Code, as of 1 January 2026, the tax rate on the income of legal entities for the production of goods (13%) is 18%

# Tax rates

on income (individuals)



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## Current

### Exempt from taxation

no more than one individual deduction  
60 Somoni (1 CI\*)

### Taxable income from the principal occupation

**8%** from 60 to 140 Somoni  
**13%** over 140 Somoni

Non-resident's income  
from paid work **25%**

Others  
earnings **13%**

## Proposed

### Exempt from taxation

-no more than two individual deductions  
120 Somoni (2 CIs\*)  
- Deduction of non-cash expenditures, up to 10 per  
cent of total income received

**12%** Taxable income from  
the principal occupation

Non-resident's income  
from paid work **20%**

Other  
earnings **15%**

\* CI – calculation indicator

# Administration of income tax (individuals)



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Tax period: Payroll income, submission until the 15<sup>th</sup> date of the month following the reporting month



Tax period: calendar year, submission of tax declarations before April 1 of the year by individuals:

- having income that is not taxed at the source of payment;
- having funds in accounts with foreign banks located outside the Republic of Tajikistan and receiving income outside the Republic of Tajikistan
- who are responsible for submitting an income tax declaration in accordance with the laws of the Republic of Tajikistan
- entitled to a personal deduction from income, for expenses in non-cash form



- 26 types of exemption, in particular: Income from individuals by inheritance or gift
- The value of gifts received from legal entities, as well as prizes (winnings) received at competitions
- Income received in the form of wages by people living with disabilities from childhood age and Group I disabilities



# Social tax rate



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## Current

**25%** Policyholder

**1%** Insurer

## Proposed

For state institutions

**25%** Policyholder  
**1%** Insurer

Other institutions

**20%** Policyholder  
**2%** Insurer





# Excise tax rate and natural resources tax

## Current

Excise

**5%** Telecommunications  
services

natural resources tax



Export  
rent

## Proposed

Excise

**7%** Telecommunications  
services

natural resources tax

Export  
rent **2%** from 2023

**4%** From 2025

**6%** From 2027

# Preferential tax regimes

## Current



Taxation of construction of hydropower plants



Special tax regime of new established and existing enterprises engaged in the full-cycle processing of cotton into final products



Special tax regime for poultry farming, fish breeding and production of the combined forages for birds and animals



Special tax regime for subjects of securities market



Taxation of production-sharing agreements (contracts)



Taxation of activity in the free economic zones

## Proposed



Preferential tax regimes are excluded;



Preferential tax regimes for hydropower plants, cotton processing are excluded but existing concessions are retained until the end of the benefit period



Preferential tax regimes for poultry farming, fish breeding, taxation of subjects of the securities market and free economic zones have been moved to special tax regimes



# What is new?

## In the draft new edition of the tax code of the Republic of Tajikistan



Committee on Tax Evasion



Requirement on the involving experts for tax control



Tax monitoring stipulated



Transfer pricing is provided to regulate transactions between related parties



Establishment of a Council of the pre-judicial dispute resolution



Tax principles are specific and provided in detail in relevant articles



Envisage made for the use of an electronic fiscal cheque and a virtual cash register (cash register)



An electronic labeling system or QR code was developed to control excisable goods



Possibility to use functional currency



Electronic coding system for imported and domestic goods



Regulation on professional assistance to citizens and taxpayers by independent tax advisors



# Commission

## On Tax Evasion



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If the Tax Authority considers that the taxpayer's actions are tax evasion actions, the Tax Authority should forward the materials to the Tax Evasion Commission for an advisory opinion.

### Actions of tax authorities

If the Commission considers the measures taken by the taxpayer as tax evasion, the tax authority shall:

- Defines the tax obligation of the taxpayer;
- Compensatory adjustments to tax liabilities to avoid double taxation

## Engagement of experts for tax control

### Tax officer



If necessary, an expert is involved by the tax authority to participate in actions to implement tax control.



An expertise is appointed if special knowledge in the fields of science, technology, art or craft is required to clarify emerging issues.

### Taxpayer

**When conducting an examination, the taxpayer has the right to:**

- › respond to an expert testimony
- › Request the appointment of an expert from among the above
- › Ask additional questions to obtain expert opinion
- › To attend, with the permission of an official of the tax authority, the examination and give explanations to the expert
- › Review the consultant's opinion and provide a reasoned opinion on the expert opinion

# Tax monitoring



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! Voluntary action by a taxpayer on the basis of a mutual agreement between the tax authorities and the taxpayer to prevent non-compliance with the tax law



## Participation

is implemented if the gross income of the taxpayer in the expired reporting year is more than 15 million somoni.



## Initiation

Upon the request of a tax-payer



## Termination

**Of the tax monitoring takes place on the basis of:**

**expiration of the term for tax monitoring;**

**early termination at the initiative of the tax authority in cases provided for by the Tax Code**

## Basic principles of tax monitoring



Lack of desk control, timing inspection and field tax audits



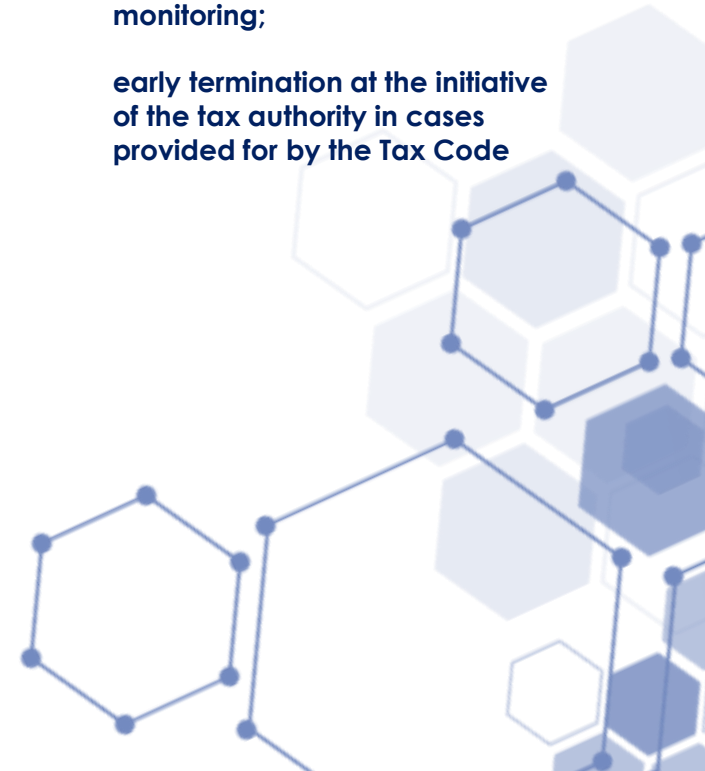
Tax liabilities (penalties) don't apply



Providing access to information systems of taxpayers in real time



Obtaining a reasoned opinion from the tax authority on the results of tax monitoring



# Tax monitoring Communication



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- ! Communication is based on agreement
- ! Exchange of documents and information between tax authority and taxpayer takes place electronically
- ! The procedure for the tax authority's access to the taxpayer's information system is determined



# Tax monitoring (TM)-Period and timing

## Conducting tax monitoring



Tax monitoring period - financial year



The tax monitoring period is from 1 January of the next reporting year and covers the period specified in the agreement



## Procedure of the mutually agreement

The tax authority, no later than two months from the date of the end of tax monitoring, notifies the taxpayer of the presence (absence) of outstanding conclusions sent to the taxpayer during tax monitoring



The taxpayer sends clarifications on disagreement with the conclusion to the tax authority within 1 month from the date of receipt of the conclusion

Tax authority, within 3 days sends all the materials to the competent public authority for initiation of the procedure of mutual agreement

The mutual agreement procedure shall take place within 1 month from the date of receipt of the material

The taxpayer shall, within one month from the date of receipt of the notification of the authorized State body, submit his/her position to the tax body and the authorized State body

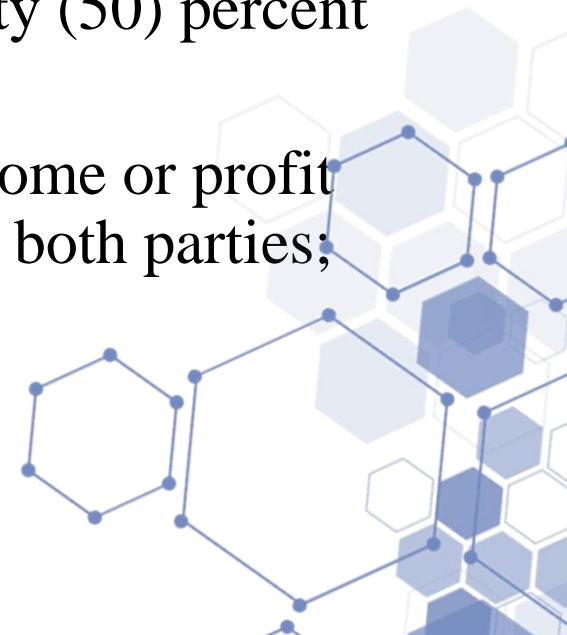
In case of disagreement with the final conclusion of tax authorities, the taxpayer has the right to address to Council of the pre-judicial dispute resolution or to judicial authorities



# ACCORDING TO THE DRAFT TAX CODE, TRANSFER PRICE FORMATION PLANNED TO ENTER INTO THE FORCE FROM 01.01.2023.

A form of tax control aimed at preventing distortion of the tax base as a result of manipulation of the transaction price by related parties if:

- The share of direct and (or) indirect participation is more than 25%
- Control through a single executive body
- Control through the board of directors (> 50% the same persons)
- A loan provided or secured by one party to the other is more than fifty (50) percent of the book value of all assets of the latter;
- The party directly or indirectly receives at least 25 percent of the income or profit as a result of the performance of the cooperation agreement between both parties;
- One of the parties is the permanent establishment of the other party.



# Transfer pricing methods

Transfer pricing methods include:

1. Comparable market price;
2. Resale price;
3. Cost-plus;
4. Comparable profitability of transaction;
5. Separations arrived on transaction.



Forced collection of tax debt from a taxpayer is carried out if the tax debt is recognized by the taxpayer.



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A tax debt recognized by a taxpayer is an outstanding amount of a tax liability, determined by:

- a) the taxpayer in the tax statements;
- b) in the decision on granting the delay on payment of taxes;
- c) in the decision of the tax authority on the tax audit act, received and not contested by the taxpayer, if the amount of tax is the subject of a dispute, it is not recognized as a tax debt;
- d) by a court decision that has entered into force

# An irresponsible taxpayer is

! The taxpayer who is not fulfilling the tax liabilities according to the tax law.

- The list of irresponsible taxpayers is compiled by the Tax Committee on the basis of an official decision and is posted on its website.
- The name of the irresponsible taxpayer is excluded from the list after correction of the allowed violations of the law and (or) providing reasonable proofs.

The taxpayer in the following cases is recognized as irresponsible if:

- a) within more than 3 consecutive months does not provide submission of tax statements and (or) payment of the amount of tax (taxes) and (or) payments of recognized tax debt;
- b) the invoice on the value added tax is provided in case in fact taxable transaction was not performed
- c) other actions (inaction) have been carried out, the list of which is established by the authorized state body in agreement with the authorized body in the field of entrepreneurship support;

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THANK YOU

