



## **This document has been provided by the International Center for Not-for-Profit Law (ICNL).**

ICNL is the leading source for information on the legal environment for civil society and public participation. Since 1992, ICNL has served as a resource to civil society leaders, government officials, and the donor community in over 90 countries.

Visit ICNL's **Online Library** at  
<http://www.icnl.org/knowledge/library/index.php>  
for further resources and research from countries all over the world.

### Disclaimers

**Content.** The information provided herein is for general informational and educational purposes only. It is not intended and should not be construed to constitute legal advice. The information contained herein may not be applicable in all situations and may not, after the date of its presentation, even reflect the most current authority. Nothing contained herein should be relied or acted upon without the benefit of legal advice based upon the particular facts and circumstances presented, and nothing herein should be construed otherwise.

**Translations.** Translations by ICNL of any materials into other languages are intended solely as a convenience. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of a translation, please refer to the original language official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

**Warranty and Limitation of Liability.** Although ICNL uses reasonable efforts to include accurate and up-to-date information herein, ICNL makes no warranties or representations of any kind as to its accuracy, currency or completeness. You agree that access to and use of this document and the content thereof is at your own risk. ICNL disclaims all warranties of any kind, express or implied. Neither ICNL nor any party involved in creating, producing or delivering this document shall be liable for any damages whatsoever arising out of access to, use of or inability to use this document, or any errors or omissions in the content thereof.

**DECREE**  
**OF THE MAJLISI OLI OF THE REPUBLIC OF TAJIKISTAN**  
**ON THE IMPLEMENTATION OF THE LAW**  
**"ON BANKRUPTCY OF ENTERPRISES"**

*The Majlisi Oli of the Republic of Tajikistan:*

**DECREES**

- 1 The implementation of the law "On bankruptcy of enterprises" from the moment of its publication.
- 2 That the Government of the Republic of Tajikistan should consider amending the acting legislation of the Republic of Tajikistan in accordance with the law "On bankruptcy of enterprises" and submit relevant suggestions to the Majlisi Oli of the Republic of Tajikistan as necessary.
- 3 That before adapting the legislation of the Republic of Tajikistan with the law "On bankruptcy of enterprises" the valid legislation should be applied as long as it does not contradict the above mentioned law.

Chairman of the  
Majlisi Oli of the  
Republic of Tajikistan

Mr. Safarali Kenjaev

No. 551, March 10, 1992  
Dushanbe

**LAW**  
**ON FOREIGN INVESTMENT IN THE**  
**REPUBLIC OF TAJIKISTAN**

*This law determines the general legal, economic and social conditions for foreign investment in the Republic of Tajikistan.*

*This law aims to provide equal protection of all rights, interests and property of an investor regardless of his property status, and ensure the effective functioning of the economy of the Republic of Tajikistan within the framework of a market economy.*

**CHAPTER I**  
**General Provisions**

**Article 1** Investment refers to all the property and intellectual property rights used in business and other related activities generating income or sale invested by foreign sources. Such investments may be:

- a) Money, special bank deposits, shares and other securities;
- b) Movable property (equipment and other material etc.);
- c) Immovable property (real estate);
- d) Intellectual property rights, such as copyrights, expertise etc.;
- e) The right to use land, other natural resources, and other real property rights.

Investments for the replenishment of operating business funds may take the form of capital inputs.

**Article 2** Investment activities concern all the actions of citizens, legal entities, and states to generate income.

**Article 3** Foreign investors in the Republic of Tajikistan may be:

- a) Foreign legal entities;
- b) Foreign citizens, stateless persons and citizens of the Republic of Tajikistan with a permanent residence abroad;
- c) Foreign associations not having the rights of a legal entity;

d) Sovereign states;

e) International organizations.

**Article 4** Foreign investors may invest in the Republic of Tajikistan in the following ways:

a) By acquiring shares of enterprises and organizations jointly with legal entities and citizens of the Republic of Tajikistan;

b) By establishing enterprises entirely belonging to foreign investors;

c) By acquiring property, including shares and securities;

d) By acquiring the right to independently utilize land and other natural resources and property rights, or jointly with the participation of legal entities and citizens of the Republic of Tajikistan;

e) By signing agreements with legal entities and citizens of the Republic of Tajikistan, to engage in other forms of foreign investment.

**Article 5** Foreign legal entities and citizens, foreign associations which are not legal persons, international organizations, and stateless persons and citizens of the Republic of Tajikistan with a permanent residence abroad, may participate in the denationalization and privatization of an enterprise located in the territory of the Republic of Tajikistan.

The conditions for the participation of the above-mentioned investors in the denationalization and privatization process of state enterprises in the territory of the Republic of Tajikistan are determined by the law of the Republic of Tajikistan.

**Article 6** The legal procedures for foreign investment in the territory of the Republic of Tajikistan must be similar to the corresponding procedures laid down for acquiring property and property rights and for the investment activities of enterprises, organization and citizens of the Republic of Tajikistan.

The laws of the Republic of Tajikistan may provide for additional taxes or privileges for foreign investment in priority sectors of the economy and in certain regions of the Republic of Tajikistan. Legislative acts of the Republic of Tajikistan may determine areas where the activities of foreign investors and enterprises which have received foreign investment are limited or forbidden on grounds of national interest.

**Article 7** Foreign investors and enterprises, which have received foreign investment, may carry out any activity if otherwise provided for by the laws of the Republic of Tajikistan. Certain kinds of activities of foreign investors and enterprises which have received

foreign investment, may be carried out only with a license, the list of these activities is included in the laws of the Republic of Tajikistan.

## CHAPTER II Foreign Investment Guarantees

**Article 8** If the law is modified or amended and as a result investment conditions worsen within the next ten years, the law valid at the time of the initial investment will apply.

This provision does not apply to amendments made in the interest of national defense, national security, the maintenance of social order, and the protection of the environment, health and morals of the population. Foreign investment in the territory of the Republic of Tajikistan may not be nationalized. The results of foreign investments may not be requisitioned except in the event of natural calamities, accidents, epidemics and other cases of emergency. Measures for requisitioning are taken by the Majlisi Oli of the Republic of Tajikistan. Requisition must not be undertaken in a discriminatory way. In case such measures are taken, the foreign investor must be quickly and adequately compensated without irregular delay, and the compensation must correspond to the real cost of the investment at the time the decision of requisition was made. Compensation is paid in foreign currency and may be remitted abroad if the investors so desire.

Claims concerning the amount, terms, and form of compensation are settled by the courts of the Republic of Tajikistan or other court authorities if so provided for in the bilateral or international agreement between the state and the other party.

**Article 9** Upon suspension of investment activities, a foreign investor has the right to be compensated for his investments and income, in money or goods, at the real cost at the day of the suspension of the investment activities.

**Article 10** Investors are allowed to transfer income and other money abroad, in foreign currency, if legally earned by their investments.

**Article 11** Profits of foreign investors, earned in the territory of the Republic of Tajikistan, may be reinvested according to the investor's orders and the law of the Republic of Tajikistan. Foreign investors may maintain accounts in national or foreign currency in authorized banks of the Republic of Tajikistan and abroad.

Foreign investors may use the money deposited in bank accounts in national currency to acquire foreign currency according to the procedures of exchange defined by the law of the Republic of Tajikistan.

### CHAPTER III

#### Establishment and operation of enterprises with foreign investments

**Article 12** Enterprises which have received foreign investments are those to which foreign investors have provided foreign capital; these enterprises may be joint ventures or enterprises belonging to foreign investors. Enterprises which have received foreign investment are treated as legal entities.

Enterprises which have received foreign investment may be established as joint-stock companies, limited companies, societies or associations, and any other form, unless provided for otherwise by the laws of the Republic of Tajikistan.

The decision to establish an enterprise is made by the founders of the enterprise. If a founder from the Republic of Tajikistan is a state enterprise, or an enterprise belonging to a social organization, the decision to establish the enterprise with foreign investments is taken by the founder with the consent of the owner of the property or his agent.

The establishment of a bank with foreign investment is regulated by the laws of the Republic of Tajikistan on banks and banking activities.

**Article 13** The approval of an experts commission is necessary prior to the establishment of an enterprise with foreign investment in the large-scale construction and reconstruction sectors. Occasionally the establishment of an enterprise with foreign investment requires the approval of health, sanitation, and ecological experts. Inspection and licensing is carried out according to the laws valid in the territory of the Republic of Tajikistan.

#### Article 14

14.1 State registration of enterprises having received foreign investment is carried out at the Ministry of Finance. Representations, branch enterprises and other subsidiaries not having the rights of a legal person are officially registered two weeks after handing in their application form. A registration certificate is given to registered enterprises having foreign investment. An enterprise acquires the rights of a legal person from the moment it is registered.

14.2 An application for registration may be declined if the law of the Republic of Tajikistan on establishing enterprises is violated, or the application is submitted in an improper way. Should such be the case, the applicant may appeal to court.

14.3 The following documents must be submitted in order to register an enterprise having received foreign investment:

- a) A bank statement confirming the partners' solvency,
- b) A written application requesting for registration of the enterprise signed by one of the founders,

c) Two notarized copies of the founding agreement if there are several founders,

d) A statement explaining the technical and economical motives for the creation of the enterprise,

e) A receipt of the payment of the registration fee.

14.4 The following documents must be submitted for the registration of a branch, office, agent, or other structure:

- a) An application for state registration;
- b) A copy of the written decision of the main office to establish a branch office;
- c) The parent company's charter, approved by its executive board;
- d) A receipt of the payment of the registration fee.

14.5 The sum to be paid for registration is determined by the government.

14.6 Information about registration is published by the registration office at the expense of registering enterprises.

**Article 15** Enterprises which have received foreign investment may establish their branch offices, representations and other subdivisions in the Republic of Tajikistan and abroad. They are established according to the procedures required to found an enterprise.

**Article 16** Enterprises having received foreign investments may merge into associations, companies, consortiums, and unite with other previously established associations if such actions are not restricted by the anti-monopoly laws of the Republic of Tajikistan.

**Article 17** The terms, amount and the percentage of each partner's investment into the capital of a joint venture is indicated in the founding charter. The capital share of property procurement expenses between the partners of a joint venture must be agreed upon. Should the payment of a partner's capital share not be confirmed within one year after registration, the office which registered the joint venture rules the registration invalid and deletes the company from its register.

**Article 18** Enterprises having received foreign investment, have the right to fix prices for their products and services, sell them and choose their suppliers. An enterprise having received foreign investment has the right to proceed with its foreign economic activities only after having acquired a certificate of participation in foreign economic activities.

The following privileged tax regime, besides the privileges granted by the normal legislation in force, applies to enterprises having received foreign investment for material production except for those dealing in agriculture and the extraction of natural resources, on condition that the foreign partner's contribution is increased by 30 %:

- a) Enterprises receiving foreign investments of 100 000 U.S.\$ to 500 000 U.S.\$ are exempted from taxes on profits for two years.
- b) Enterprises receiving foreign investments of 500 000 U.S.\$ to 2 million U.S.\$ are exempted from taxes on profits for three years.
- c) Enterprises receiving foreign investments of 2 to 5 million U.S.\$ are exempted from taxes on profits for four years.
- d) Enterprises receiving foreign investments of 5 million U.S.\$ and above are exempted from taxes for five years.

The granting of tax privileges is calculated from the moment tax authorities receive information on the balance of profits of the enterprise.

**Article 19** Enterprises having received foreign investment amounting to over 30 % of their founding budget, have the right to export their products and services without a license. Enterprises having received foreign investment have the right to import products and services for their activities without a license. The allowed products and services produced and rendered under a joint venture are determined by the law of the Republic of Tajikistan.

**Article 20** Property imported into Tajikistan, as the foreign investor's share of a joint venture, is exempted from custom duties and import taxes. The personal property of foreign employees of a joint venture is also free from any custom duty and import tax.

**Article 21** Risk and property insurance of joint ventures is optional as long as the law of the Republic of Tajikistan does not require it.

**Article 22** Enterprises having received foreign investment pay taxes as determined by the law of the Republic of Tajikistan

**Article 23** Empowered tax authorities and other officials investigating certain aspects of the activities of a joint venture, must conduct their investigation within the limits of their jurisdiction. Enterprises are required to provide them with all the relevant documents on their business activities. Tax authorities and other government authorities must maintain the confidentiality of their findings.

**Article 24** Enterprises having received foreign investment maintain accounts, files and other statistical reports in accordance with the laws of the Republic of Tajikistan.

**Article 25** The property of enterprises having received foreign investment may be used to guarantee the company's obligations, including loans. The right to own houses, buildings, equipment, and other property rights including the right to use land and other natural resources may also be used as a guarantee.

**Article 26** Foreign investment in the form of intellectual property is protected by the laws of the Republic of Tajikistan. The use of the results of intellectual activities of enterprises having received foreign investment is carried out in accordance with the laws of the Republic of Tajikistan.

**Article 27** The issues of employing, dismissing, fixing of work and rest schedules, remuneration, and other guarantees and compensations including retirement plans for the employees of a joint venture are regulated by individual and collective contracts. Employees may transfer their incomes in foreign currency abroad.

**Article 28** Welfare schemes excluding retirement plans for foreign employees, are regulated by the laws of the Republic of Tajikistan. Enterprises having received foreign investment may remit to retirement plan funds in the country of the employee's permanent residence in the currency of the country in question. Enterprises having received foreign investment are allowed to deduct social insurance expenses from the monthly retirement plan remittance of employees as required for enterprises and organizations in the Republic of Tajikistan.

**Article 29** Enterprises having received foreign investment may be liquidated if an application of liquidation is filed by the founders of the enterprise, or in case of bankruptcy in accordance with the laws of the Republic of Tajikistan. The accumulated assets of enterprises having received foreign capital are subject to taxes based on the real cost of the assets.

## CHAPTER IV

### Acquisition of securities by foreign investors

**Article 30** Foreign investors are allowed to acquire securities as determined by the laws set forth by the Ministry of Finance of the Republic of Tajikistan.

**Article 31** Foreign investors have the right to acquire shares and other securities of legal entities of the Republic of Tajikistan with both national and foreign currency. If payment for shares of stocks of an enterprise is remitted by the foreign investor in foreign currency, the enterprise in question is considered as an enterprise having received foreign investment. If the payment is made in roubles and the foreign investors hold 50 % or more of the shares, the enterprise is considered as an enterprise having received foreign investment. Should such be the case, the enterprise enjoys the privileges described in Article 20 of this law. The purchase of shares and other securities by foreign investors must be registered at the Ministry of Finance.

## CHAPTER V

### Acquisition of the right to use land and other property by foreign investors

**Article 32** Foreign investors and enterprises having received foreign investment may acquire land for their use, through purchase or lease in accordance with the laws of the Republic of Tajikistan. Acquiring ownership rights on houses and buildings also entitles one to acquire the right to use the plot of land on which the house or building is situated on terms provided by the law of the Republic of Tajikistan.

**Article 33** Foreign investors and enterprises having received foreign investments may be granted the right to explore, mine and extract mineral resources in the economic zone of the Republic of Tajikistan, provided the enterprise holds a valid license issued by the Government.

**Article 34** A leaser leases his property to foreign investors and enterprises having received foreign investments on the basis of a leasing contract and according to the legislation on leasing and leasing activities in the Republic of Tajikistan.

**Article 35** Foreign investors and enterprises having received foreign investments may enjoy the use of concessions for the exploration of natural resources and the accomplishment of other economic activities according to the agreements between the foreign investors and state authorities. These agreements determine the conditions for the operation of the activities of foreign investors.

## CHAPTER VI

### Conclusions

**Article 36** Controversy on international agreements between the state and foreign investors is settled in the courts of the Republic of Tajikistan. Disputes between foreign investors and state enterprises having received foreign investment; disputes between foreign investors and enterprises, social organizations and other legal persons; and disputes between the partners of a joint venture are settled by the courts of the Republic of Tajikistan or if convened upon, by an economic court in Tajikistan or abroad.

**Article 37** If an international agreement settled by the Republic of Tajikistan provides for conditions which differ from those provided by the law of the Republic of Tajikistan on foreign investment, the international agreement is followed.

**Article 38** Free trade zones are established in the Republic of Tajikistan in order to attract foreign capital, technology, technological know-how and management experience, and to develop the economic potential of the Republic of Tajikistan. In the free trade zones, foreign investors and enterprises having received foreign investments are provided with the most favorable conditions.

**Article 39** Foreign investors and enterprises having received foreign investment and operating in free trade zones may enjoy the following additional privileges, besides the rights and guarantees provided by the laws of the Republic of Tajikistan:

- a) A favorable tax regime: foreign investors and enterprises having received foreign investment pay lower taxes, including lower taxes on profits deposited abroad. These lower taxes may not be less than 50% of the tax rates valid on the territory of the Republic of Tajikistan;
- b) A reduced leasing rate for land and other natural resources, and the right to rent on long terms and sublease properties which have been leased;
- c) A special customs regime, including decreased duties on the export and import of goods and less complicated rules for crossing the border;
- d) Less complicated entry-exit visa rules.

The terms and conditions of the privileges granted in the territory of free trade zones are decided by the Government and approved by the Majlisi Oli of the Republic of Tajikistan.

President of the  
Republic of Tajikistan

Mr. R. Nabiev

No. 554, March 10, 1992  
Dushanbe