



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 1st of March
- **12% VAT**
 - Term of payment by 25th day of each month
- **Sales Tax (based on the amount of transaction excluding VAT):**
 - Term of payment by 20th 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



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



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 4th group is set based on engine volume and exploitation period; varies between 0,90 up to 0,05 KGS for 1cm³
- Term of payment by 1st 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/m²)
 - Term of payment is quarterly by 20th 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 (jewelry5%)
- Term of payment is by 20th day of each month



The Tax Code (continued)

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



Investment preferences

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



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**



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 10th day each month



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