



МЕЖДУНАРОДНЫЙ ДЕЛОВОЙ СОВЕТ  
Поднимаем экономику Кыргызской Республики

# Taxes in the Kyrgyz Republic

**Gulnara Uskenbaeva, Tax Consultant,  
Member of the IBC Tax Committee**

**International Business Council**



# The Tax Code

- **10% Income Tax (10% Profit Tax)**
  - Term of payment by 1<sup>st</sup> of March
- **12% VAT**
  - Term of payment by 25<sup>th</sup> day of each month
- **Sales Tax (based on the amount of transaction excluding VAT):**
  - Term of payment by 20<sup>th</sup> day of each month
  - Tax rates:
    - 1,5% of trade
    - 2,5% of manufacturing and services
    - If no VAT, then 2,5% and 3,5% respectively



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# The Tax Code (continued)

## ■ Property Tax

- 4 groups of assets:
  - Non-commercial real estate property
  - Commercial real estate property
  - Temporary real estate used for commercial purposes
  - Vehicles

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## The Tax Code (continued)

### Property Tax (continued)

- First three groups of taxes will come into force as of 1 January 2010
- Tax rate for the 4<sup>th</sup> group is set based on engine volume and exploitation period; varies between 0,90 up to 0,05 KGS for 1cm<sup>3</sup>
- Term of payment by 1<sup>st</sup> June



## The Tax Code (continued)

### ■ Subsoil Tax:

- Bonus

- For exploration, development and production of subsoil
- The rate is set by the Kyrgyz Government

- Royalty

- For development of subsoil
- The rate is calculated based on sales volume and is differentiated based on the type of natural resources (from 1% up to 6%)



## The Tax Code (continued)

- **Land Tax:**
  - The rate is differentiated based on land designation (agricultural or not) and on location (from 0,1 up to 2,9 KGS/m<sup>2</sup>)
  - Term of payment is quarterly by 20<sup>th</sup> day of the first month of the quarter



## The Tax Code (continued)

### ■ Excise Tax:

- The tax rate is set based on (Art.287 TC of the KR) physical volume (alcohol, tobacco and etc.) or on % of sales (jewelry 5%)
- Term of payment is by 20<sup>th</sup> day of each month





## The Tax Code (continued)

- Special tax regimes:
  - Mandatory patent
  - Voluntary patent
  - Single tax
  - Tax contract
  - Free Trade Zones





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# Investment preferences

- Importing of manufacturing equipment into the Kyrgyz Republic is free of VAT
- Equipment supply based on leasing agreement is free of VAT

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# Customs Legislation

- **Kyrgyz Republic is a member of WTO since 1998**
- **The Customs Code was enacted in 2004 and is conformed with international customs laws**

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# The Social Fund

- Social Fund payments
  - The employee pays 8% of his gross salary (from January 2010: 10%)
  - The employer pays 19,25% of gross salary of the employee (from January 2010: 17,25%)
  - Term of payment is by 10<sup>th</sup> day each month



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