

Kyrgyz Republic. Taxes

Taxation in the Kyrgyz Republic is regulated by the Tax Code of the Kyrgyz Republic and other regulatory legal acts. The competent authority exercising control over compliance with tax laws and full and timely payment of taxes is the State Tax Service under the Government of the Kyrgyz Republic. The current Tax Code was enacted in October 2008 and took effect on January 1, 2009.

TYPES OF TAXES

National

- ✓ Profit Tax – **10%**
- ✓ Income Tax -**10%**
- ✓ VAT - **12%**
- ✓ Excise Tax – depends of volume of product
- ✓ Mining Taxes (Bonuses & Royalties)
- ✓ Sales Tax - **1-5%**

Local

- ✓ Land Tax
- ✓ Property Tax

**Lowest Profit Tax
of 10% and VAT
of 12% in the
region !**

Salary and Personal Income Tax

- ✓ Social Fund Contribution – **17.25%** of total salary paid to an employee. The tax applies to legal entities
- ✓ Social Fund Contribution -**10%** of total salary received by an employee. The tax applies to individuals
- ✓ Personal Income Tax - **10%**. The tax applies to individuals
- ✓ Non-resident Tax – **5%** of revenues of individuals and legal entities.

Countries with double-taxation avoidance agreements

Austria Belarus Canada China Finland
Germany India Iran Kazakhstan Korea Latvia
Lithuania Moldova Mongolia Poland Pakistan
Russia Switzerland Tajikistan Ukraine
Uzbekistan

TAX EXEMPTION FOR AGRICULTURAL PRODUCERS

This tax regime applies to entrepreneur locate at subsidy settlements to stimulate production. There are 560 such settlements throughout the Republic. The preferences apply to food production & processing, light industry and export-oriented production. Entrepreneurs get exemption from all taxes except for Social Fund payments.

PREFERENTIAL TAX REGIME

Preferences are provided in terms of exemptions from paying for four types of taxes: sales tax, income tax, land tax and real estate tax. Type of businesses to be considered for preferences are all industrial producers based on innovative technologies, agriculture, light and agriculture producers and any type of export-orientated businesses. Preferential locations are mostly regional cities and towns of the country.

The decision on granting preferences is made on the basis of an investment agreement concluded by local governments and investor. One of requirement is that only businesses duly registered after January 1, 2019 are allowed for preferences.

SPECIAL TAX REGIMES

- **Simplified Taxation on the basis of Unified Tax – 2-6%**
- **Mandatory Patent based Tax** is a substitute of Income Tax for services like saunas, night clubs, currency exchange offices, etc.;
- **Voluntary Patent based Tax** applies to non-VAT paying individuals provided specific services stipulated by the GoKR. Overall income to date should not exceed KGS 8 mln. Tax rates are determined by the GoKR;
- **Tax Contract based taxation** – fixed tax (Income Tax, Sales Tax and VAT) for the next calendar year agreed by upon by tax payer and the State Tax Service;
- **Taxation regime in Free Economic Zones** applies to tax payer with production facilities on territories of free economic zones;
- **IT-park Resident taxation** applies to residents of IT-parks.

CONTACTS