

GLOBAL
EMPLOYER
GUIDE

TAJIKISTAN





Basic Country Facts

Full name

- Republic of Tajikistan

Capital

- Dushanbe

Main Languages

- Russian
- Tajiki

Population

- 9.101 million

Monetary unit

- Tajikistani somoni

Internet domain

- .tj

International dialing code

- +992

Currency

- Tajikistani somoni

STATUTORY LABOR REQUIREMENTS

Probation Period

- Standard employment contracts are not generally time restricted.
- They usually include a probation period of 3 to 6 months.

Annual Leave

- The length of main annual minimum leave shall make 24 calendar days.
- The main annual minimum leave is granted to all employees in a mandatory manner.

Public Holidays

- New Year's Day (1st January)
- International Women's Day (8th March)
- Nowruz (21st to 24th March)
- Labor Day (1st May)
- Victory Day (11th May)
- Eid al-Fitr
- Day of National Unity (27th June)
- Eid al-Adha
- Independence Day (9th September)
- Constitution Day (6th November)

Maternity Leave

- In Article 164, the Labor Code provides that women shall be granted a maternity leave of 70 calendar days before delivery and 70 calendar days after delivery.

Sick Leave

- Employees are obliged to inform their employer about any sickness requiring an absence from work and the expected duration of this absence as soon as possible (generally the first day of the sick leave).
- When an employee is absent due to illness for three consecutive days, they are required to provide proof of medical consultation upon returning to work.

Work Hours

- Regular length of working time in Organization shall not exceed 40 hours in a week.
- Reduced length of working time of not more than 35 hours a week is defined for the employees exposed to the negative impact of physical, chemical, biological and other factors during the employment process.

Overtime

- It shall be prohibited to work overtime in case of 12 hour shift and also the works with especially severe and harmful conditions.
- Overtime cannot exceed within two days continuously: -
 - Two hours for works with severe or harmful conditions
 - four hours for other works
- Overtime for every employee shall not exceed 120 hours a year.



Notice Period

- The Employer is obliged to inform the Employee in writing about the termination of labor contract signed for indefinite period within the following timelines: -
 - In case of labor contract termination due to the liquidation of organization or termination of operation of employer-individual entity or redundancy of the number of staff or job unit - not later than two months in advance;
 - In case the labor contract is terminated because the Employee is not suitable to his/her work due to lack of qualification or health state - not later than one months.
- During the notification period, the Employee has the right to be absent in work not less than one day a week by holding his/her full salary to search another job.
- By the agreement of parties, the labor contract can be terminated for the outlined reasons before the end of notification period by providing compensation equal to not less than average daily remuneration for the everyday remaining until the end of this period.
- The Employer is obliged to inform the relevant authorized public entity on labor and employment about the upcoming (expected) dismissal of staff by outlining their specialty, professional degree and salary size within the timelines defined by the legislation of the Republic of Tajikistan.

Severance

- The employee is paid a one-time severance pay upon termination of the employment contract: at the initiative of the employer and in circumstances beyond the control of the parties.
- The amount of the severance pay cannot be lower than the size of the employee's three average monthly salaries.

13th Month

- 13th month pay is not mandatory



Income Tax

- Non-resident individuals are taxed on their Tajikistan-source income.
- Taxation is primarily administered through withholding; however, in certain limited instances, non-resident individuals are required to make a self-assessment.
- Under certain conditions or where provisions of a double tax treaty (DTT) are available, non-resident individuals may be exempt from taxation in Tajikistan.
- Progressive rates of 0% to 13% are applied for calculating the income tax of individuals.
- Employment income of non-residents is taxable at 25%.

Income Tax Rates	
Income Tax Rate (Residents)	0% to 13%
Employment Income tax rate (Non-residents)	25%

- Simplified taxation is applicable for individual entrepreneurs if their gross annual income does not exceed 1 million Tajikistan somoni (TJS).
- Under this regime, individual entrepreneurs are subject to tax at a rate of 5% or 6%, depending on the type of activity.



Social Security

- Individuals are required to pay social tax, which is 1% of the salary.
- The employer is obligated to withhold and make social tax payments assessed on the same tax base at the rate of 25%.
- Individual entrepreneurs are taxed at the rate of 20% of income.

Contribution	Employer	Employee	Self-Employed
Social Tax	25%	1%	20%

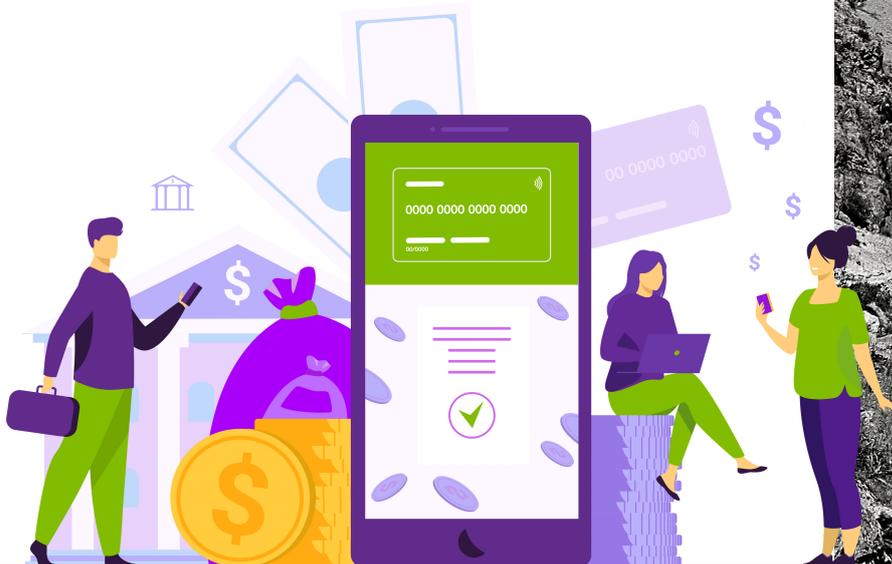


Deductible Expenses

- Individuals are allowed to deduct one calculation index and social tax of 1%.
- The Tax Code also envisages miscellaneous personal allowances for certain groups of people (veterans, disabled persons, etc.).
- Individual entrepreneurs are allowed basically the same business deductions as legal entities.

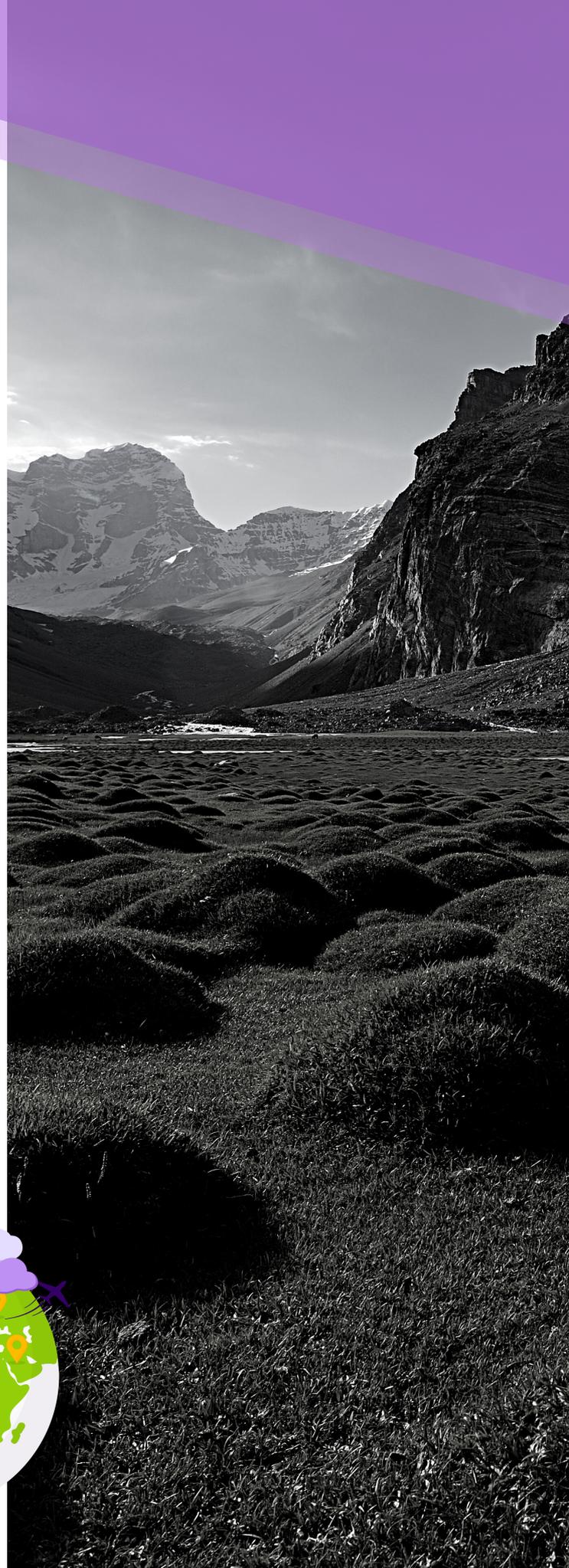
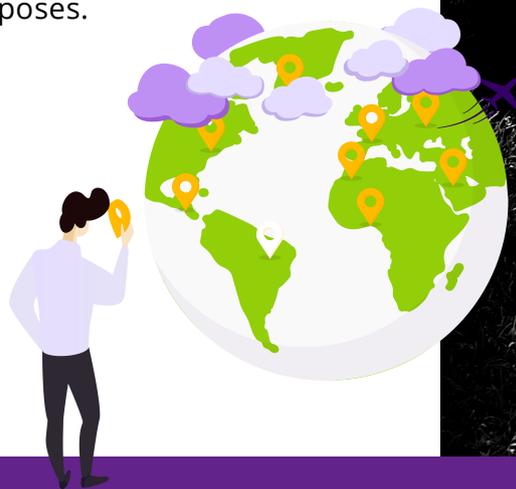
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Immigration

- Any foreign citizen who plans to live and work in the Republic of Tajikistan will need to obtain a working visa.
- The same goes for any family members who plan to travel with them.
- In addition to the working visa, foreign employees will also need to obtain a work permit before they can officially begin their job. The requirements to obtain a Tajikistan visa follow:
 - A passport that has at least two blank pages and three months of validity
 - A signed employment contract with a company based in Tajikistan
 - A letter of invitation from the applicant's employer
- In Tajikistan, working visas are valid for an initial period of up to three months. Once those three months pass, foreign employees can get a visa extension on the basis of their work permit.
- A working visa, or M visa, lets the holder travel to Tajikistan to work for a locally registered company.
- An investment visa, or Type C visa, grants entry to the heads or representatives of foreign companies who are investing in Tajikistan's economy.
- Business visa, also called a K visa, allows the holder to travel to Tajikistan for short-term business purposes.



Type of Visa/ Permits	Documentation	Validity	Eligibility
Working Visa (M Visa)	<ul style="list-style-type: none"> • A passport that has at least two blank pages and three months of validity • A signed employment contract with a company based in Tajikistan • A letter of invitation from the applicant's employer 	3 months	<ul style="list-style-type: none"> • Any foreign citizen who plans to live and work in the Republic of Tajikistan will need to obtain a working visa.
Investment Visa (Type C)	<ul style="list-style-type: none"> • a covering letter from the company/firm • the letter from the State Committee for Investment and State Property Management of the Republic of Tajikistan. • A passport that has at least two blank pages and three months of validity 	Maximum 2 years	<ul style="list-style-type: none"> • An investment visa, or Type C visa, grants entry to the heads or representatives of foreign companies who are investing in Tajikistan's economy.
Business Visa (K)	<ul style="list-style-type: none"> • A covering letter from representations of the foreign companies, organizations and the legal persons irrespective of their form of ownership and letter of invitation from the company or organization based in the Republic of Tajikistan. • A passport that has at least two blank pages and three months of validity • A completed application form 	1 month (extendable)	<ul style="list-style-type: none"> • Business visa, also called a K visa, allows the holder to travel to Tajikistan for short-term business purposes.



Value Added Tax (VAT)

- VAT is generally assessed on taxable turnover, which includes goods and services.
- The current VAT rate is 18%.
- Individual entrepreneurs and non-residents, in certain cases, are required to register as VAT payers when the established threshold of taxable turnover is exceeded.

VAT	
Standard Rate	18%



Withholding Tax

Dividends

- Dividends are subject to 12% withholding tax

Interest

- Interest payments are subject to 12% withholding tax

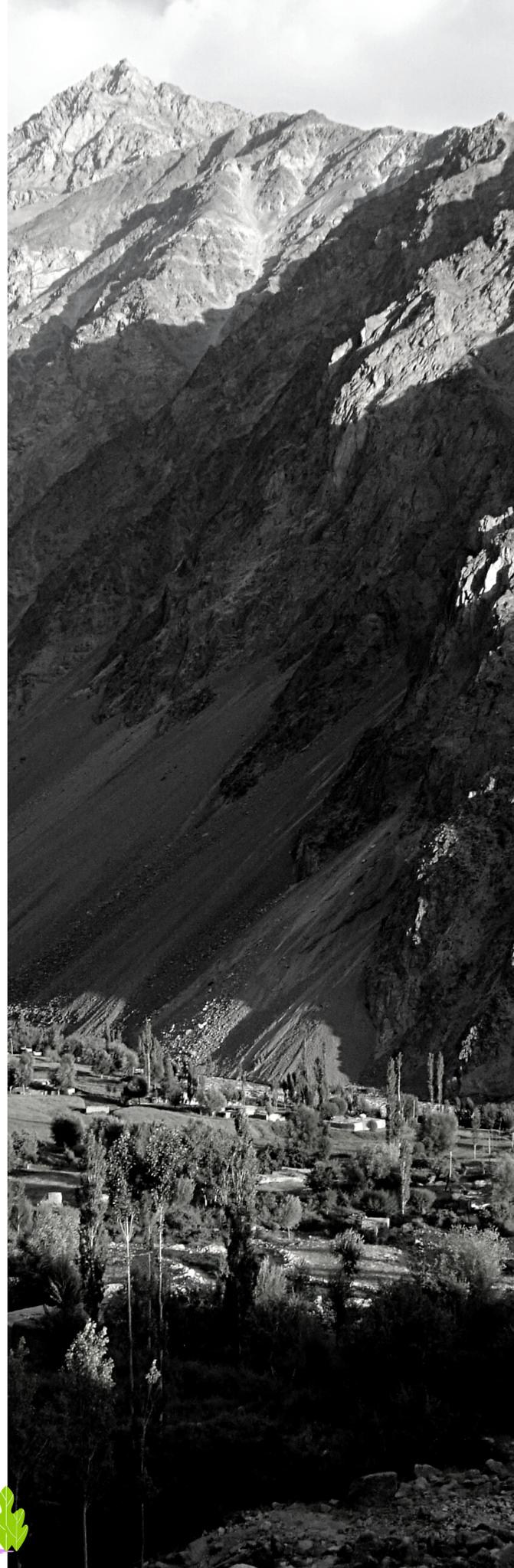
Royalties

- Royalty payments are subject to 15% withholding tax

Technical Service Fees

- Technical Service Fees are subject to 15% withholding tax

WHT	
Dividends	12%
Interest	12%
Royalties	15%
Technical Service Fees	15%



Termination

- Labor contract can be terminated in the following cases
 - by the mutual agreement of parties
 - by the initiatives of the Employee
 - by the initiatives of the Employer
 - after its expiration
 - in circumstances beyond the control of parties
 - transfer of Employee to another job (position) based on his/her selection or appointment to another position (post), which excludes the possibility of continuation of the labor contract, except the cases envisaged by the legislation of the Republic of Tajikistan.
- The labor contract termination is documented by a document issued by the Employer except the cases when it is terminated due to death of the Employer or the court declares the Employer – individual entity, home worker and domestic workers to have died or missing.
- The Employer is obliged to inform the Employee in writing about the termination of labor contract signed for indefinite period within the following timelines: -
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Payments and Invoicing

- Tax agents are obligated to report on withheld income tax at the source of payment not later than the 15th day of the month following the reporting month.
- The following individuals are required to file tax returns before 1 April of the year following the taxable year:
 - individuals who have income that is not taxed at the source, individuals who have foreign bank accounts, and certain other individuals as may be required by the law.
- In general, withholding agents are required to report and make withholdings from the payments to individuals. Payments by the tax agents are due by the date of reporting.

Statutory Benefits

- These are mandatory benefits as postulated by law
- These include probationary period, annual leave, public holidays, sick leave, maternity leave, overtime pay, notice period, and severance pay
- Statutory benefits also include social security benefits

Statutory Benefits

Probationary Period

Annual Leave

Public Holidays

Maternity Leave

Sick Leave

Overtime Pay

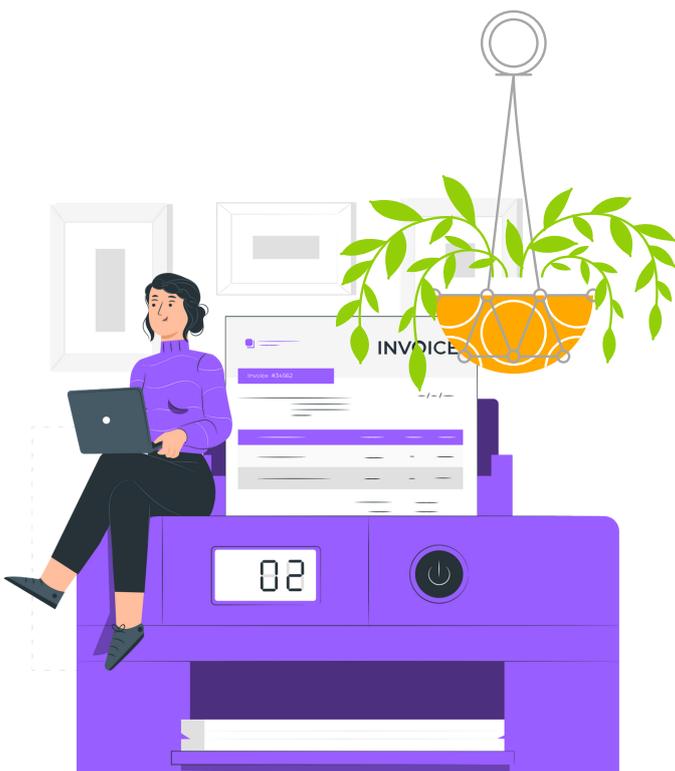
Notice Period

Severance Pay

Social Security Benefits

Ease of Doing Business

- The ease of doing business index is an index created by Simeon Djankov, an economist at the Central and Eastern Europe sector of the World Bank Group.
- Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights.
- According to the World Bank Tajikistan ranked 106th in the World in 2019 in terms of ease of doing business.



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