



TAX CODE OF THE KYRGYZ REPUBLIC

dated January 18, 2022 No. 3

(Put into effect law KR dated January 18, 2022 No. 4 from January 1, 2022)

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

A COMMON PART

SECTION I. GENERAL PROVISIONS

Chapter 1. General Provisions

Article 1. Relations regulated by the Tax Code of the Kyrgyz Republic

1. The Tax Code of the Kyrgyz Republic (hereinafter - the Code) regulates the relations:

- 1) on the establishment, implementation and collection of taxes in the Kyrgyz Republic;
- 2) arising in the process of tax control;
- 3) on the calculation and payment of the amount of taxes payable to the budget;
- 4) to recover the amount of tax debt;
- 5) on bringing to responsibility for violation of the requirements of this Code;
- 6) to appeal against decisions of tax authorities, actions and / or inaction of their employees.
- 7) assessing the effectiveness of tax incentives.

For the purposes of this Code, the exercise of the functions of tax service bodies related to the implementation of the relations provided for by this part is recognized as tax administration.

2. This Code also establishes the legal status of tax authorities and their officials.

3. The legislation of the Kyrgyz Republic in the field of customs applies to the relations on the collection of taxes on goods transported across the customs border of the Eurasian Economic Union (hereinafter - the EAEU) in the part that is not regulated and does not contradict the tax legislation of the Kyrgyz Republic.

4. Legal relations in connection with the application of the stabilization regime to the conditions for the payment of taxes, including value added tax, are regulated by the

legislation of the Kyrgyz Republic on investments. The stabilization regime established by the legislation of the Kyrgyz Republic on investments does not apply to the payment of other indirect taxes.

5. Relationships related to the collection, control of insurance premiums for state social insurance, non-tax income, which are administered by tax authorities in accordance with the legislation of the Kyrgyz Republic on state social insurance and non-tax income, bringing payers of insurance premiums and non-tax income to responsibility for violation of the legislation of the Kyrgyz Republic on state social insurance and non-tax income, are regulated by the tax legislation of the Kyrgyz Republic in the part that is not regulated and does not contradict the legislation on state social insurance and non-tax income.

6. Relations regulated by this Code are tax legal relations.

7. Relationships indicated:

1) in paragraphs 1, 2, 5-7 of part 1 of this article, are recognized as arising from administrative legal relations;

2) in paragraphs 3 and 4 of part 1 of this article are recognized as arising from civil legal relations.

Attention! Clause 2 of part 7 of this article shall enter into force on January 1, 2023 in accordance with article 23 Law of the Kyrgyz Republic dated January 18, 2022 No. 4.

Article 2. Tax legislation of the Kyrgyz Republic

1. The tax legislation of the Kyrgyz Republic is a system of normative legal acts regulating tax legal relations.

2. The tax legislation of the Kyrgyz Republic consists of the following regulatory legal acts:

1) this Code;

2) normative legal acts adopted on the basis of this Code (hereinafter referred to as acts of the tax legislation of the Kyrgyz Republic).

3. This Code establishes:

1) principles of taxation in the Kyrgyz Republic;

2) the system of taxes in the Kyrgyz Republic;

3) types of taxes levied in the Kyrgyz Republic;

4) the procedure for enacting and terminating local taxes;

5) the grounds for the emergence, change, termination and procedure for the fulfillment of a tax liability;

6) the rights and obligations of taxpayers, tax authorities and other participants in tax legal relations;

7) forms and methods of tax control;

8) liability for violation of the requirements established by the tax legislation of the Kyrgyz Republic;

9) the procedure for appealing against decisions of tax authorities and actions and / or inaction of their employees.

Article 3. Validity of international treaties and other agreements

1. If an international treaty that has entered into force in accordance with the legislation of the Kyrgyz Republic establishes other norms than those provided for by the tax legislation of the Kyrgyz Republic, then the norms of such an international treaty shall apply.

2. If an agreement concluded by the Cabinet of Ministers of the Kyrgyz Republic (hereinafter - the Cabinet of Ministers) is ratified by the Jogorku Kenesh of the Kyrgyz Republic (hereinafter - the Jogorku Kenesh) or is concluded on behalf of the Jogorku Kenesh in pursuance of an agreement ratified by the Jogorku Kenesh, establishes other norms than those provided for by tax legislation of the Kyrgyz Republic, then the norms of this agreement shall apply to the tax relations regulated by such an agreement.

Article 4. Terms and definitions used in this Code

1. The institutions, terms and definitions of civil, family, customs and other branches of the legislation of the Kyrgyz Republic used in this Code shall be applied in the sense in which they are used in these branches of legislation, unless otherwise provided by this Code.

2. The following terms and definitions are used in this Code:

1) agent - an entity carrying out activities on the basis of civil law contracts, including contracts of agency, commission, transport expedition or agency agreement;

2) administration - actions of bodies of tax and customs services to ensure the implementation of the norms of this Code;

3) bank - a commercial bank, a specialized financial and credit or credit institution or an organization that has a license or certificate from the National Bank of the Kyrgyz Republic (hereinafter referred to as the National Bank);

4) close relatives - persons who are married in accordance with the family legislation of the Kyrgyz Republic, adoptive parents and adopted children, guardians and / or trustees, as well as parents, children, full and half brothers and sisters, grandfathers, grandmothers, grandchildren;

5) budget - the state budget of the Kyrgyz Republic;

6) temporary import/export of goods - import/export from/to the EAEU Member States:

a) goods for demonstration at exhibitions, fairs;

b) leased fixed assets;

c) goods for warranty repair;

d) goods for conducting military exercises;

e) fixed assets for approbation, subject to their subsequent import / export in an unchanged state and the possibility of ensuring their identification during import / export;

7) virtual asset - a set of data in electronic digital form, having a value, which is a digital expression of value and / or a means of certifying property and / or non-property rights, which is created, stored and circulated using distributed registry technology or similar technology and is not monetary unit (currency), means of payment and security;

8) proceeds - funds received or to be received by a taxpayer from the sale of goods, works, services (including barter transactions).

For an agent, the proceeds from the sale of goods, works or services is an agency fee;

9) state automated information system for labeling goods (hereinafter - GAIS "Marking of goods") - an information system of an authorized tax authority that generates labeling codes, collects, processes, stores, provides and distributes information on the circulation of goods subject to mandatory labeling by means of identification, ensuring access to it, as well as used for other purposes provided for by the tax legislation of the Kyrgyz Republic and the law of the EAEU;

10) activities on a systematic basis - activities for the sale of identical and / or homogeneous goods, if more than two units of goods are sold during the calendar year, as well as the performance of work and the provision of services on a reimbursable basis;

11) import of goods - import:

a) foreign goods placed under the customs procedure for release for domestic consumption into the customs territory of the EAEU in the Kyrgyz Republic;

b) EAEU goods placed under the customs procedure of re-import:

- to the customs territory of the EAEU in the Kyrgyz Republic;

- from the territories of free economic zones and free warehouses of the Kyrgyz Republic to the territory of the Kyrgyz Republic;

c) EAEU goods to the territory of the Kyrgyz Republic from the territory of another EAEU member state:

- acquired in the property;

- received for use under a financial lease agreement;

- being products of processing of raw materials supplied by the customer;

d) foreign goods from the territories of free economic zones, free warehouses and customs warehouses of the Kyrgyz Republic to the territory of the Kyrgyz Republic;

e) customer-supplied raw materials to the territory of the Kyrgyz Republic from the territory of another member state of the EAEU for processing in the territory of the Kyrgyz Republic, if more than 24 months have passed since the date of import of raw materials and the products of processing have not been exported outside the Kyrgyz Republic;

12) property - objects related to property in accordance with the civil legislation of the Kyrgyz Republic;

13) tax identification number (hereinafter - TIN) of a taxpayer - a unique digital code on the basis of which registration and tax accounting of taxpayers of the Kyrgyz Republic are carried out;

14) individual labor activity - the activity of an individual, carried out independently and without the involvement of hired labor in the scientific, pedagogical (teaching), creative fields, as well as in other areas determined by the Cabinet of Ministers;

15) Islamic finance - the activities of a bank and/or a leasing company in accordance with the Islamic principles of banking and finance, established by the civil legislation of the Kyrgyz Republic and regulatory legal acts of the Kyrgyz Republic;

16) personal account of a taxpayer - an instrument of tax control for the purpose of accounting for accruals and receipts related to the fulfillment of a taxpayer's tax obligation;

17) marking of goods - application/attachment to the goods or its packaging of an identification tool in accordance with the requirements of the legislation of the Kyrgyz Republic and / or the legislation of the EAEU.

For the purposes of this paragraph, the identification means is recognized as a unique sequence of symbols in a machine-readable form, presented in the form of a bar or other code or recorded on a radio frequency tag, or presented using another means or technology of automatic identification, containing information.

An excise duty stamp containing information in accordance with the requirements of the tax legislation of the Kyrgyz Republic and/or the legislation of the EAEU may be recognized as a means of marking goods.

The list of goods subject to labeling for taxation purposes, the means of identification, the format and composition of the information that must be contained in the means of identification, the period of introduction, the procedure for labeling goods and the Methodological Rules for labeling goods are approved by the Cabinet of Ministers;

18) the minimum level of control prices - the price of goods imported into the territory of the Kyrgyz Republic and produced in the territory of the Kyrgyz Republic, established in the cases and in the manner determined by this Code;

19) tax debt - the amount of arrears, as well as unpaid amounts of interest, penalties and tax sanctions;

20) tax debt recognized by a taxpayer - the outstanding amount of tax debt accrued on the basis of:

a) tax reporting of the taxpayer;

b) the decision of the body of the tax service, with which the taxpayer has become acquainted and which has not challenged, and the period for challenging which has expired;

c) the decision of the tax service body, in respect of which there is a court decision that has entered into force;

d) the decision of the tax service body, in respect of which the preferential regime for the fulfillment of the tax obligation is applied;

21) tax benefit - exemption from payment of tax or part thereof, provided for by this Code;

22) tax reporting on indirect taxes - tax reporting on VAT and excise tax levied on the import of goods into the territory of the Kyrgyz Republic from the territories of the member states of the EAEU;

23) tax authorities - territorial and/or functional subdivisions of the authorized tax authority;

24) invalid invoice - an invoice, the number of which is declared invalid in cases and in the manner established by the Cabinet of Ministers;

25) arrears - the amount of tax not paid within the period established by the tax legislation of the Kyrgyz Republic;

26) turnover of goods is:

a) importation into the territory of the Kyrgyz Republic of goods, their transportation, purchase and sale in the territory of the Kyrgyz Republic, as well as export to the member states of the EAEU;

b) production of goods subject to labeling in accordance with the legislation of the Kyrgyz Republic, its transportation, purchase and sale on the territory of the Kyrgyz Republic, as well as export to the EAEU member states;

27) the operator of the national system of labeling and traceability of marked goods (hereinafter referred to as the Labeling Operator) - a state body and / or organization with a state share of ownership, determined by the Cabinet of Ministers;

28) fiscal data operator (hereinafter - FDO) - an organization that ensures the technical process of collecting and transmitting data in a secure form only to an authorized tax authority or a labeling operator;

29) fixed asset - property, which is a fixed asset in accordance with the legislation on accounting of the Kyrgyz Republic;

30) principal - an entity carrying out activities on the basis of civil law contracts, including contracts of agency, commission, agency agreement;

31) software and analytical tool - a software solution through which the analysis and control of taxpayer data is carried out;

32) interest income - income from debt claims of any kind, including income from loans, bonds, securities, bills of exchange and other types of claims, including income received under a financial lease agreement and Islamic financing agreements;

33) interest expense - an expense on debt obligations of any kind, including expenses on bonds, Islamic securities, bills of exchange and other types of obligations, including expenses incurred under a financial lease agreement and Islamic financing agreements;

34) settlements with the population - settlements under civil law agreements with an individual, with the exception of individual entrepreneurs;

35) sale of a virtual asset - exchange of a virtual asset for national or foreign currency. The exchange of one virtual asset for another virtual asset is not recognized as its realization;

36) decision of the tax service body - a non-normative act adopted by the tax service in accordance with this Code, which may be challenged in the authorized tax body or court, unless otherwise provided by this Code;

37) subject - an individual, an individual entrepreneur, an organization, a state institution, a separate subdivision, a permanent establishment, carrying out economic activities, regardless of their organizational and legal form, type of activity, subordination and forms of ownership, and / or having objects of taxation;

38) account - a settlement and other account in a bank, to which funds are credited and from which funds of a person engaged in entrepreneurial activity can be spent;

39) trading activities - activities, including those carried out through electronic commerce, for the sale of goods purchased for the purpose of subsequent sale;

40) authorized state body - the state body of the Kyrgyz Republic, which has the functions and powers to regulate tax legal relations, conduct tax and customs policy;

41) authorized tax body - the central state body of the tax service of the Kyrgyz Republic;

42) participant of the organization - a subject to which the constituent documents of the organization are granted obligations and / or property rights in relation to this organization;

43) fiscal software - software used to collect, transfer, process and store tax, customs information, reflecting:

a) the obligations of the taxpayer for taxes;

b) personal data of the taxpayer related to the fulfillment of tax obligations;

44) export of works and services - the supply of works and services performed and rendered by the taxpayer in the event that the place of supply of works and services in accordance with this Code is outside the territory of the Kyrgyz Republic;

45) export of goods - the export of goods sold from the territory of the Kyrgyz Republic to the territory of a member state of the EAEU or outside the customs territory of the EAEU.

46) gambling activities - activities related to the organization, conduct of gambling and the provision of access to them in a casino, slot machines, computer simulators, interactive establishments, electronic (virtual) casinos, bookmakers, totalizators, regardless of the location of the server ;

47) point of acceptance of bets (cash desk) - a separate workplace of an employee of a bookmaker's office or a sweepstakes, equipped with the necessary electronic computers and means of communication and intended for accepting bets and paying out winnings.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 5. Principles of the tax legislation of the Kyrgyz Republic

1. The principles of the tax legislation of the Kyrgyz Republic are determined by this Code.

2. The tax legislation of the Kyrgyz Republic is based on the principles:

1) legality of taxation;

2) mandatory taxation;

3) unity of the tax system;

4) publicity of tax legislation;

5) fairness of taxation;

6) presumptions of good faith of the taxpayer;

- 7) presumptions of legality;
- 8) certainty of taxation;
- 9) the effectiveness of tax incentives.

3. Norms of tax legislation may not contradict the principles established by this Code.

4. The right to establish taxes belongs to the Jogorku Kenesh.

Taxes are established or canceled exclusively by this Code.

The decision to write off the tax debts of subjects is taken by a separate law.

5. Local taxes, within the powers granted to the local kenesh by this Code, are put into effect by the regulatory legal acts of local keneshes.

6. It is prohibited to include in the legislation, which is not the tax legislation of the Kyrgyz Republic, the norms regulating tax legal relations, except for the cases provided for by this Code.

7. The absence of the norms necessary for the regulation of tax legal relations cannot be used against a taxpayer, tax representative.

Article 6. The principle of legality of taxation

No one may be obligated to pay a tax that is not provided for by this Code, as well as a contribution or payment that has the features of a tax established by this Code, or established or put into effect in a manner other than determined by this Code.

Article 7. The principle of mandatory taxation

Everyone is obliged to pay taxes in the manner and in the cases provided for by this Code.

All participants in tax legal relations are required to comply with the tax legislation of the Kyrgyz Republic.

Article 8. The principle of the unity of the tax system

The tax system of the Kyrgyz Republic is unified throughout the territory of the Kyrgyz Republic.

Article 9. The principle of publicity of the tax legislation of the Kyrgyz Republic

Normative legal acts regulating tax legal relations are subject to mandatory publication in the manner prescribed by the legislation of the Kyrgyz Republic.

Article 10. The principle of fair taxation

1. Taxation in the Kyrgyz Republic is universal.

2. It is prohibited to grant tax benefits of an individual nature, unless otherwise provided in article 3 of this Code.

3. Taxes cannot be discriminatory and applied on the basis of gender, social, racial, national, religious criteria.

Article 11. Principle of presumption of good faith

A taxpayer and a tax representative are recognized as acting in good faith until this fact is refuted on the basis of documented information in accordance with the requirements established by the tax legislation of the Kyrgyz Republic.

Article 12. The principle of the presumption of legality

1. When tax legal relations arise, a taxpayer or a tax representative shall be recognized as legally acting or inactive in all cases, except for cases when such action or inaction is prohibited by the tax legislation of the Kyrgyz Republic, subject to the following conditions:

1) the action or inaction does not contradict the principles established by the tax legislation of the Kyrgyz Republic; and

2) the action or inaction does not prevent the proper fulfillment of the tax liability.

2. The authorized state body, tax service bodies, customs bodies, as well as local government bodies are recognized as acting legally when tax legal relations arise, if their actions are provided for by the tax legislation of the Kyrgyz Republic.

The bodies provided for by this part are prohibited from carrying out actions not provided for by the tax legislation of the Kyrgyz Republic.

Article 13. The principle of certainty of taxation

1. Taxation must be certain.

The certainty of taxation means the possibility of establishing in the tax legislation of the Kyrgyz Republic all the grounds and procedures for the emergence, execution and termination of a tax obligation.

2. When establishing taxes, all elements of taxation for each of the taxes must be determined, with the exception of taxes provided for by sections XI and XIV of this Code.

Article 14. The principle of the effectiveness of tax incentives

1. Tax incentives must be aimed at achieving the goals provided for by this article.

2. Tax incentives are provided for the following purposes:

1) stimulation of sustainable development of the economy of the Kyrgyz Republic;

2) attraction of investments and financing in priority sectors of the economy for sustainable development;

3) achieving the main priorities of the National Development Strategy of the country;

4) social support of the population;

5) encouragement of socially useful, including charitable, activities.

3. An individual entrepreneur and an organization applying a tax benefit are obliged to provide information for assessing the effectiveness of the tax benefit in the manner prescribed by this Code.

Article 15

1. The tax legislation of the Kyrgyz Republic is valid throughout the territory of the Kyrgyz Republic, with the exception of the regulatory legal acts of local keneshes that are in force in the relevant territory.

2. Amendments to this Code shall be made no more than once a year, they shall enter into force on January 1 of the next calendar year, except in cases of force majeure circumstances, elimination of contradictions or lack of norms necessary to regulate tax legal relations on which a decision has been made. according to part 4 article 17 of this Code.

The introduction of changes provided for by this part is carried out by forming a single regulatory legal act in the manner established by the Jogorku Kenesh.

3. The tax legislation of the Kyrgyz Republic may have retroactive effect, if it is directly provided for by the regulatory legal act on amendments, which:

- 1) cancel the tax;
- 2) reduces the size of the tax rate;
- 3) release from the obligation of a participant in tax legal relations;
- 4) exempt from liability or mitigate liability for violation of the requirements of the tax legislation of the Kyrgyz Republic;
- 5) establishes additional guarantees for the protection of the rights of a participant in tax legal relations;
- 6) otherwise improves the position of a participant in tax legal relations.

4. Regulatory legal acts of the Kyrgyz Republic that establish new taxes, increase tax rates, establish or aggravate liability for tax offenses, establish new tax obligations of a participant in tax legal relations, do not have retroactive effect.

Article 16

1. Submission of tax reporting for a tax period, as well as adjustment of tax reporting shall be carried out on the basis of the tax legislation in force in the period for which this tax reporting was submitted or should have been submitted to the tax authority.

2. Tax liabilities accrued by an official of a tax service body as a result of a tax audit shall be carried out in accordance with the tax legislation in force during the audited period.

3. Decision on the responsibility of the taxpayer for the commission of offenses provided for chapter 19 of this Code, is adopted by the tax service body in accordance with the tax legislation in force on the date of the decision.

Article 17

1. Acts of the tax legislation of the Kyrgyz Republic and other regulatory legal acts of the Kyrgyz Republic shall not contradict this Code.

2. If there is a conflict between this Code, acts of tax legislation and other normative legal acts of the Kyrgyz Republic, the norms established by this Code shall be applied to regulate tax legal relations.

3. In the event of contradictions between the norms of this Code or the absence of norms necessary for the regulation of tax legal relations, the bodies of the tax service and/or judicial bodies shall make a decision in favor of the taxpayer. For the purposes of this part, contradictions between the norms of this Code means the presence of two or more norms established by this Code that contradict each other in meaning and content.

4. The authorized state body decides on the presence or absence of contradictions between the norms of this Code or the absence of norms necessary for the regulation of tax legal relations.

5. A normative legal act is recognized as inconsistent with this Code in the presence of one of the following circumstances:

1) the act was adopted by a body that, in accordance with this Code, does not have the right to adopt such acts, or was adopted in violation of the procedure established by the legislation of the Kyrgyz Republic;

2) the act cancels or restricts the rights or powers of a participant in tax legal relations established by this Code;

3) the act introduces, changes or cancels the content of obligations, grounds, conditions, sequence or procedure of actions of a participant in tax legal relations determined by this Code;

4) the act prohibits actions permitted or prescribed by this Code;

5) the act permits or permits actions prohibited by this Code;

6) the act changes the content of the terms and definitions established in this Code, or uses terms and definitions in a different meaning than they are used in this Code.

6. The body that has adopted a normative legal act that does not comply with this Code is obliged to eliminate such a discrepancy.

Article 18. Procedure for calculating the terms established by the tax legislation of the Kyrgyz Republic

1. The term established by the tax legislation of the Kyrgyz Republic is determined by a calendar date or the expiration of a period of time, which is calculated in years, months or days. The term can also be determined by an indication of an event that must inevitably occur.

2. The course of any period provided for by the tax legislation of the Kyrgyz Republic begins on the next day after the corresponding date, expiration of the period of time or event.

If the tax legislation of the Kyrgyz Republic specifies a period that expires before the date established by this Code, the course of any period begins on the next day after this date.

3. A term calculated in years shall expire on the respective month and day of the last year of the term. In this case, a year is a period of time consisting of 12 consecutive calendar months.

A calendar year is a period of time beginning on January 1 of a year and ending on December 31 of a given year.

4. A term calculated in months shall expire on the corresponding day of the last month of the term. In this case, a calendar month is recognized as a month.

5. In the event that the expiration of terms calculated in years or months falls on a month in which there is no corresponding date, the term expires on the last day of this month.

6. In cases where the last day of the term falls on a non-working day, the day of expiration of the term shall be considered the working day following it.

7. Unless otherwise provided by this part, the action for which the deadline is set shall be performed before the end of the working hours of the last day of the deadline.

In the case of submission of tax reporting in the form of an electronic document, the action provided for by this part shall be performed before the end of the last day of the term.

Article 19. Participants of tax legal relations

Participants of tax legal relations are:

- 1) an entity recognized as a taxpayer in accordance with this Code;
- 2) an entity recognized as a tax representative in accordance with this Code;
- 3) authorized state body;
- 4) tax authorities, customs authorities;
- 5) local self-government bodies;
- 6) other persons whose rights and obligations in the field of tax legal relations are regulated by this Code.

Article 20. Documents on the application of the norms of the tax legislation of the Kyrgyz Republic

1. The authorized state body is obliged to provide written explanations on requests for the application of the norms of the tax legislation of the Kyrgyz Republic necessary for the regulation of tax legal relations.

2. Explanations of the authorized state body for the application of tax legislation are binding on the bodies of the tax service and can be accepted by law enforcement and judicial bodies as evidence when considering tax disputes and conducting legal proceedings.

3. Bodies of the tax service are obliged to provide written answers to the requests of the taxpayer on the procedure and procedures for fulfilling the tax obligation.

4. The Cabinet of Ministers issues regulatory legal acts on the application of the tax legislation of the Kyrgyz Republic, which are mandatory for application in cases where they are adopted in order to exercise the powers provided for by this Code.

5. Documents published in accordance with paragraph 4 of this article shall be made available to the public by reproducing the text of documents in print and electronic publications determined by the Cabinet of Ministers, as well as on the open information website of the authorized state body and / or authorized tax body.

Article 21. Concept of tax

A tax is a mandatory, individually gratuitous cash payment collected from a taxpayer in accordance with the tax legislation of the Kyrgyz Republic.

Article 22. Indirect taxes

Indirect taxes are taxes on goods, works and services, established as a surcharge on the price or tariff, not directly related to the income or property of the taxpayer, such as VAT, excise tax and sales tax.

Article 23. Economic activity

1. Economic activity is entrepreneurial and other activities.

2. For the purposes of this Code, the economic activity of a subject is recognized as entrepreneurial if it is carried out on a systematic basis.

3. The following types of activity are recognized as other activities for the purposes of this Code:

1) carrying out activities in accordance with the labor legislation of the Kyrgyz Republic;

2) investment of funds in banks;

3) acquisition, transfer or sale of securities, shares of an individual or legal entity in the authorized capital;

4) receipt of any payments in accordance with the share of an individual or legal entity in the authorized capital;

5) receipt of forfeits, fines, compensation for moral damage;

6) receipt of the sum insured (compensation) under insurance contracts;

7) other activities that are not entrepreneurial activities.

Article 24. Natural person

1. An individual is a citizen of the Kyrgyz Republic, a foreign citizen and a stateless person.

2. A resident individual is any individual who stays in the territory of the Kyrgyz Republic for 183 or more days during any period consisting of 12 consecutive months ending in the current tax period, or in the public service of the Kyrgyz Republic abroad .

3. A non-resident individual is an individual who is not recognized as a resident individual in accordance with this article.

Article 25 Organization

For the purposes of this Code, an organization means:

1) a legal entity established in accordance with the civil legislation of the Kyrgyz Republic (hereinafter referred to as a domestic organization);

2) a corporation, company, firm, foundation, institution or other entity established in accordance with the laws of the country of establishment, or an international organization (hereinafter referred to as a foreign organization).

An international organization is a subject of international law established on the basis of an international treaty or agreement.

Article 26. Individual entrepreneur

An individual entrepreneur is understood as an individual carrying out entrepreneurial activities without forming an organization on the territory of the Kyrgyz Republic, including the activities of a peasant (farm) economy, which is entrusted with the performance of the duties established by this Code.

An individual entrepreneur is not recognized as an individual engaged in individual labor activity in accordance with the requirements of this Code.

Article 27

An individual carrying out scientific, pedagogical (teaching), creative and other activities on the basis of a patent, without the involvement of hired labor, is a person engaged in individual labor activity.

The list of activities provided for by this article is determined by the Cabinet of Ministers.

Article 28. Permanent establishment of a foreign organization in the Kyrgyz Republic

1. A permanent establishment means a permanent place of business with the involvement of personnel on a permanent basis, through which the entrepreneurial activity of a foreign organization (hereinafter referred to as a non-resident) is fully or partially carried out on the territory of the Kyrgyz Republic.

2. The concept of "Permanent establishment", in particular, includes:

1) place of management;

2) department;

3) office;

4) factory;

5) workshop;

6) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;

7) land plot;

8) a construction site or a construction, installation or assembly facility, or services related to the supervision of the performance of the relevant work, if only such a site or facility exists for 183 or more calendar days, or such services are provided for 183 or more calendar days during any 12 month period;

9) an installation or structure used for the exploration of natural resources, or services related to monitoring the performance of these works, or a drilling rig or a ship used for the exploration of natural resources, if only such use lasts for 183 or more calendar days, or such services appear within 183 or more calendar days during any 12-month period;

10) provision of services, including consulting services by a non-resident through personnel hired by this non-resident, if the personnel carries out such activities on the

territory of the Kyrgyz Republic for 183 or more calendar days during any 12-month period;

11) carrying out entrepreneurial activities in the Kyrgyz Republic through a dependent agent.

For the purposes of this article, a dependent agent is an organization or an individual that simultaneously meets the following conditions:

a) is authorized on the basis of contractual relations to represent the interests of a foreign organization in the Kyrgyz Republic, act and / or perform certain legal actions on behalf and at the expense of such an organization, including entering into a contract for the provision of services, transferring the right of ownership or use of property belonging to such an organization ;

b) the amount of remuneration received from a foreign organization exceeds 75 percent of its income for the tax period in terms of income tax;

c) the activity is not limited to the types of activities listed in paragraph 6 of paragraph 3 of this Article;

12) sale by a foreign organization of goods in the Kyrgyz Republic, including those obtained as a result of processing in the territory of the Kyrgyz Republic;

13) provision of services in electronic form based on the use of a domain name or IP address registered in the Kyrgyz Republic.

3. The term "Permanent Establishment" does not include:

1) the use of facilities solely for the purpose of storage, demonstration or delivery of goods belonging to a non-resident;

2) the maintenance of stocks of goods belonging to a non-resident, solely for the purpose of storage, demonstration or delivery;

3) maintenance of stocks of goods belonging to a non-resident, solely for the purpose of processing by another organization or individual;

4) maintenance of a permanent place of business solely for the purpose of purchasing goods or collecting information for a non-resident;

5) maintenance of a permanent place of business solely for the purpose of carrying out any other activity of a preparatory or auxiliary nature for a non-resident;

6) the maintenance of a fixed place of business solely for the performance of any combination of the types of activities listed in paragraphs 1-5 of paragraph 3 of this Article, provided that the overall activity of the fixed place of business resulting from such a combination is of a preparatory or auxiliary nature;

7) carrying out economic activities in the Kyrgyz Republic through an agent, provided that such persons act in the course of their normal activities;

8) possession by a foreign organization of ownership of shares or participation interests in a domestic organization;

9) conclusion of an agreement on joint activities, the place of implementation of which is the territory of the Kyrgyz Republic, if the tax accounting of such joint activities is carried out by the taxpayer of the Kyrgyz Republic;

10) conclusion of an agreement on trust management of property with a taxpayer of the Kyrgyz Republic in respect of property located outside the territory of the Kyrgyz Republic;

11) carrying out business activities by a foreign organization through an independent agent, provided that such an agent acts in the framework of its normal activities.

4. The provision of services by a foreign organization in electronic form without using a domain name or IP address registered in the Kyrgyz Republic, the place of delivery of which is recognized as the territory of the Kyrgyz Republic, does not lead to the formation of a permanent establishment of this organization in the Kyrgyz Republic.

5. A permanent establishment of a foreign organization is subject to tax registration in accordance with this Code.

Article 29

A separate subdivision of an organization, an individual entrepreneur, a permanent establishment of a foreign organization is a subdivision that in the aggregate meets the following conditions:

- 1) carries out entrepreneurial activity;
- 2) has territorial and property isolation from the main place of management;
- 3) has personnel associated with an organization or an individual entrepreneur by relations regulated by the Labor code of the Kyrgyz Republic.

Article 30. Goods. Sale of goods

Goods are any property that has a material form.

The sale of goods is the transfer of ownership of goods on a reimbursable or non-reimbursable basis, including the exchange of goods.

Article 31. Performance of work or provision of services

Any entrepreneurial activity (except for individual labor activity) that is not the sale of goods is recognized as the performance of work or the provision of services.

Article 32. Service in electronic form

1. The provision of a service in electronic form is recognized as an entrepreneurial activity carried out automatically, to provide technical, organizational, informational, entertainment and other opportunities through the Internet through information and communication technologies, including:

- 1) granting in electronic form the rights to use software for any types of electronic devices;
- 2) providing remote access, including via the Internet, to Internet resources and resources in other information and communication networks, including updates to them and additional functionality;
- 3) provision of advertising services on the Internet;
- 4) providing and/or maintaining a commercial or personal presence on the Internet;

- 5) leasing computing power;
- 6) provision of services for the administration of information systems, Internet resources through remote access;
- 7) providing access to search engines on the Internet;
- 8) carrying out activities of the seller and / or operator of the trading platform in accordance with the legislation of the Kyrgyz Republic on electronic commerce;
- 9) provision of services for the placement of proposals for the acquisition (sale) of goods (works, services), property rights on the Internet;
- 10) granting via the Internet the rights to use electronic books (publications) and other electronic publications, informational, educational materials, graphic images, musical works with or without text, audiovisual works, including by providing remote access to them for viewing or listening over the Internet.

2. Services in electronic form do not include, in particular, the following operations:

- 1) the sale of goods (works, services), if when ordering via the Internet, the delivery of goods (performance of works, provision of services) is carried out without using the Internet;
- 2) implementation (transfer of rights to use) programs for electronic computers (including computer games), databases on tangible media;
- 3) provision of consulting services by e-mail;
- 4) provision of services for providing access to the Internet.

Article 33. Electronic document of the taxpayer

An electronic document of a taxpayer is a document drawn up and signed in accordance with the legislation of the Kyrgyz Republic on electronic governance and electronic signature.

Article 34. Force majeure

1. Force majeure is the occurrence of extraordinary and inevitable circumstances as a result of natural disasters, such as earthquakes, floods, or other circumstances that cannot be foreseen or prevented, or it is possible to foresee, but impossible to prevent. These circumstances are established by the presence of well-known facts, publications in the media and in other ways that do not require special means of proof.

2. In the event of force majeure circumstances, the Cabinet of Ministers has the right to make decisions for a certain period of time:

- 1) on granting a deferral or installment plan for the amount of tax debts formed as a result of force majeure circumstances, without providing a bank guarantee;
- 2) on changes in tax rates within the rates provided for by the tax legislation of the Kyrgyz Republic;
- 3) on the extension of the deadlines for submitting tax reports, with the exception of tax reports on indirect taxes when goods are imported into the territory of the Kyrgyz Republic from the territories of the EAEU member states;
- 4) on the non-application of tax sanctions and penalties for late fulfillment of tax obligations.

Article 35. Interdependent entities

1. Interdependent entities are entities, relations between which may affect the conditions or economic results of their activities or the activities of the entities they represent, namely:

1) the entity directly or indirectly participates in the organization and the total share of such participation is more than 20 percent;

2) two organizations in which a third entity participates, the direct and/or indirect share of which in each of them is more than 20 percent or is controlled by such an entity;

3) one natural person is subordinate to another natural person by official position;

4) entities between which relations arise, regulated by the labor legislation of the Kyrgyz Republic;

5) close relatives;

6) founder of management and trust manager.

2. The court may recognize entities as interdependent on grounds not provided for by paragraph 1 of this article, if the relationship between these entities may affect the results of transactions between them.

3. For the purposes of part 1 of this article, the share of indirect participation of one entity in an organization through a sequence of other organizations is determined as the product of the corresponding participation shares.

Article 36. Evaluation of the effectiveness of tax incentives

1. The effectiveness of tax incentives is subject to assessment in accordance with the principle of the effectiveness of tax incentives.

2. The list of tax incentives subject to assessment in accordance with this article, as well as the procedure and types of assessment of the effectiveness of tax incentives, are approved by the Cabinet of Ministers.

3. For the purposes of this article, the effectiveness of a tax benefit is understood as the ratio of the result of the activity of the relevant industry for the period of application of the tax benefit with the result for the previous period, respectively, characterizing the degree of achievement of the goal of granting a tax benefit, in the context of taxpayers.

Chapter 2. Tax system of the Kyrgyz Republic

Article 37. Types of taxes

1. National taxes and local taxes are established in the Kyrgyz Republic.

2. National taxes are taxes established by this Code, obligatory for payment throughout the territory of the Kyrgyz Republic.

3. Local taxes are taxes established by this Code, put into effect by normative legal acts of local keneshes, obligatory for payment in the territories of the respective administrative-territorial units.

4. The national types of taxes include:

- 1) income tax;
 - 2) income tax;
 - 3) VAT;
 - 4) excise tax;
 - 5) taxes for the use of subsoil;
 - 6) sales tax.
5. Local taxes include property tax.

Article 38. General conditions for establishing taxes

1. A tax shall be deemed established only if the taxpayers and elements of taxation are determined by this Code, namely:

- 1) object of taxation;
- 2) tax base;
- 3) tax rate;
- 4) tax period;
- 5) the procedure for calculating the tax;
- 6) procedure for tax payment;
- 7) the deadline for payment of the tax.

2. Tax privileges are applied in the cases provided by this Code.

Article 39. Object of taxation

1. The object of taxation is the rights and / or actions, with the presence of which a tax liability arises.

2. The object of taxation for each type of tax is determined in accordance with this Code.

Article 40. Tax base

The tax base is the cost, physical or other characteristic of the object of taxation, on the basis of which the tax amount is calculated.

Article 41. Tax rate

1. The tax rate is the amount of tax charges per unit of measurement of the tax base.

2. The tax rate is set as a percentage or as an absolute amount per unit of measurement of the tax base.

Article 42. Tax period

1. The tax period is the period of time for which the tax base is determined and the tax amount is calculated. If such a period is not established, the tax period is the day the tax obligation arises.

2. Unless otherwise provided by this Code, the tax period for tax is:

1) the period of time from the day following the day of registration as a taxpayer for this tax until the end of this tax period; or

2) the period of time from the beginning of the tax period for this tax until the day of the same tax period, when:

a) approved by the governing body of the organization:

- liquidation balance sheet upon liquidation;

- dividing balance sheet or deed of transfer in case of reorganization;

b) an individual entrepreneur has filed an application for the cancellation of tax registration and / or accounting registration in connection with the termination of activities;

3) the period of time from the day following the day of registration as a taxpayer for a tax until the day of cancellation of the taxpayer's registration for this tax, if the registration and its cancellation occurred within one tax period.

Article 43. Tax calculation procedure

1. Unless otherwise established by this Code, a taxpayer independently calculates the amount of tax payable for a tax period by multiplying the tax base by the tax rate, taking into account the tax benefits established by this Code.

2. In the cases provided for by this Code, the obligation to calculate the amount of certain types of taxes shall be assigned to the bodies of the tax service.

Article 44. Deadline for payment of tax

1. Unless otherwise provided by this article, the deadlines for payment of taxes shall be established for each tax separately in accordance with the requirements of this Code.

2. The amount of the tax liability calculated according to the tax reporting submitted by the taxpayer to the tax authority together with the application for the annulment of tax and / or accounting registration in connection with the reorganization or liquidation of the organization or the termination of the activity of an individual entrepreneur, is payable before the date of submission of such an application to the tax authority .

3. Change of the established deadline for the payment of tax is allowed only in the manner prescribed by this Code.

4. Violation of the deadlines for payment of tax is the basis for bringing to responsibility, provided for by the legislation of the Kyrgyz Republic.

Article 45. Tax payment procedure

1. Tax is paid:

1) the entire amount of the tax or in installments;

2) with a delay or by installments;

3) no later than the expiration date for tax payment, established by this Code for each tax;

4) directly by the taxpayer or on his behalf;

5) directly at the place of tax accounting and/or accounting registration of a taxpayer or a separate subdivision;

6) in non-cash form.

2. The tax payment procedure shall be established for each tax separately.

Article 46. Tax regimes

1. The tax regime is recognized as the composition of taxes and their elements, as well as the procedure for their calculation and payment, applied in cases and in the manner established by the tax legislation of the Kyrgyz Republic.

2. The Kyrgyz Republic establishes a general tax regime and special tax regimes.

3. The general tax regime is the system of taxation, in which the taxpayer has tax obligations for national and local taxes established by this Code.

A special tax regime is a taxation system in which a special procedure for determining the composition of taxes and their elements instead of national taxes and/or exemption from the obligation to pay certain national and local taxes in accordance with this Code is applied.

4. Special tax regime are:

- 1) patent-based tax;
- 2) a simplified system of taxation based on a single tax;
- 3) tax regime in free economic zones;
- 4) tax regime in the High Technology Park;
- 5) mining tax;
- 6) tax on activities in the field of electronic commerce;
- 7) tax on gambling activities.

5. It is prohibited to establish other special tax regimes for certain types of economic activity, except for those established by this article.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 5one)

SECTION II. PARTICIPANTS OF TAX RELATIONSHIPS

Chapter 3. Taxpayer. tax representative

Article 47. Taxpayer

1. A taxpayer is an entity that is obliged to pay tax in the presence of circumstances established by the tax legislation of the Kyrgyz Republic.

2. Is not a taxpayer of income tax, VAT on taxable supplies, sales tax legislative, judicial, executive authorities, state authorities of the Kyrgyz Republic with a special status, other state body, local self-government body named in the Constitution of the Kyrgyz Republic, as well as the state social insurance body of the Kyrgyz Republic and the Deposit Protection Agency, except for their activities in the field of entertainment, leisure or recreation.

3. A taxpayer is recognized as inactive if he meets the criteria for inactivity established by the authorized tax authority and has no tax debt.

4. For the purpose of administering state social insurance premiums and non-tax revenues by the tax service bodies, payers of insurance premiums and non-tax revenues shall be equated to a taxpayer.

Article 48

1. Taxpayer's office (hereinafter - the office) - an online service provided by the authorized tax authority, designed for remote interaction between the tax authority and the taxpayer on the calculation and payment of taxes, taking into account the specifics provided for in this article.

2. The procedure for a taxpayer to obtain access to his office is determined by the authorized tax body.

3. The taxpayer through his account:

1) receives from the tax service body electronic documents used in relations regulated by the tax legislation of the Kyrgyz Republic;

2) submit to the tax authorities electronic documents defined by the tax legislation of the Kyrgyz Republic, including scanned copies of documents on paper.

Electronic documents are recognized as equivalent to documents on paper, signed by the handwritten signature of the taxpayer or the head of the tax service body.

Unless otherwise provided by this Code, the submission of paper documents is not required if electronic documents are sent to the taxpayer or transferred to him through his office.

Article 49. Rights of a taxpayer

1. The taxpayer has the right:

1) demand compliance with the tax legislation of the Kyrgyz Republic from an official of the tax service;

2) act in tax legal relations personally or through his tax representative;

3) receive from the relevant state bodies information on the tax legislation of the Kyrgyz Republic, as well as rules, regulations and other guidelines developed by the authorized state body, the authorized tax body;

4) not apply tax reporting forms that are not published on the official website of the authorized tax authority;

5) on the basis of a request, receive free of charge any information about themselves that is available in the tax authorities, including copies of supporting documents evidencing the facts of incorrect calculation of tax, which served as the basis for the appointment of an on-site audit, and also receive copies of documents of the tax authorities provided through taxpayer's office, certified by the signature and seal of the relevant tax authority;

6) for the offset or refund of the overpaid, overcharged amount of tax, as well as the return and/or refund of the amount of excess VAT;

7) use tax benefits if there are grounds and in the manner established by the tax legislation of the Kyrgyz Republic;

8) demand compliance with tax secrecy;

9) in the cases provided for by this Code, to receive an order before the start of tax control, to familiarize themselves with the certificate of an official of the tax service body exercising such control;

10) require from an official of the tax service body exercising tax control to register in the book of inspections;

11) provide explanations to the tax service bodies on the results of tax control;

12) not to submit information and documents that are not related to the fulfillment of a tax obligation;

13) appeal against the decision, action or inaction of an official of the tax service body;

14) for compensation for harm and loss caused by an illegal decision of a tax service body, illegal action or inaction of its official, in accordance with the legislation of the Kyrgyz Republic;

15) free access to information about VAT taxpayers, which includes:

a) full name of the VAT taxpayer, TIN;

b) details of the invoice declared invalid.

2. The taxpayer also has other rights established by the tax legislation of the Kyrgyz Republic.

Article 50. Ensuring and protecting the rights of a taxpayer

1. The Kyrgyz Republic guarantees pre-trial and judicial protection of the rights and legitimate interests of a taxpayer.

2. The procedure for protecting the rights and legitimate interests of a taxpayer is determined by this Code and other laws of the Kyrgyz Republic.

3. The rights of a taxpayer are ensured by the corresponding obligations of the authorized state body, tax service bodies, customs bodies, as well as their officials.

4. Failure to fulfill or improper fulfillment of obligations to ensure the rights of a taxpayer shall entail liability provided for by the legislation of the Kyrgyz Republic.

Article 51. Obligations of a taxpayer

1. The taxpayer is obliged:

1) register with the tax authority in the prescribed manner;

2) fulfill a tax obligation;

3) keep tax records in accordance with the requirements established by this Code;

4) submit tax reporting in the manner and terms established by this Code;

5) provide explanations, information and documents, including in electronic form, in the cases and in the manner established by this Code;

6) comply with the legal requirement of the tax service body to eliminate the consequences of tax offenses or to terminate the action or inaction that lead to the commission of a tax offense;

7) not interfere with the lawful actions of an official of a tax service body in the performance of his official duties on the basis of this Code;

8) on the basis of an order, to allow an official of the tax service body exercising tax control in the form of an on-site tax audit, raid tax control and establishment of a tax post, the collection of tax debt recognized by the taxpayer at the expense of cash, as well as when conducting chronometric surveys of the territory or premises, the presence or use of which gives rise to a tax liability;

9) ensure the safety of documents confirming the calculation, accounting and fulfillment of the tax obligation, within the time limits:

a) documents on paper and electronic media - for at least 6 years, with the exception of documents confirming the acquisition and payment of tax based on a patent;

b) documents confirming the acquisition and payment of tax based on a patent - within 3 years;

10) present the book of inspection checks to the official of the tax service body conducting the check for registration of the check or control;

11) report on the opening or closing of accounts in banks of the Kyrgyz Republic, including on accounts located outside the Kyrgyz Republic, within 15 days from the day following the day of opening or closing of such accounts;

12) comply with the requirements established by the legislation of the Kyrgyz Republic in respect of excisable goods, as well as goods imported into the Kyrgyz Republic from the member states of the EAEU;

13) submit a notification to the tax authority at the place of current tax accounting:

a) on the importation of goods from the territory of a member state of the EAEU into the territory of the Kyrgyz Republic in connection with their transfer:

- from a taxpayer of a member state of the EAEU to its branch or representative office in the Kyrgyz Republic;

- from a branch or representative office in a member state of the EAEU to a taxpayer of the Kyrgyz Republic, of which it is a branch or representative office;

b) on the export of goods from the territory of the Kyrgyz Republic to the territory of another member state of the EAEU in connection with their transfer:

- from a taxpayer of the Kyrgyz Republic to its branch or representative office in a member state of the EAEU;

- from a branch or representative office in the Kyrgyz Republic to a taxpayer of the EAEU member state, of which it is a branch or representative office;

c) on the temporary importation of goods into the territory of the Kyrgyz Republic from the territory of the EAEU member states, which will subsequently be exported from the territory of the Kyrgyz Republic without changing the properties and characteristics of the imported goods;

d) on the temporary export of goods from the territory of the Kyrgyz Republic to the territory of the EAEU member states, which will subsequently be imported into the territory of the Kyrgyz Republic without changing the properties and characteristics of the exported goods;

e) on the import of customer-supplied raw materials into the territory of the Kyrgyz Republic from the territory of a member state of the EAEU for its further processing;

f) on the export of customer-supplied raw materials from the territory of the Kyrgyz Republic to the territory of a member state of the EAEU for its further processing.

The form, terms and procedure for filling out and submitting a notification are approved by the authorized tax authority;

14) carry out labeling of goods, provide complete and reliable information about the marked goods and fulfill the obligations stipulated by the legislation of the Kyrgyz Republic and / or the legislation of the EAEU regarding the labeling of goods;

15) use fiscal software permitted for use in accordance with the procedure approved by the Cabinet of Ministers;

16) ensure the connection of subjects to the information system used to order the transportation of passengers and goods, taxi services and courier services only if there is a tax registration, as well as submit information in real time to the authorized tax authority in the manner determined by the Cabinet of Ministers.

2. The taxpayer performs other obligations established by the tax legislation of the Kyrgyz Republic.

Article 52. An official of a taxpayer

1. An official of a taxpayer is:

1) the head of the taxpayer's executive body;

2) the head of the permanent establishment of the organization;

3) an individual who has been granted the authority to perform the duties established by this Code on the basis of an employment contract or a civil law contract, or a power of attorney;

4) a natural person who temporarily performs the duties of the persons specified in paragraphs 1-3 of this part.

2. For tax purposes, an official is recognized for:

1) individual entrepreneur - an individual registered or subject to registration as an individual entrepreneur;

2) natural person - this natural person.

Article 53. Tax agent, rights, duties and responsibilities

1. A tax agent is an organization or an individual entrepreneur who is obliged to calculate, withhold and transfer to the budget the amount of the taxpayer's tax liabilities in accordance with the requirements of this Code.

2. The tax agent performs his duties, taking into account the benefits and exemptions provided for by this Code, in relation to:

1) income tax as a source of income on amounts paid to an employee under an employment contract, as well as other income paid to an individual and subject to taxation in accordance with this Code;

2) tax on the income of a foreign organization operating in the Kyrgyz Republic without establishing a permanent establishment as a source of income;

3) VAT on works or services performed or rendered to him, the place of supply of which is recognized as the territory of the Kyrgyz Republic, by a foreign organization

whose activities do not lead to the establishment of a permanent establishment in the territory of the Kyrgyz Republic, with the exception of a foreign organization specified in part 4 article 28 registered in the Kyrgyz Republic in accordance with clause 2 of part 2 article 111 of this Code;

4) excise tax as an entity processing raw materials supplied by the customer, the result of which is an excisable product.

3. The tax agent is obliged to calculate, withhold and transfer to the budget the amount of the taxpayer's tax liabilities, regardless of whether the payment of the amount of income, payment for goods, work and services was made by the tax agent himself or by another person on behalf of the tax agent, or by another person in accordance with the legislation of the Kyrgyz Republic.

4. The rights and obligations established by this Code for a taxpayer shall apply to a tax agent, unless otherwise established by this Code.

5. If the tax agent has not withheld or withheld incompletely the tax obligation provided for by this Code, then this unfulfilled tax obligation shall be fulfilled by the tax agent.

Article 54. Tax representative, his powers, rights, duties and responsibilities

1. A taxpayer has the right to participate in tax legal relations in person, as well as through a tax representative.

2. A tax representative has the right to act in tax legal relations on behalf of the represented taxpayer.

3. The personal participation of a taxpayer in tax legal relations does not deprive him of the right to have a tax representative, just as the participation of a tax representative does not deprive the taxpayer of the right to personal participation in tax legal relations.

4. The powers, rights, duties and responsibilities of a tax representative are determined by:

- 1) the tax legislation of the Kyrgyz Republic;
- 2) a civil law contract concluded between a taxpayer and a tax representative;
- 3) a power of attorney issued by a taxpayer to a tax representative.

5. An action or inaction of a tax representative of a taxpayer related to the participation of this taxpayer in tax legal relations is recognized as an action or inaction of a taxpayer.

6. A tax representative of a taxpayer cannot be a state body or an official of a state body.

Chapter 4. Tax Service. Delimitation of powers in the field of tax legal relations

Article 55

1. Tax service bodies have the status of a legal entity, an independent cost estimate, accounts in the treasury system, a seal with the image of the State Emblem of

the Kyrgyz Republic indicating their name in the state and official languages, letterheads, corner stamps and consist of:

- 1) from the authorized tax authority;
- 2) from the tax authorities.

2. The bodies of the tax service carry out tax administration within the competence established by the tax legislation of the Kyrgyz Republic, participate in the implementation of the tax policy of the Kyrgyz Republic, and also carry out pre-trial proceedings with the functions of an inquiry agency in accordance with the criminal procedure legislation of the Kyrgyz Republic and the legislation on operational-search activities of the Kyrgyz Republic on administration and enforcement of tax legislation.

The bodies of the tax service, carrying out pre-trial proceedings, have the status of a law enforcement body.

3. Tax authorities are not subordinate to local state administrations and local governments.

4. It is prohibited to interfere with state bodies and local self-government bodies in the activities of tax service bodies, an authorized state body in the exercise of their powers established by the tax legislation of the Kyrgyz Republic.

5. Bodies of the tax service and their officials may not go beyond the scope of authority determined by the tax legislation of the Kyrgyz Republic.

Article 56 The order of service and the assignment of special ranks

1. An official of a tax service body is a head, an employee of the tax service bodies having the powers established by this Code, as well as an employee performing administrative functions of the tax service bodies.

2. An official of a tax service body cannot be a person who has a criminal record that has not been expunged or canceled in the manner prescribed by law.

3. When serving, an official of the tax service bodies is assigned special ranks in accordance with the position held within the group and category of positions, in compliance with the sequence of assignment, and also taking into account the results of certification, professional level and length of service in the public service in the previous special rank and occupied public office.

4. The first special title is the title of "junior inspector of the tax service", which is assigned to newly hired officials based on the results of attestation not earlier than one year later.

When appointed to a senior or chief administrative position, which provides for the assignment of a special rank from an adviser to the tax service of 3 ranks and above, the first special rank not higher than an adviser to the tax service of 3 ranks may be awarded.

Special ranks are assigned to officials of tax authorities in the following order:

1) junior positions - special ranks of tax inspector 3 and 2 ranks in ascending order;

2) senior positions - special ranks of inspector of the tax service of the 1st rank and adviser of the tax service of the 3rd rank in ascending order;

3) to the main positions - special titles of the adviser of the tax service of the 2nd and 1st rank in ascending order.

Special ranks are assigned to officials of the authorized tax authority in the following order:

1) junior positions - special ranks of the inspector of the tax service of the 2nd and 1st rank in ascending order;

2) senior positions - special ranks of the tax service adviser of the 3rd rank;

3) to the main positions - special titles of the adviser of the tax service of the 2nd and 1st rank in ascending order;

4) for higher positions - special titles of the state adviser of the tax service of the 3rd and 2nd rank in ascending order;

5) to the head of the authorized tax body - a special title of the state adviser of the tax service of the 1st rank.

5. Assignment, deprivation, demotion in special ranks of the state tax advisor of the 1st, 2nd and 3rd ranks are carried out by the President of the Kyrgyz Republic (hereinafter referred to as the President) on the proposal of the Chairman of the Cabinet of Ministers, in terms of other special ranks - by the head of the authorized tax authority on the proposal of the immediate supervisor of the official faces.

6. The terms of stay in each special rank for the assignment of the next special rank should be from the moment of signing the corresponding order:

1) junior tax inspector - 1 year;

2) inspector of the tax service of the 3rd, 2nd and 1st rank - 2, 3 and 4 years, respectively;

3) 3rd and 2nd rank tax advisor - 5 and 6 years, respectively.

Special ranks of 2nd and 1st rank tax adviser may be awarded without following the sequence and without taking into account the duration of public service in the previous special rank.

The term of stay in the special ranks of a tax service adviser of the 1st rank, a state tax service adviser of the 1st, 2nd and 3rd ranks is not established.

7. Officials of the tax service, hired for a certain period of time, as well as having disciplinary sanctions or in respect of whom an internal investigation is being carried out or a criminal case has been initiated, special ranks are not assigned.

An official of a tax service body may be deprived of a special rank in the following cases:

1) by virtue of a guilty verdict of a court against him, which has entered into legal force;

2) dismissals in connection with discrediting the title of a civil servant;

3) loss of citizenship of the Kyrgyz Republic.

An official of a tax service body for gross violation of official duty, committing a discrediting act, failure to perform or improper performance of the duties assigned to him in accordance with the legislation on the state civil service and municipal service

may be reduced in a special rank, but not more than one special rank below that which it has, and may also be deprived of a special rank.

8. The head of the tax service body, upon the expiration of the period of service in a special rank, is obliged to take measures for the timely assignment to officials of the next special rank, the violation of which entails personal disciplinary responsibility.

9. An official of a tax service body in exceptional cases, as an incentive, taking into account his professional qualities, length of service in public authorities, for special achievements in the performance of official duties, may be once awarded the next special rank:

1) before the expiration of the one-year term of service in the previous rank, but not higher than the special rank corresponding to the position held;

2) after the expiration of the period of service in a special rank, for special merits, one step higher than the special rank corresponding to the position held.

10. An official of a tax service body who has an academic degree or academic title is assigned the next special rank one step higher than the special rank corresponding to the position held.

11. Persons with military or special ranks, special class ranks, diplomatic ranks, upon transfer to the tax service bodies, are assigned a special rank corresponding to this military or special rank, special class rank, diplomatic rank, without attestation. When an official of a tax service body transfers to another state body or to another state position, he retains the special rank assigned in accordance with this Code, in accordance with the ratio established by the legislation of the Kyrgyz Republic.

12. Information about the assignment, demotion and deprivation of a special rank is entered in the personal file of an official of the tax service body and is indicated in the service certificate.

Article 57

1. Financing the expenses of the tax authorities, including remuneration, material and technical support, material incentives for employees, are made at the expense of funds in the amount of 3 percent of the amount of tax revenues collected by the tax authorities and non-tax revenues administered by the tax authorities for the previous budget year, the procedure for distribution and use of which is annually approved by the authorized tax authority, as well as at the expense of targeted extra-budgetary funds.

2. Officials of the bodies of the tax service, who are awarded special ranks, are provided with free uniforms in the manner established by the Cabinet of Ministers.

Article 58

The following tasks are assigned to the tax authorities:

1) control over compliance with the tax legislation of the Kyrgyz Republic;

2) assistance to the taxpayer or his tax representative in fulfilling the tax obligation in accordance with the requirements established by the tax legislation of the Kyrgyz Republic.

Article 59

1. Bodies of the tax service and their officials have the right:

1) develop regulatory legal acts and approve the forms of tax reporting and documents, the procedures for their completion and submission, provided for by the tax legislation of the Kyrgyz Republic in the manner established by this Code;

2) exercise tax control in the manner prescribed by this Code;

3) when exercising tax control, require the taxpayer to submit documents on the calculation, withholding and payment of taxes to the budget;

4) when exercising tax control, require explanations from the taxpayer on filling out documents on the calculation, withholding and payment of taxes, as well as documents confirming the correctness of the calculation and the timeliness of withholding and payment of taxes;

5) in the course of tax control in the manner prescribed by this Code, receive copies of documents from the taxpayer;

6) conduct, in accordance with this Code, an examination of any territories, premises, documents and items that are important for the completeness of tax control;

7) on issues related to the taxation of the audited taxpayer, to receive, in the manner prescribed by this Code, from banks information on the availability and numbers of bank accounts of the taxpayer, on the balances and movement of money on these accounts in compliance with the requirements established by the legislation of the Kyrgyz Republic for the disclosure of information constituting commercial, banking and other protected secrets;

8) when conducting a tax audit of a taxpayer providing services in electronic form, to request information regarding an electronic transaction from the participants in such a transaction;

9) determine the tax liability of a taxpayer on the basis of indirect assessment methods in the cases and in the manner provided for by this Code;

10) bring claims to the courts, including on liquidation, including forced liquidation, of a taxpayer on the grounds provided for by the legislation of the Kyrgyz Republic;

11) demand the elimination of revealed violations of the tax legislation of the Kyrgyz Republic and control the implementation of these requirements;

12) require and receive information from other state bodies and local governments related to the objects of taxation and calculation of tax liabilities in accordance with this Code;

13) exercise control over the collection of taxes;

14) control the work of local self-government bodies on the execution of state powers delegated in accordance with this Code;

15) to check the fiscal software for compliance with its functional purposes;

16) remove the remains of inventory items in cases and in the manner determined by the Cabinet of Ministers;

17) when conducting tax control, seal the property related to the entrepreneurial activity of the taxpayer, in the event of carrying out activities without tax registration and / or without paying tax on the basis of a patent;

18) conduct, in accordance with this Code, an examination of the taxpayer upon cancellation of tax registration in connection with the liquidation of an organization or the termination of the activity of an individual entrepreneur, if there are no risk factors for non-payment of taxes in the information system of the tax service and the taxpayer submits tax returns with zero indicators;

19) send a request to state bodies, local governments, commercial and non-profit organizations, a foreign state, citizens to provide information on income, expenses, property and obligations of an individual specified in part 1 article 107 of this Code, and his close relatives.

2. To exercise the powers established by this Code, tax service bodies and their officials also have other rights established by this Code and the legislation of the Kyrgyz Republic.

In terms of law enforcement activities, the tax service bodies and their officials have the rights provided for by the Code of Criminal Procedure of the Kyrgyz Republic and the legislation of the Kyrgyz Republic on serving in law enforcement agencies.

Article 60

1. Bodies of the tax service and their officials are obliged to:

1) observe the rights and legitimate interests of the taxpayer;

2) not to use or disclose information obtained in the process of studying the declaration filed in accordance with the legislation of the Kyrgyz Republic in the field of voluntary declaration of property and income by individuals against the subject of declaration;

3) comply with the tax legislation of the Kyrgyz Republic and require taxpayers to comply with it;

4) bring to the attention of the taxpayer through the official website of the authorized tax authority the forms of established tax reporting, the procedure for their completion, the method and terms of their submission to the tax authority;

5) in cases stipulated by the tax legislation of the Kyrgyz Republic, provide a response to the written request of the taxpayer;

6) exercise tax control over the implementation of the tax legislation of the Kyrgyz Republic;

7) keep records of taxpayers, objects of taxation, accrued and paid taxes;

8) unless otherwise provided by this Code, provide, at the expense of budgetary funds, forms of established forms of tax reporting, in case they are issued by tax authorities;

9) explain the procedure for filling out forms of established tax reporting;

10) conduct a tax audit strictly in accordance with the instructions;

11) register tax audits and other forms of tax control in the book of inspections;

12) when conducting an on-site unscheduled, cross audit or re-audit, familiarize the taxpayer with supporting documents evidencing the facts of incorrect calculation of tax, which served as the basis for the appointment of control;

13) observe official, commercial, tax, banking and other secrets protected by the legislation of the Kyrgyz Republic;

14) hand over to the taxpayer a decision on the fulfillment of a tax obligation within the time limits and in the cases provided for by this Code;

15) at the request of the taxpayer, no later than 2 working days from the day following the day of its receipt, submit:

a) a document on the status of the taxpayer's personal account;

b) the decision and other documents of the body of the tax service, adopted in relation to the taxpayer and / or his tax liability, in the cases established by this Code;

c) copies of supporting documents evidencing the facts of incorrect calculation of the tax, which served as the basis for the appointment of an on-site unscheduled, counter audit or re-audit;

d) copies of documents of the tax authorities, provided through the taxpayer's office, certified by the signature and seal of the relevant tax authority;

16) ensure the safety of documents confirming the fact of fulfillment of the tax obligation for 6 years;

17) apply methods for ensuring the fulfillment of a tax obligation in the manner prescribed by this Code;

18) impose tax sanctions on the taxpayer in accordance with the requirements established by this Code, as well as apply sanctions in accordance with the legislation on offenses;

19) consider complaints of taxpayers in the manner prescribed by this Code;

20) keep records of individuals specified in part 1 article 107 of this Code and the declarations submitted by them;

21) study and analyze the information specified in the declaration for the accuracy and completeness of the reflection of information on income, expenses, property and obligations of an individual specified in part 1 article 107 of this Code;

22) submit annually, by October 1, information on the results of submission of declarations by individuals specified in part 1 article 107 of this Code, the President, the Jogorku Kenesh and the Cabinet of Ministers;

23) publish on the official website of the authorized tax authority summary information on income, expenses and property of persons holding political, special, higher administrative public positions, political and higher administrative municipal positions, as well as their close relatives, with the exception of persons holding administrative public positions whose activities are related to ensuring national security;

24) ensure free access to information on VAT taxpayers by posting it on the official website of the authorized tax authority, which includes:

a) full name of the VAT taxpayer, TIN;

b) details of the invoice declared invalid;

25) create favorable conditions for taxpayers by simplifying and improving the procedures for interaction with taxpayers, including by switching to a remote format;

26) send to the taxpayer a copy of the court act on the restriction of travel outside the Kyrgyz Republic simultaneously with the direction of this act to the authorized state body in the field of state border protection.

2. Tax authorities are obliged to publish on the open information website of the authorized tax authority a report on the work of tax authorities before August 1 of the year following the reporting calendar year. This report must contain the following information for the reporting calendar year:

- 1) the name and amounts of taxes collected by tax authorities;
- 2) the amount of tax debt;
- 3) expenses incurred by the tax authorities in the process of collecting taxes;
- 4) statistical data on the granted tax benefits, deferrals, installment plans for the payment of tax debts;
- 5) a description of the achievements and shortcomings in the work of the tax authorities;
- 6) a list of surnames and names of individuals, names of organizations that have a recognized tax debt in excess of 5,000 calculated indicators, indicating the amount of tax debt.

3. Bodies of the tax service are obliged to compile and maintain up to date the List of taxpayers with signs of bad faith.

The procedure for including taxpayers in the said List and tax administration of such taxpayers shall be established by the Cabinet of Ministers.

4. If the amount of tax debt recognized by the taxpayer, formed as a result of an on-site audit, exceeds the threshold from which criminal liability arises, the tax authorities begin pre-trial proceedings in the manner determined by the criminal procedure legislation of the Kyrgyz Republic.

5. Bodies of the tax service and their officials also perform other duties stipulated by the tax legislation of the Kyrgyz Republic.

In terms of law enforcement activities, the tax service bodies and their officials perform the duties stipulated by the Criminal Procedure Code of the Kyrgyz Republic and the legislation of the Kyrgyz Republic on serving in law enforcement agencies.

Article 61

1. The administration of VAT and excise tax on the export and import of goods, the performance of work, the provision of services in the mutual trade of the EAEU Member States is carried out by the tax authorities.

2. Customs authorities administer taxes:

- 1) when moving goods across the customs border of the EAEU;
- 2) when placing goods transferred from the EAEU Member States to the territory of the Kyrgyz Republic under the customs procedures of a free customs zone or free warehouse, as well as upon completion of the customs procedure of a free customs zone or free warehouse.

Article 62

1. Bodies of local self-government and their officials, in case of delegation of relevant state powers to them, have the right:

- 1) to collect taxes provided for Section XIII and chapter 56 of this Code;
- 2) carry out tax control in accordance with paragraphs 4-5 of part 2 Article 109 of this Code, unless otherwise provided by this paragraph;
- 3) demand the elimination of revealed violations of the tax legislation of the Kyrgyz Republic and control the implementation of these requirements;
- 4) receive from the tax authorities and other state bodies information related to the objects of taxation and calculation of tax liabilities for the tax provided for Section XIII of this Code;
- 5) receive from the taxpayer copies of documents in the course of tax control in the manner prescribed by this Code;
- 6) transfer materials to law enforcement agencies in accordance with the law, as well as file lawsuits in court.

2. Local self-government bodies carry out raid tax control over compliance with the requirements of the tax legislation of the Kyrgyz Republic, provided for in paragraphs 1, 3, 6 of part 2 article 127 of this Code.

3. Local self-government bodies, in the event of delegating to them the relevant state powers in the exercise of tax control, have the right to require the taxpayer to submit documents on the payment of taxes provided for Section XIII and chapter 56 of this Code.

4. Bodies of local self-government and their officials, in case of delegation of relevant state powers to them, are obliged to:

- 1) observe the rights and legitimate interests of the taxpayer;
- 2) comply with the tax legislation of the Kyrgyz Republic and require taxpayers to comply with it;
- 3) assist taxpayers in fulfilling their tax obligations;
- 4) apply methods to ensure the fulfillment of tax obligations in accordance with Articles 85 and 86 of this Code;
- 5) exercise tax control over the fulfillment of the tax liability for taxes provided for by Section XIII and chapter 56 of this Code;
- 6) when conducting raid tax control, be guided by parts 3-6 article 127, articles 132-134 of this Code;
- 7) register forms of tax control in the book of inspections;
- 8) observe official, commercial, tax, banking and other secrets protected by the legislation of the Kyrgyz Republic;
- 9) ensure the safety of documents confirming the fact of fulfillment of the tax obligation for 6 years;
- 10) submit to the tax authority reports on the accrued and received amounts of taxes in the manner and terms established by the authorized tax authority;
- 11) assist tax authorities in accounting for taxpayers.

5. Local self-government bodies are responsible for non-fulfillment or improper fulfillment of delegated state powers established by part 1 of this article, in accordance with the legislation of the Kyrgyz Republic.

Article 63. Conflict of interest

1. An official of a tax service body is prohibited from exercising official duties in relation to a taxpayer:

- 1) if the taxpayer is a close relative of this official; or
- 2) if this official or a close relative of this official has a direct or indirect financial interest related to the economic activity of the taxpayer or the fulfillment of his tax obligation.

2. An official of the body of the tax service is obliged to take measures to prevent the occurrence of a conflict of interest in his activities.

Article 64. Tax secrecy

1. Unless otherwise provided by this Code, any information about a taxpayer received by the tax service body, the Marking Operator or their officials shall constitute a tax secret, with the exception of information:

- 1) details of the taxpayer (name or surname, first name and patronymic of the taxpayer), the fact of tax registration with the tax authority, as well as the TIN;
- 2) on invoices, excise duty stamps and means of identification;
- 3) on the amount of tax debt recognized by the taxpayer;
- 4) on violations by the taxpayer of the tax legislation of the Kyrgyz Republic and measures of responsibility for these violations, established by a court decision that has entered into force, or recognized by the taxpayer;
- 5) on actual tax payments made in favor of the state budget by legal entities.

2. Tax secrecy shall not be subject to disclosure by tax authorities, their officials, except for cases when information is transferred:

- 1) other officials of tax service bodies, customs bodies, an authorized state body in the course of or for the purpose of fulfilling their duties stipulated by this Code or the legislation of the Kyrgyz Republic in the field of customs;
- 2) to law enforcement agencies, exclusively in relation to a taxpayer against whom a criminal case has been initiated on the fact of a tax offense;
- 3) to the court in the course of legal proceedings to establish the tax debt of the taxpayer or his liability for tax offences;
- 4) to the authorized state body for bankruptcy cases, the administrator (temporary administrator, special administrator, conservator, external manager) for the purpose of exercising their powers provided for by the legislation of the Kyrgyz Republic on bankruptcy, for those entities in respect of which bankruptcy proceedings have been initiated or in respect of which a decision was made to initiate bankruptcy proceedings;
- 5) to the prosecutor's office of the Kyrgyz Republic in respect of identified violations on the submission of a single tax return by an individual specified in part 1 article 107 of this Code;

6) deputies of the Jogorku Kenesh, the Presidential Administration, the financial intelligence agency of the Kyrgyz Republic in cases established by the legislation of the Kyrgyz Republic regulating their activities;

7) to tax or law enforcement agencies of other states in accordance with international agreements on mutual cooperation between tax or law enforcement agencies to which the Kyrgyz Republic is a party;

8) statistical bodies for the purpose of carrying out statistical activities provided for by the legislation of the Kyrgyz Republic;

9) to the authorized state body in the field of state-guaranteed legal assistance in respect of persons who have applied for qualified legal assistance in accordance with the legislation of the Kyrgyz Republic;

10) to an investigator or an investigating body carrying out pre-trial proceedings jointly with the tax authorities on the fact of a tax offense.

3. The labeling operator transfers information containing tax secrets only to tax authorities.

4. With the exception of the cases provided for by part 2 of this article, information regarding a taxpayer constituting a tax secret may be disclosed to another person with the written consent of the taxpayer.

5. The disclosure of tax secrets includes the use or transfer to another subject of information about a taxpayer that has become known to an official of state bodies and the Marking Operator in the performance of their duties, except for the cases provided for by this Code.

6. Information constituting a tax secret received by the tax authorities and the Labeling Operator must have a special storage and access regime, which is determined by a written decision of the head of the tax service authority.

7. Access to information constituting a tax secret must be granted to officials determined by a written decision of the head of the tax authority and the Marking Operator. The right of access of these officials is also indicated in the order to conduct a tax audit.

8. Tax authorities, the Marking Operator and their officials, as well as persons who were previously officials of the tax authorities, are obliged to keep secret any information regarding the taxpayer that they received in the performance of their official duties.

9. For the disclosure of information constituting a tax secret, a person to whom this information is known in connection with professional or service activities is obliged to fully compensate for the damage caused to the taxpayer, as well as pay other compensation.

For the illegal receipt of information constituting a tax secret that caused damage, the person to whom this information was obtained illegally is obliged to fully compensate for the damage caused to the taxpayer, as well as pay other compensation.

Illegal receipt of information constituting a tax secret, which did not cause damage, entails liability in accordance with the criminal law and / or legislation on offenses of the Kyrgyz Republic.

10. It is prohibited for state bodies to demand from the tax authorities and the Marking Operator information and documents constituting a tax secret, except as provided for in this article.

11. Officials of state bodies who violate the requirements of part 10 of this article shall be liable in accordance with the legislation of the Kyrgyz Republic.

SECTION III. TAX LIABILITY AND TAX DEBT

Chapter 5. General Provisions

Article 65. Tax liability

1. A tax liability is the obligation of a taxpayer to pay tax in the presence of circumstances established by the tax legislation of the Kyrgyz Republic.

2. A tax liability is a monetary liability.

3. Bodies of the tax service are obliged to demand from the taxpayer the fulfillment of his tax obligation.

4. In the event of non-fulfillment or improper fulfillment of a tax obligation, the tax service bodies shall have the right to apply methods to ensure it and measures to enforce the tax obligation in the manner prescribed by this Code.

5. The bodies of the tax service are prohibited from demanding from the taxpayer the payment of funds in excess of the amount of the tax liability.

Article 66

1. A tax obligation arises, changes, is considered fulfilled or terminated if there are grounds that are established by the tax legislation of the Kyrgyz Republic.

2. The tax liability shall be imposed on the taxpayer from the day of the occurrence of the circumstance providing for the payment of the tax in accordance with the tax legislation of the Kyrgyz Republic.

Article 67

1. The tax obligation is executed in the national currency of the Kyrgyz Republic - soms, with the exception of the tax obligation of a foreign organization that does not have signs of a permanent establishment in the Kyrgyz Republic.

2. The foreign organization specified in part 1 of this article has the right to fulfill the tax obligation in foreign currency. The accounting procedure and the list of foreign currencies received on account of the fulfillment of a tax obligation are established by the Cabinet of Ministers.

3. When calculating the tax liability, it is allowed to round the amount of the tax liability to units of soms.

Article 68

1. The limitation period for a tax liability is set at 6 years from the date following:

1) after the last day of payment of the tax established by this Code in respect of the tax liability;

2) after the day of termination of the deferral or installment plan, in case of non-payment of the deferred or installment amount of the tax debt;

3) after the day of delivery to the taxpayer of the decision on the tax liability arising as a result of the tax audit;

4) after the day of occurrence of the overpaid amount of tax and/or the amount of excess VAT.

2. The limitation period for the tax liability of a taxpayer paying tax on the basis of a patent is set at 3 years.

3. If a taxpayer incorrectly calculated or fulfilled a tax obligation, then during the limitation period:

1) the taxpayer has the right, on his own initiative, to make an appropriate correction, except for cases where decisions of the tax authorities or the court were made on the merits of this correction and these decisions were not canceled and / or invalidated;

2) the tax service body has the right to increase or decrease the assessed amount of taxes, as well as to collect the assessed amount of tax.

4. The taxpayer has the right to demand a credit or refund of the overpaid amount of tax and/or a refund/reimbursement of the amount of excess VAT during the limitation period.

5. For the period of the sanation or rehabilitation procedure, the limitation period for a tax liability is interrupted.

6. Interruption of the limitation period for tax liabilities, including when a taxpayer files a claim against a decision of the tax authorities on the accrual of a tax liability, as well as when a tax authority files a claim for the forced collection of tax debts, is regulated in accordance with the civil legislation of the Kyrgyz Republic.

Chapter 6. Fulfillment of the tax obligation. Termination of tax liability

Article 69. Fulfillment of a tax obligation

1. A tax obligation must be properly executed in accordance with the requirements of the tax legislation of the Kyrgyz Republic.

2. The fulfillment of the tax obligation is carried out by the taxpayer independently or by another third party in cases provided for by the tax legislation of the Kyrgyz Republic.

3. The fulfillment of a tax obligation is payment in a non-cash form against the payment of the entire amount of tax due.

4. The taxpayer has the right to fulfill the tax obligation by paying the entire amount of tax at once or in installments.

5. The taxpayer has the right to fulfill the tax obligation ahead of time.

6. Refusal to fulfill a tax obligation or change in the procedure for its fulfillment is not allowed, unless otherwise provided by this Code.

7. Fulfillment of a tax obligation is carried out regardless of bringing to responsibility for a tax offense.

Article 70. Date of fulfillment of the tax obligation

1. The date of fulfillment of a tax obligation is:

1) the date of submission of the payment order to the bank for the transfer of due amounts of tax if there are sufficient funds in the taxpayer's account to execute this payment order in full, if the funds have been received by the budget;

2) the day of execution by the bank of a payment order for the transfer of due amounts of tax that was not previously executed due to the lack of funds on the taxpayer's account sufficient to execute this payment order in full, if the funds were received by the budget;

3) the day of depositing cash in the bank for the transfer of due amounts of tax;

4) the day the payment is made through a payment terminal, POS-terminal, electronic money, remote or remote banking system and other devices;

5) the day the tax service body makes a decision to set off overpaid or overcharged amounts of taxes towards the repayment of tax debts and / or towards the fulfillment of an upcoming tax obligation;

6) the day the tax service body makes a decision to reimburse and refund the amount of excess VAT.

2. A tax obligation is not recognized as fulfilled on time:

1) if the funds are not received by the budget within the period established by the tax legislation of the Kyrgyz Republic, except for the cases provided for by part 1 of this article;

2) in case of withdrawal by the taxpayer of the payment order for the transfer of the amount of tax;

3) in case of return by the bank to the taxpayer of the payment order for the transfer of the amount of tax;

4) if, on the day a taxpayer submits a payment order to the bank for transferring the amount of tax, this taxpayer has other presented and unfulfilled monetary claims, which, in accordance with the legislation of the Kyrgyz Republic, are executed on an extraordinary or priority basis, and the taxpayer's account does not have sufficient funds for satisfaction of all such monetary claims.

Article 71

Repayment of tax debt in respect of each tax is made in the following order:

1) the amount of tax;

2) interest on the amount of tax not paid on time;

3) accrued penalty interest on the amount of tax not paid on time;

4) accrued tax sanctions.

Repayment of tax debt is made in the order of priority of its occurrence.

Article 72

1. A taxpayer has the right to use a preferential regime for the fulfillment of a tax obligation in the cases and in the manner provided for by this article.

2. A preferential regime for the fulfillment of a tax obligation is recognized as exemption from the payment of 50 percent of penalties and tax sanctions accrued on the basis of the results of a tax audit, or the submission of revised tax returns, if the taxpayer simultaneously:

1) has no current tax debt;

2) within 15 days from the date of delivery of the decision based on the results of a tax audit or submission of revised tax returns, paid the full amount of the arrears and 50 percent of penalties and tax sanctions accrued based on the results of a tax audit, or submission of revised tax returns, and sent documents to the relevant tax authority, confirming payment together with a notification on the application of a preferential regime for the fulfillment of a tax obligation.

3. Subject to all the requirements provided for by part 2 of this article, the tax authority, within 5 working days from the date of submission of the documents specified in part 2 of this article, makes a decision on the application of a preferential regime for the fulfillment of a tax obligation and writes off the remaining 50 percent of penalties and a tax sanction .

4. When a taxpayer applies a preferential regime for the fulfillment of a tax obligation, the tax liability accrued based on the results of a tax audit is automatically recognized as a tax debt recognized by the taxpayer, and the decision based on the results of a tax audit is not subject to further appeal.

5. The form of notification on the application of a preferential regime for the fulfillment of a tax obligation is approved by the authorized tax authority.

Article 73

1. In the event of reorganization, the taxpayer shall be obliged to notify the body of the tax service in writing.

2. The tax obligation of the reorganized organization shall be fulfilled by the legal successor, regardless of whether or not the successor was aware of the facts and/or circumstances of non-fulfillment or improper fulfillment of the tax obligation by the reorganized organization.

3. In the event of a merger of several organizations, their legal successor in terms of the fulfillment of a tax obligation shall be recognized as an organization that has arisen as a result of such a merger.

4. When one organization is merged with another organization, the legal successor of the merged organization in terms of the fulfillment of the tax obligation is recognized as the organization that merged it.

5. When an organization is divided, new organizations that have arisen as a result of such a division are recognized as legal successors of the reorganized organization in terms of the fulfillment of the tax obligation in accordance with the separation balance sheet.

6. In case of separation of one or several organizations from the organization - in relation to the reorganized organization in terms of the fulfillment of its tax obligation, succession does not arise, unless otherwise established by the deed of transfer.

7. When an organization is transformed, a newly emerged organization is recognized as a successor.

8. Establishment of the share of participation of legal successors in the fulfillment of the tax obligation of the reorganized organization is carried out in accordance with the civil legislation of the Kyrgyz Republic.

9. If as a result of the reorganization it is impossible to determine the share of participation of the legal successor or the possibility of fulfilling the tax obligation in full is excluded, then the legal successors shall bear joint and several liability for the fulfillment of the tax obligation of the reorganized organization.

10. The reorganization of an organization is not a basis for changing the deadlines for the fulfillment of a tax obligation by legal successors.

11. The amount of taxes overpaid by an organization prior to its reorganization is subject to offset by the tax service body against the tax debt of the organization being reorganized.

12. If the reorganized organization has no tax debts, the overpaid amount of taxes is subject to return to its legal successors or is credited to them towards the fulfillment of the tax obligation.

Article 74

1. The tax obligation of a liquidated solvent organization shall be fulfilled by the liquidation commission or the liquidator at the expense of the funds of this organization, including those received from the sale of the organization's property, in the order of priority established by the Civil Code of the Kyrgyz Republic.

2. A tax obligation arising during the liquidation period shall be discharged by the liquidation commission or the liquidator as such obligation arises in accordance with the general procedure established by this Code, unless otherwise provided by this Code.

3. If the liquidated organization does not have funds or has them in an amount insufficient to pay off the tax debt in full, in this case:

1) the organization can be liquidated only in the manner prescribed by the legislation of the Kyrgyz Republic on bankruptcy. In this case, the tax authority may initiate the bankruptcy process of this organization;

2) the tax debt must be repaid by the founders (participants) of the specified organization in the case, within the limits and in the manner established by the civil legislation of the Kyrgyz Republic.

4. If the liquidated organization has amounts of overpaid taxes, then the said amounts shall be subject to offset against the tax debt of the liquidated organization in accordance with the procedure established by this Code.

5. If the liquidated organization has no tax debts, the amount of overpaid taxes shall be subject to return to this organization in the manner established by this Code.

6. Unless otherwise established by this chapter, the fulfillment of the tax obligation, as well as the tax debt of the liquidated solvent individual entrepreneur, is carried out in the manner established by this article for organizations.

Article 75

1. The fulfillment of the tax obligation of an insolvent organization recognized or declared bankrupt is carried out in accordance with the legislation of the Kyrgyz Republic on bankruptcy, taking into account the specifics established by this Code.

2. The accrual of a tax liability shall be terminated from the day following the day of the decision to recognize or declare an insolvent organization bankrupt.

3. The tax liability accrued for the period prior to the adoption of the bankruptcy decision as part of a tax audit conducted after the adoption of the bankruptcy decision shall be subject to execution in the manner prescribed by the bankruptcy legislation.

4. An insolvent organization that is in the process of bankruptcy using the liquidation procedure does not arise a tax liability in the course of this procedure.

5. If an insolvent organization is in the process of bankruptcy using the reorganization or rehabilitation procedure, then all actions of the tax service body to enforce the collection of tax debts are terminated.

At the same time, any property claims against such an organization can be presented by the tax authority only as part of the reorganization or rehabilitation procedure.

6. The tax debt formed by an insolvent organization prior to the commencement of the reorganization or rehabilitation procedure shall be subject to repayment only after the completion of the above bankruptcy procedures of the organization and the restoration of its solvency.

7. Unless otherwise established by this chapter, the fulfillment of the tax obligation, as well as the tax debt of an individual entrepreneur recognized or declared bankrupt, is carried out in the manner established by this article for organizations.

8. The List of taxpayers with signs of bad faith includes a taxpayer recognized or declared bankrupt, officials of its management bodies, one or more of its participants falling under the definition of an interdependent entity.

Article 76

1. In the event of the death of an individual or declaring him dead by the court, the notary, the body for registration of acts of civil status, the court are obliged to notify the tax authority at the place of opening of the inheritance within 6 months from the date of opening of the inheritance.

2. The body of the tax service within 5 days from the day following the day of receipt of the notification of the opening of the inheritance, is obliged to inform the notary at the place of opening of the inheritance and the heir about the tax debt of the deceased individual.

3. The body of the tax service has the right to present its claims, arising from the tax liability of the deceased natural person, to the executor of the will (the administrator of the inheritance) or to the heirs.

4. The tax obligation of a deceased natural person is fulfilled by his heir, who accepted the inherited property of the deceased, within the value of the inherited property and in proportion to the share in the inheritance, no later than 6 months from the day following the day of acceptance of the inheritance.

5. At the same time, there is no succession in the fulfillment by the heir of the obligation to pay tax sanctions due from a deceased natural person for a tax offense committed.

6. In the absence of an heir or when the heir refuses to accept the inheritance, and also in the case when the amount of the tax debt of the deceased natural person exceeds the value of the inherited property, the outstanding amount of the tax debt is recognized as a bad debt.

7. Fulfillment of the tax obligation of an individual declared dead by a court shall be carried out in accordance with the procedure established by this article for a deceased person.

Article 77

1. The tax obligation of a missing or legally incompetent natural person shall be fulfilled by a guardian, custodian or manager, carrying out trust management of property, at the expense of the natural person's property not later than 6 months from the day following the day the court recognized the natural person as missing or incapacitated.

2. The court is obliged to notify the tax authority at the place of registration of the said natural person of the recognition of an individual as missing or incapacitated by sending a copy of the court decision within 10 working days following the day the decision was made.

3. The body of the tax service at the place of registration of an individual recognized as missing or incapacitated is obliged to notify the guardian, trustee or manager in charge of trust management of property, as well as the body for supporting families and children of the existence of an unfulfilled tax obligation of an individual recognized as missing or incompetent.

The decision on the presence of an unfulfilled tax obligation of an individual specified in this part shall be transmitted within 5 days following the day of receipt of information on the recognition of an individual as missing or incapacitated.

4. The tax debt of a natural person recognized as missing or incapacitated, in the absence or insufficiency of the property of this natural person to fulfill his tax obligation, is recognized as a bad debt.

Article 78

When a foreign organization carries out activities in the territory of the Kyrgyz Republic through a permanent establishment, the obligation to fulfill the tax obligation, as well as to pay off the tax debt, is assigned to the said foreign organization.

Article 79. Termination of a tax liability

The tax liability is terminated, and the tax debt is considered paid off in the following cases:

- 1) proper fulfillment of the tax obligation and payment of arrears, interest, penalties and tax sanctions;
- 2) expiration of the limitation period for a tax obligation established by this Code;
- 3) the death of a natural person in the absence of a legal successor or heir;
- 4) recognition of an individual as missing or incapacitated in the absence or insufficiency of his property;
- 5) write-off of debts of subjects by adoption of a separate law;
- 6) completion of the declaration procedure in accordance with the legislation of the Kyrgyz Republic in the field of voluntary declaration of property and income by individuals.

Article 80

The tax debt of the taxpayer is recognized as bad debt in the cases specified in paragraphs 2-5 of article 79 of this Code, and debited by the tax authority from the personal account in the manner prescribed by the Cabinet of Ministers.

Chapter 7

Article 81

1. Unless otherwise provided by this article, the fulfillment of a tax obligation and the repayment of tax debts may be ensured in the following ways:

- 1) accrual of penalties;
- 2) provision of a bank guarantee;
- 3) deposit by a taxpayer of funds to the deposit account of a tax service body - by a taxpayer's deposit;
- 4) collection of tax debt recognized by the taxpayer at the expense of cash and / or funds from the accounts of the taxpayer and / or third parties;
- 5) appeal to the court by the tax authorities to restrict the exit from the Kyrgyz Republic of individuals, heads of organizations that have tax debt recognized by the taxpayer.

2. Methods for ensuring the fulfillment of a tax obligation and repayment of tax debts arising from the movement of goods across the customs border of the EAEU are determined by the legislation of the Kyrgyz Republic in the field of customs.

Article 82

1. Penalty is the amount of money that a taxpayer must pay in case of non-fulfillment or delay in fulfillment of a tax obligation.

2. The amount of penalty interest is accrued and paid regardless of the application of measures for the enforcement of a tax obligation, as well as other measures of responsibility for a tax offense.

3. Penalties are accrued for each calendar day of delay in the fulfillment of the tax obligation, starting from the day following the day established by this Code for the fulfillment of the tax obligation.

4. The total amount of accrued penalties may not exceed 100 per cent of the taxpayer's arrears.

5. Penalties for each day of delay are determined as a percentage of the taxpayer's arrears.

6. The amount of penalties is charged in the amount equal to 0.09 percent of the arrears for each day of delay.

7. Penalties are not charged:

1) on the amounts of accrued interest, penalties and tax sanctions;

2) for the amount of arrears of a taxpayer declared bankrupt - from the moment the decision on declaring or declaring him bankrupt enters into force;

3) for the amount of arrears of an individual recognized as missing - from the moment the court decision comes into force until the decision is canceled;

4) for the amount of arrears of the taxpayer-creditor of the forcibly liquidated bank, if the only reason for the formation of the arrears was the liquidation of the serviced bank - from the moment the decision on the forced liquidation of the bank comes into force;

5) for the amount of arrears arising as a result of untimely financing for goods, works and services supplied by the taxpayer,

- within the limits of appropriations provided for these purposes by the state budget;

6) for the amount of arrears arising as a result of force majeure;

7) for the amount of deferred and installment tax debts;

8) for the amount of the arrears resulting from the application and / or change of the explanation of the authorized state body and / or the authorized tax authority.

Under the terms of this clause, penalties are not charged for the period until the date of cancellation of the previously issued clarification.

8. According to the submitted revised financial statements, penalties are accrued only on the amount of the unpaid tax liability arising from these financial statements.

Article 83. Taxpayer's bank guarantee

1. A taxpayer's bank guarantee is a written obligation of the guarantor to pay the tax authority the amount specified in the taxpayer's bank guarantee.

2. A taxpayer's bank guarantee secures the obligation to pay the amount of the taxpayer's tax debt, as well as the amount of tax debt that the taxpayer may incur in future tax periods if the taxpayer is granted a deferral or installment plan for paying the amount of tax debt in accordance with article 91 of this Code.

3. The amount of the bank guarantee of the taxpayer is established in the amount of:

1) the amount of the tax debt of the taxpayer upon the provision of a bank guarantee of the taxpayer in connection with the deferral or installment plan for the payment of the amount of tax debt in accordance with article 91 of this Code;

2) the amount indicated in the taxpayer's application for a deferral or installment plan for payment of the amount of tax debt in accordance with article 91 of this Code;

4. The requirement to the guarantor that has provided a bank guarantee to a taxpayer to pay the amount specified in the taxpayer's bank guarantee shall be presented by the tax service body after the expiration of the period for which a deferment or installment plan was granted for the payment of the amount of tax debt in accordance with article 91 of this Code.

5. The demand of the tax service body to the guarantor for the payment of a sum of money under the taxpayer's bank guarantee shall be submitted with an extract from the taxpayer's personal account attached.

6. A taxpayer's bank guarantee cannot be revoked by the guarantor.

7. Relations between the tax service body, the taxpayer and the guarantor on all issues related to the taxpayer's bank guarantee are regulated by the civil legislation of the Kyrgyz Republic to the extent not regulated by this Code.

Article 84. Taxpayer's deposit

1. Fulfillment of the taxpayer's tax obligation, which may arise for the taxpayer in the future in the cases established by this Code, may be ensured by the taxpayer depositing funds in the amount of the tax obligation to the deposit account of the tax service body - the taxpayer's deposit.

2. The tax authority that accepted the deposit shall issue a certificate to the taxpayer in confirmation of the deposit.

3. The body of the tax service has the right to dispose of the amounts kept on the deposit account only in cases, on the conditions and within the time limits stipulated in the decision of the body of the tax service that accepted the deposit of the taxpayer.

4. Interest on the amount of the tax deposit is not charged.

5. When an event occurs, as a result of which the taxpayer has tax liabilities secured by a deposit, the amount of the taxpayer's tax liability is transferred to the budget from the amount of the deposit.

6. Upon the occurrence of an event as a result of which the taxpayer did not incur tax liabilities, as well as in cases where a tax liability arises in an amount less than the amount of the deposit made, the paid funds or their balance are subject to return to the taxpayer or, at the request of the taxpayer, offset against fulfillment of obligations under other taxes or ensuring the fulfillment of tax obligations of future periods.

7. The refund or offset of the amounts paid shall be carried out within a period of not more than 20 days from the day following the day the taxpayer filed an application with the tax authorities, with the submission of the documents established by this Code.

Article 85. Fulfillment of tax debt recognized by a taxpayer

1. In case of non-payment or incomplete payment of the amount of tax debt recognized by the taxpayer, determined in accordance with clause 20 of part 2 of article 40 of this Code, the tax authority has the right to collect in an indisputable manner the funds of the taxpaying organization or individual entrepreneur without their consent to the collection and direct the collected funds to pay the amount of such debt.

2. Collection of funds in payment of the amount of tax debt recognized by the taxpayer from the accounts of the taxpayer is carried out by issuing a tax payment claim (hereinafter referred to as the TTP) to the bank in the form approved by the authorized tax authority.

3. NPT is executed by the bank by debiting funds from the taxpayer's accounts, including foreign currency, to pay his tax debt, no later than one business day following the day the NPT is received by the bank.

The NPT is valid until it is executed or until the bank receives information from the tax authority on the termination of the tax liability in accordance with article 79 of this Code, whichever is the case earlier.

4. If there are insufficient or no funds on the taxpayer's accounts on the day the NPT is received by the bank, such a requirement is fulfilled as funds are received on these accounts no later than one business day following the day of each such receipt.

5. If there is insufficient or no money on the taxpayer's bank accounts, the tax authority has the right, on the basis of an order, to collect the tax debt recognized by the taxpayer at the expense of cash under an act on the collection of cash in the form approved by the Cabinet of Ministers.

The available funds collected in accordance with this paragraph shall be transferred to the bank no later than 2 business days following the day of collection, for their crediting to the taxpayer's accounts with subsequent transfer to the budget.

6. In the event of insufficient or unavailability of funds from the taxpayer, the tax authority has the right, within the limits of the tax debt recognized by the taxpayer, to recover cash from the accounts of third parties.

Recovery from the accounts of third parties is carried out if there is a documented debt of a third party to the taxpayer on the basis of an act of reconciliation of mutual settlements between the taxpayer and the third party in an indisputable manner.

7. This article shall apply if a taxpayer has been served a notice on securing the fulfillment of tax debt recognized by the taxpayer at the expense of cash and/or funds from the accounts of the taxpayer and/or third parties and the taxpayer has not fulfilled the tax obligation within 15 calendar days from the day following the day of delivery of the relevant notice.

8. The procedure for collecting tax debts provided for by this section is determined by the Cabinet of Ministers.

Article 86. Forced payment of tax debt

1. Unless otherwise provided by this chapter, if there is a tax debt and the taxpayer has not been granted a deferral or installment plan in accordance with this Code, the tax authority has the right to file a claim with a court for the enforcement of tax debt collection, including on restriction of the disposal of property and/or on the collection of tax debt at the expense of the property of this taxpayer within the amount specified in the notice of enforcement of the tax debt recognized by the taxpayer.

Appeal to the court is made in accordance with the procedure provided for by the Civil Procedure Code of the Kyrgyz Republic.

This claim may provide for the collection of tax debt from a third party, including at the expense of the debtor, employer, bank or other organization.

2. When filing a claim referred to in paragraph 1 of this article, the tax authority has the right to send to a third party of the taxpayer, including a debtor, employer, bank or other organization, the decision of the tax authority to terminate cash payments to or on behalf of the taxpayer who has tax debt, with a notice of enforcement of tax debt recognized by the taxpayer attached.

If, before the court makes a decision, a third party has not fulfilled the requirements specified in the decision and has not challenged this decision of the tax authority, an amount equivalent to this payment, but not more than the amount of tax debt, shall be recovered from it. The recovery provided for by this part is carried out by a court decision.

3. Consideration of cases on claims for the collection of tax at the expense of the taxpayer's property is carried out in accordance with the civil legislation of the Kyrgyz Republic.

4. The collection of tax debt at the expense of the taxpayer's property on the basis of a court decision that has entered into legal force is carried out in accordance with the Civil Code of the Kyrgyz Republic.

5. Collection of tax debt at the expense of the property of a taxpayer - an individual is not carried out in relation to:

1) a fixed asset worth up to 1000 calculated indicators;

2) property that is not related to economic activity and intended for daily personal use by an individual or members of his family according to the list determined by the Cabinet of Ministers.

If it is impossible to divide the property specified in paragraph 1 of this part when collecting tax debts at the expense of the taxpayer's property, this property is subject to sale under the terms of this article with the subsequent return of the amount of property up to the established threshold.

6. In case of collection of tax debt at the expense of the taxpayer's property, the obligation to pay tax debt is considered fulfilled from the date of its implementation and repayment of tax debt at the expense of the proceeds. In the case of the sale of property that was previously seized, penalties for late transfer of tax debts and tax sanctions are not charged from the date of seizure of property and until the transfer of the proceeds to the budget.

7. An official of a tax authority, as well as persons related to him, are not entitled to acquire the property of a taxpayer, which is sold in the execution of a court decision on the collection of tax at the expense of the taxpayer's property.

8. This article shall not apply to a tax liability arising from a tax audit and contested as a result of an appeal until a decision on the appeal has been made.

Article 87

1. The tax authorities have the right to apply to the court with an application to restrict the departure of an individual or the head of an organization that has a tax debt recognized by a taxpayer in excess of 1000 calculated indicators and unfulfilled within

15 working days following the date of delivery of a notice of ensuring the fulfillment of tax debt recognized by the taxpayer.

2. An application for travel restrictions is considered by a district (city) court in the manner prescribed by the civil procedural legislation of the Kyrgyz Republic to secure a claim.

3. The act of the court on the restriction of exit shall be sent by the tax service body to the authorized state body in the field of protection of the state border.

4. The basis for applying to the court to cancel the judicial act on the restriction of exit may be the termination of the tax obligation in accordance with article 79 of this Code, whichever is the case earlier.

5. If the head of the organization, in respect of which a judicial act on the restriction of exit was issued, ceases to operate in this organization, then the tax service body applies to the court to cancel the restriction in relation to this person with the simultaneous imposition of restrictions on the new head of this organizations.

6. The presence of a judicial act on the restriction of departure is not an obstacle to the application of measures against the taxpayer to secure a claim, provided for by the civil procedural legislation of the Kyrgyz Republic, in the event that the tax authorities subsequently apply to the court to enforce the collection of tax debts.

7. Bodies of the tax service have the right to request from the authorized state body in the field of the state border any information related to the execution of a judicial act on restriction of exit.

Chapter 8

Article 88

1. A change in the term for the fulfillment of a tax obligation, as well as for the payment of tax debts (hereinafter referred to as the amount of tax debt) is recognized as the postponement of the established deadline for paying the amount of tax debt to a later date.

2. Changing the deadline for payment of the amount of tax debt is allowed only in the manner prescribed by this chapter.

The term for payment may be changed in respect of the entire amount of the tax debt payable or part of it with the accrual of interest on the unpaid amount of the tax debt, unless otherwise provided by this chapter.

3. Changing the deadline for paying the amount of tax debt is carried out in the form of a deferment and / or installment plan.

4. Changing the deadline for paying the amount of tax debt does not cancel the existing one and does not create a new obligation to pay it.

5. A change in the deadline for payment of the amount of tax debt is made exclusively under a bank guarantee, with the exception of cases provided for article 34 of this Code.

6. The provisions of this article shall not apply to the amount of tax debt on excise tax.

Article 89

1. The deadline for paying the amount of tax debt cannot be changed if, in relation to the taxpayer claiming such a change, there are documentary grounds for believing that this taxpayer will use such a change to hide his money or other property subject to taxation, or this taxpayer is going to leave outside the Kyrgyz Republic for permanent residence.

2. In the event of the occurrence of the circumstances specified in part 1 of this article, the earlier decision to change the deadline for paying the amount of tax debt is subject to cancellation.

When canceling the decision made, the tax service body within 3 working days following the day the decision was made, notifies the taxpayer in writing in the manner prescribed by this Code.

Article 90

Decisions to change the deadline for payment of the amount of tax debt are taken by the tax authority at the place of current tax accounting or registration of the taxpayer, regardless of the amount of tax debt.

Article 91

1. A deferral or installment plan for the payment of the amount of tax debt is a change in the term for its payment, if there are grounds provided for in this article, for a period of one month to 3 years with a one-time payment by the taxpayer of the amount of tax debt (hereinafter referred to as deferment) and / or staged payment by the taxpayer the amount of tax debt (hereinafter referred to as the installment plan).

A deferral or installment plan for VAT on the import of goods from the EAEU member states may be granted for a period not exceeding 6 months from the date the taxpayer registers the imported goods.

2. A deferral or installment plan may be granted to the taxpayer upon his application in respect of the amount of tax debt that has been formed and not repaid by the taxpayer for one of the following reasons:

1) causing damage to this taxpayer as a result of force majeure circumstances;

2) delay to this taxpayer of financing or payment from the budget for goods supplied, works performed and services rendered by this taxpayer, as well as within the framework of activities in accordance with the legislation of the Kyrgyz Republic on public-private partnership;

3) if the financial or property status of the taxpayer excludes the possibility of a one-time payment of the amount of tax debt in the event that the provision of a deferral and / or installment plan will contribute to the fulfillment of the tax obligation.

3. A deferral and/or installment plan may be granted for one or more taxes.

4. If a deferral or installment plan is granted on the grounds specified in clause 3 of part 2 of this article, interest is accrued on the amount of tax debt based on the double discount rate of the National Bank on the amount of the deferred or installment amount of tax debt. Interest is accrued for each day of the period in which the deferment or installment plan is granted.

If a deferment or installment plan is granted on the grounds specified in paragraphs 1 and 2 of part 2 of this article, no interest is accrued on the amount of this tax debt.

5. Penalties and tax sanctions on the deferred or installment amount of the tax debt are not accrued.

6. An application for granting a deferral or installment plan, indicating the grounds, is submitted to the tax authority at the place of the taxpayer's current tax accounting or registration. Unless otherwise provided by this Code, this application shall be accompanied by documents confirming the existence of the grounds specified in part 2 of this article, and documents on a bank guarantee for payment of a deferred or installment amount of tax debt. A copy of the said application shall be sent by the taxpayer within 10 days from the day following the day of submission of the application to the tax authority at the taxpayer's place of registration.

7. The decision to grant a deferral or installment plan or to refuse to grant them shall be made by the tax authority within 10 calendar days following the day of receipt of the taxpayer's application.

During the period of consideration of the taxpayer's application by the tax authorities, measures for the enforcement of tax debt collection are suspended.

8. When fulfilling the requirements established by this chapter, in the absence of circumstances precluding a change in the deadline for paying the amount of tax debt, the tax authority is not entitled to refuse a taxpayer a deferral or installment plan on the grounds specified in paragraph 1 or 2 of part 2 of this article, within the limits, respectively the amount of damage caused to the taxpayer or the amount of underfunding or non-payment from the budget for goods supplied, work performed and services rendered by this taxpayer.

9. The decision on granting a deferral or installment plan must contain an indication of the tax, for the payment of which a deferral or installment plan is granted, the amount of tax debt, the terms and procedure for paying the amount of tax debt and accrued interest, as well as in the cases established by this Code, documents on a bank guarantee payment of the deferred or installment amount of the tax debt.

The decision to grant a deferment or installment plan shall enter into force on the day specified in this decision. At the same time, the due penalties and tax sanctions for the entire time from the day set for the payment of tax debts until the day this decision comes into force are included in the amount of the debt.

10. The decision to refuse to grant a deferral or installment plan must be justified.

11. The decision to grant a deferment or installment plan or to refuse to grant it shall be sent by the tax authority to the taxpayer at the place of the current tax registration of this taxpayer within 3 working days from the day following the day of such a decision.

12. The procedure and conditions for granting a deferral or installment plan for the payment of tax debts in connection with the movement of goods across the customs border of the EAEU are determined by the legislation of the Kyrgyz Republic in the field of customs.

Article 92

1. The deferment and/or installment plan terminates upon the expiration of the term of the relevant decision or agreement, or may be terminated before the expiration of such period in the cases provided for by this article.

2. The deferral and/or installment plan terminates early if the taxpayer pays the entire amount of the tax debt due and the corresponding interest before the expiration of the established period.

3. If the taxpayer violates the conditions for granting a deferral and/or installment plan, except for the violation due to force majeure circumstances, the tax service body sends the taxpayer a decision to eliminate the violation within 10 days from the day following the day the taxpayer received the decision. If the taxpayer has not complied with and challenged this decision, the deferral and/or installment plan shall be prematurely terminated from the day the taxpayer violates the terms of the deferral and/or installment plan.

4. In case of early termination of the deferral and/or installment plan in accordance with part 3 of this article, the taxpayer must, within 30 calendar days following the day he receives the relevant decision, pay the unpaid amount of tax debt, as well as penalties and tax sanctions for the amount of arrears, starting from the day following the day of receipt of this decision, up to and including the day of payment of this amount.

At the same time, the remaining unpaid amount of tax debt is determined as the difference between the amount of debt determined in the decision to grant a deferral and/or installment plan, increased by the amount of interest calculated in accordance with the decision to defer and/or installment plan for the period of validity of the deferral and/or installment plan, and actually paid amounts of tax debt and interest.

5. The decision to cancel the deferral or installment plan is sent to the taxpayer by the tax authority that made this decision no later than 3 business days from the day following the day the decision was made, in the manner prescribed by this Code.

Chapter 9. Credit and refund of taxes

Article 93

1. An overpaid amount of tax, as well as interest, penalties and tax sanctions is a positive difference between the amount of tax, as well as interest, penalties and tax sanctions paid by the taxpayer to the budget, and the amount of tax, as well as interest, penalties and tax sanctions subject to payment to the budget, with the exception of the amount of excess VAT, determined by articles 326-329 of this Code.

2. The excessively paid amount of tax, as well as interest, penalties and tax sanctions shall be offset against the tax debt of the taxpayer in the following order:

1) on account of repayment of interest, penalties and tax sanctions for this type of tax;

2) on account of repayment of arrears on other types of taxes;

3) on account of repayment of interest, penalties and tax sanctions on other types of taxes.

3. The offset of the overpaid amount of tax against the fulfillment of the tax obligation of future periods for this tax, as well as against the payment of interest, penalties and tax sanctions on this type of tax, is carried out by the tax authority independently.

4. If a taxpayer has an overpaid amount of tax and an unfulfilled tax obligation for other taxes arises, the offset of the overpaid amount of tax against the unfulfilled tax obligation shall be made by the tax authority independently on the date of the occurrence of the unfulfilled tax obligation with a notification to the taxpayer within 10 calendar days following the day of the test.

5. In the event of the fulfillment of the conditions provided for by Part 2 of this Article, at the request of the taxpayer, the overpaid amount of tax, as well as interest, penalties and tax sanctions shall be offset against the fulfillment of the tax obligation of future periods for other taxes or returned to the taxpayer.

6. The refund of the overpaid amount of tax, as well as interest, penalties and tax sanctions is made by the tax authority at the place of registration of the taxpayer or at the place of payment within 30 calendar days following the day of receipt of the application for a refund.

7. The excessively paid amount of tax, as well as interest, penalties and tax sanctions of the taxpayer is not subject to offset against the tax debt of another taxpayer.

8. Based on the results of consideration of the application, the tax authority makes a decision:

1) on the offset or return of the overpaid amount of tax, interest, penalties and tax sanctions;

2) on refusal to set off or return the overpaid amount of tax, interest, penalties and tax sanctions.

9. An application for a credit or refund of an overpaid amount of tax, as well as interest, penalties and tax sanctions may be filed by a taxpayer within the limitation period from the day following the day the overpayment occurred.

10. The overpaid amount of tax, as well as interest, penalties and tax sanctions, formed due to the offset from one type of tax to another type of tax, is not subject to offset and return.

11. The excessively paid amount of tax, as well as interest, penalties and tax sanctions shall be refunded to the taxpayer upon his written request in the event that the taxpayer does not have an unfulfilled tax obligation.

12. Upon the expiration of the limitation period, the overpaid amount of tax, as well as interest, penalties and tax sanctions of the taxpayer is written off from the personal account of the taxpayer in favor of the budget.

13. In case of violation of the deadline established by part 6 of this article, the taxpayer shall be paid penalties in the amount of 0.09 percent for each day of violation of the deadline for the return at the expense of the budget.

Article 94

1. An erroneously paid amount of tax to the budget is an amount in the payment of which any of the following errors was made:

1) in the payment document:

a) instead of the accumulation account of the tax authority, at the location of which the amount of tax to the budget is to be paid, the code of another tax authority is indicated;

b) the textual purpose of the payment does not correspond to the code of the purpose of payment and/or the code of the budgetary classification of income;

2) erroneous execution by the bank of the payment document of the taxpayer;

3) the payment was made at a tax authority where the taxpayer is not registered with the tax authorities and/or registration;

4) the taxpayer is not a taxpayer for this type of tax.

2. Offset and return of the erroneously paid amount of tax to the budget are made at the request of the taxpayer and/or the bank.

3. The tax authority, on the basis of the application, draws up a certificate on the causes of the erroneously paid amount of tax to the budget.

4. The set-off and return of the erroneously paid amount of tax to the budget shall be made within 5 working days from the date of receipt of the application of the taxpayer or the bank about the erroneously paid amount of tax to the budget to the tax authority, which received the erroneously paid tax amounts.

5. If the tax authority confirms the existence of one of the errors referred to in paragraph 1 of this article, the tax authority, on the basis of a decision:

1) credits the erroneously paid amount to the corresponding payment code of the budget classification and/or to the corresponding accumulation account of the tax authority;

2) returns the erroneously paid amount to the taxpayer's account.

6. In case of erroneous execution by the bank of the payment document of the taxpayer, which led to the repeated transfer of the amount of tax to the budget under the same payment document, the tax authority, at the request of the bank, on the basis of the decision, refunds the erroneously paid amount upon confirmation of the fact of the error to the bank account.

7. The refund to the taxpayer's account is made in the absence of the taxpayer's tax debt.

8. If the tax authority does not confirm the presence of errors specified in part 1 of this article, it shall take a reasoned decision to refuse to set off or return the erroneously paid amount within five working days from the date of receipt of the application.

Article 95

1. An individual is entitled to a refund at the expense of the funds provided for in the republican budget of a part of the amount of tax or the cost of goods, works, services indicated in cash register receipts received from taxpayers of the Kyrgyz Republic, provided that such receipts are registered in the information system of the authorized tax authority.

2. The procedure, amount and terms for the return of the amount specified in part 1 of this article are established by the Cabinet of Ministers.

Chapter 10

Article 96

1. The decision is made by the tax service body in accordance with this Code on all issues that have legally significant consequences for the taxpayer.

2. The decision of the body of the tax service on the calculation of the amount of tax liabilities of the taxpayer, adopted in accordance with the norm of this Code, in respect of which a decision was made on the existence of a contradiction or the absence of the norms necessary for the regulation of tax legal relations in accordance with article 17 of this Code.

Such a decision is made within a period of not more than 15 working days from the date of receipt by the authorized tax authority of a decision on the existence of a contradiction or absence of norms.

3. Depending on the type of decision, it shall indicate:

- 1) last name, first name, patronymic or full name of the taxpayer;
- 2) TIN of the taxpayer;
- 3) the date of the decision;
- 4) the basis for the decision;
- 5) the decision made;
- 6) the amount of debt on taxes, interest, penalties and tax sanctions accrued as of the date of the decision;
- 7) details of relevant taxes, interest, penalties and tax sanctions;
- 8) the deadline for the fulfillment of the tax obligation established by this Code;
- 9) measures to ensure the fulfillment of the tax obligation, which are applied in case of non-fulfillment of the decision by the taxpayer;
- 10) information on the actions taken by the tax authority in relation to the taxpayer and/or his tax liability and/or tax debt;
- 11) procedure for appeal;
- 12) bank details required to pay tax or pay off tax debts;
- 13) other necessary information.

4. Unless otherwise provided by this chapter, the decision of the body of the tax service is brought to the attention of the taxpayer by handing it over.

5. The decision is drawn up in two copies, one of which is handed over to the taxpayer or other persons in the cases established by this Code.

6. The form and procedure for making a decision are established by the authorized tax body.

7. The form and content of the decision taken by the tax authorities in the framework of criminal law and criminal procedural legal relations are regulated by

criminal, criminal procedural legislation and other regulatory legal acts of the Kyrgyz Republic in this area.

Article 97

1. The decision and other documents provided for by this article:

1) are delivered to the last address of the taxpayer's economic activity or to his last registered address in the Kyrgyz Republic, or to the address indicated in the correspondence, or to the tax representative of the taxpayer in person against signature, or in another way confirming the fact and date of its receipt;

2) are issued to the taxpayer or his tax representative in the tax authority in person against signature;

3) are delivered in the form of an electronic document through the information system of the authorized tax authority or other information systems in accordance with the legislation of the Kyrgyz Republic, subject to the consent of the taxpayer to receive correspondence in the form of an electronic document.

2. The decision or document is considered to be served:

1) if sent by registered mail - on the date of receipt or refusal to receive a registered letter, indicated in the receipt of delivery;

2) if sent in the form of an electronic document - after 5 calendar days from the date of sending the electronic document.

3. The decision or documents are valid only if they do not contradict this Code, meet the requirements of this Code and are handed over to the taxpayer in the manner prescribed by this Code.

4. The decision will not be considered valid or valid in case of non-compliance with the requirements specified in this Code, even if the taxpayer was aware of the decision and its content. Proof of the fact of proper delivery of the decision to the taxpayer is the task of the tax authority.

5. If a violation is detected, the tax service body has the right to cancel its decision if there is no decision of the authorized tax body on the validity of this decision.

If a violation is detected, the authorized tax authority may cancel its decision based on the results of consideration of the complaint, if there is no court decision on the validity of this decision.

6. The taxpayer or his tax representative shall be given the following decisions:

1) on tax registration;

2) on registration as a VAT payer;

3) on re-registration of the taxpayer;

4) on cancellation of tax registration;

5) on cancellation of accounting registration;

6) on cancellation of VAT registration;

7) based on the results of an on-site inspection;

8) on the results of a desk audit;

9) on the application of a preferential regime for the fulfillment of a tax obligation;

- 10) upon a taxpayer's complaint;
- 11) appointment and/or extension and/or suspension and/or resumption of the on-site inspection;
- 12) on submission of documents by the audited taxpayer;
- 13) on the taxpayer's deposit;
- 14) on granting or on refusal to grant a deferral/installment plan for payment of the amount of tax debt;
- 15) on elimination of violation of the conditions for granting a deferral or installment plan for the payment of the amount of tax debt;
- 16) on the extension of the deadline for submitting tax returns;
- 17) on the offset of overpaid or overcharged amounts of taxes at the request of the taxpayer against the tax debt and / or against the fulfillment of the forthcoming tax obligation;
- 18) on the offset of the overpaid amount of tax, made independently by the tax service body;
- 19) on reimbursement/refund or refusal to reimburse/refund the amount of excess VAT;
- 20) on the offset/refund or refusal to offset/refund the amount of VAT on imports;
- 21) on the calculated amount of land tax, property tax;
- 22) on the recognition of the invoice as invalid;
- 23) on the cancellation of the earlier decision of the tax service body;
- 24) on the results of a desk audit on the application of the VAT taxpayer for reimbursement and / or refund of the amount of excess VAT.

7. The following documents shall be handed over to the taxpayer or his tax representative:

- 1) notification of the time and place of consideration of the materials of the on-site inspection;
- 2) notification of the date and time of the physical measurement of the land plot, property;
- 3) notification of the discovery of a discrepancy between the performance indicators of the taxpayer based on the results of a desk audit;
- 4) notification of the enforcement of the tax debt recognized by the taxpayer.

8. In order to fulfill their duties, the bodies of the tax service may make the following decisions and hand over to the relevant entities:

- 1) to the guardian, custodian or manager in charge of trust management of property, as well as to the family and children support body - on the existence of an unfulfilled tax obligation of an individual recognized as missing or incapacitated;
- 2) to the bank - on providing information on transactions carried out with the accounts of the audited taxpayer, as well as on the current state of his account;
- 3) to third parties - on presentation of a demand to stop monetary payments to the address or on behalf of the taxpayer;

4) to an expert and a taxpayer - on the conduct of an expert examination.

In the cases provided for by this Code, a notary at the place of opening of the inheritance and the heir may be notified of the tax debt of the deceased natural person.

9. Decisions provided for by this Code, with the exception of cases provided for article 72, may be appealed by the taxpayer in the manner prescribed chapter 20 of this Code.

Other documents provided for by this Code, including notifications, instructions, notifications, acts, are not subject to appeal.

10. The provisions of this article do not apply to decisions taken in accordance with the norms of criminal, criminal procedure legislation, other regulatory legal acts of the Kyrgyz Republic in this area.

Chapter 11. Tax reporting

Article 98

1. Accounting documentation is primary documents, accounting registers and other documents that are the basis for determining a tax liability.

2. Accounting documentation is compiled on paper and/or electronic media and kept until the expiration of the limitation period for the relevant tax liability established by this Code, except for the cases provided for by the legislation of the Kyrgyz Republic, but not less than the limitation period established by this Code.

3. Primary documents and accounting registers are compiled by the taxpayer in the state or official language.

4. If there are other accounting documents drawn up in a foreign language, at the request of the tax authority, the taxpayer is obliged to ensure the translation of such documents into the state or official language.

5. In the event of reorganization of a taxpayer, the obligation to keep the accounting documentation of the reorganized organization shall be assigned to its legal successor.

6. Upon liquidation of an organization, as well as upon termination of the activities of an individual entrepreneur after being excluded from the state register, accounting documentation may be destroyed, with the exception of documents subject to submission to the state archive.

Article 99. Tax reporting

1. Tax reporting is a taxpayer's document on paper and/or electronic media, submitted to the tax authority in accordance with the procedure established by this Code, containing information on the amount of the tax liability, as well as information necessary for the calculation of the tax liability and the formation of an information base for assessment effectiveness of tax incentives.

2. Tax reporting of a taxpayer, signed by a person who is not an official of the taxpayer, is not accepted by the tax authorities for execution.

3. Forms of tax reporting are approved by the authorized tax body in the manner determined by the Cabinet of Ministers.

Article 100

1. Unless otherwise established by this Code, tax reporting shall be compiled by a taxpayer or a tax representative independently in accordance with the requirements of this Code.

2. Tax reporting is drawn up on paper and/or electronic media in the state or official language.

The Cabinet of Ministers determines the procedure and terms for the transition of the submission of tax reporting in the form of a paper carrier to the form of an electronic document.

3. Tax reporting on paper must be signed by the taxpayer or an official of the taxpayer and/or tax representative. The signature of a taxpayer, an official of a taxpayer and a tax representative shall be certified with a seal if, in accordance with the legislation of the Kyrgyz Republic, the taxpayer is required to use a seal.

4. When compiling tax reporting in electronic form, an electronic document must be certified by the electronic signature of the taxpayer, except for the cases provided for by this Code.

5. Responsibility for the accuracy of the data specified in the tax reporting lies with the taxpayer.

6. Tax reporting shall be submitted to the tax authority at the place of tax registration or registration of the taxpayer.

7. A taxpayer, a tax representative shall have the right to submit tax returns of their choice:

- 1) without prior notice;
- 2) by registered mail with notification;

3) in the form of an electronic document through the information system of the authorized tax authority or other information systems in accordance with the legislation of the Kyrgyz Republic.

8. Mandatory requirements for tax reporting of a taxpayer are:

- 1) indication of TIN, legal and actual address of the taxpayer;
- 2) an indication of the tax liability and the tax period;
- 3) the requirements established by this Code regarding the signing of tax reporting;
- 4) preparation of reports in the prescribed form.

9. If the taxpayer violates the requirements provided for by Part 8 of this article, the tax service body sends the taxpayer a decision to eliminate the violation within 10 days from the day following the day the taxpayer received this decision. If the taxpayer fulfills the said decision, the obligation to submit tax returns shall be considered fulfilled.

10. Tax reporting on paper is accepted without preliminary verification and, at the request of the taxpayer, without discussing its content.

11. The procedure for completing and submitting tax reports is established by the authorized tax authority.

12. If it is impossible for a taxpayer to submit tax returns in the form of an electronic document, the taxpayer has the right to submit tax returns on paper in the cases and in the manner established by the Cabinet of Ministers.

Article 101

1. The deadline for submitting tax reports is established for each tax separately in accordance with the requirements of this Code.

2. Changing the established term for the submission of tax returns is allowed only in the manner prescribed by this Code.

3. Violation of the deadlines for submitting tax reports is the basis for bringing to responsibility, provided for by this Code and the legislation of the Kyrgyz Republic on offenses.

4. Unless otherwise established by this Code, tax reporting shall be submitted within the following terms:

1) no later than the 20th day of the month following the reporting quarter - in the case of tax reporting for the preliminary amount of tax;

2) no later than the deadlines established article 107 of this Code, - in the case of drawing up a single tax declaration;

3) no later than the 20th day of the month following the reporting month - in the case of drawing up tax returns for a tax period that is equal to one month;

4) no later than the 20th day of the month following the reporting quarter - in the case of drawing up tax returns for a tax period that is equal to one quarter;

5) no later than the 20th day of the month following the month in which the tax liability arose - in cases not provided for in paragraphs 1-3 of this part.

5. Tax reporting for the tax period in which the decision was made to approve the liquidation balance sheet upon liquidation of the separation balance sheet or transfer act upon reorganization, the organization shall submit together with an application for the cancellation of tax and / or accounting registration in connection with the reorganization or liquidation of the organization no later than 10 working days from the date of approval by its governing body of the above documents.

6. Tax reporting for the tax period in which an application was submitted to the tax authority for the annulment of tax and / or accounting registration due to the termination of activities, is submitted by an individual entrepreneur along with such an application.

7. The application of a VAT taxpayer for the cancellation of tax and/or accounting registration, provided for by paragraph 5 of this article, includes an application for the cancellation of VAT registration.

8. The entrepreneurial activity of a taxpayer after the submission of tax returns for the tax period in which a decision was made to approve the documents provided for in paragraph 5 of this article and an application was submitted for the cancellation of tax and / or accounting registration in connection with the termination of the activity of an individual entrepreneur, is recognized as an activity without tax registration.

Article 102

1. Unless otherwise established by this article, upon receipt of a written application from a taxpayer before the deadline for submitting tax returns established by this Code, the tax service body shall make a decision to extend the deadline for submitting tax returns by 30 days following the day of the deadline for submitting these tax returns.

2. The extension of the deadline for submitting tax returns does not change the tax payment deadline.

3. Extension of the deadline for submission of tax reporting is not allowed in case of submission of tax reporting on indirect taxes when goods are imported into the territory of the Kyrgyz Republic from the territories of the EAEU member states.

Article 103. Date of fulfillment of the obligation to submit tax returns

1. The date of fulfillment of the obligation to submit tax reports is the date of receipt of reports by the tax authority or the date of notification of acceptance of an electronic document by the information system specified in paragraph 3 of part 7 articles 100 of this Code, or the date of sending the accounts by registered mail with return notification.

2. The obligation to submit tax reports by mail shall be considered fulfilled on time if there is a document with a mark on the time and date of receipt of the reporting by the communications organization, which confirms that the reporting was submitted to the communications organization before the end of the working hours of the last day of the period established by this Code for submission of tax returns.

Article 104. Introduction of amendments and/or additions to tax reporting

1. Introduction of amendments and additions to tax reporting is allowed during the limitation period for a tax liability established by this Code.

2. Amendments and additions to tax reporting are made by the taxpayer by compiling revised tax reporting for the tax period to which these amendments and additions relate, as well as providing relevant information on the reasons for changing the amount of the tax liability, including amendments and additions in accordance with the decision of the tax authority. service, not disputed by the taxpayer, or the validity of which is confirmed by the court.

3. Updated tax reporting shall be submitted in case of discovery in the submitted tax reporting of the fact of non-reflection or incomplete reflection of a transaction, as well as errors leading to a change in the amount of tax, unless otherwise provided by this Code.

4. It is not allowed to make changes and additions to tax reporting:

1) compiled for the audited period, during the time of the on-site tax audit;

2) if such changes and additions differ in substance from the decision of the tax authorities or the court, and these decisions have not been canceled and / or invalidated.

5. The introduction by a taxpayer of changes and/or additions to tax reporting is not a basis for applying measures of criminal liability and liability to such a taxpayer in accordance with the legislation on offenses.

Article 105

1. A taxpayer or a tax representative, as well as the relevant tax authority, shall be obliged to keep tax returns for the duration of the limitation period for a tax liability established by this Code.

2. In the event of reorganization of a taxpayer, the obligation to keep tax returns for the period of activity of the reorganized person shall be assigned to its legal successor.

3. In the event of liquidation of an organization, tax reporting may be destroyed by the taxpayer, with the exception of documents subject to submission to the state archive.

Article 106. Single tax declaration

1. A unified tax declaration is a tax reporting, the purpose of which is to provide information on the economic activity of the subject, information on income, expenses and property necessary for calculating the tax liability, on the calculated and / or paid amount of taxes and applicable tax benefits.

2. A single tax declaration must be drawn up and submitted:

- 1) domestic organization;
- 2) a foreign organization operating in the territory of the Kyrgyz Republic, with the formation of a permanent establishment;
- 3) an individual who is a citizen of the Kyrgyz Republic;
- 4) an individual who is not a citizen of the Kyrgyz Republic, but has a residence permit in the Kyrgyz Republic or the status of kairylman;
- 5) an individual who is not a citizen of the Kyrgyz Republic, but has objects of property in the territory of the Kyrgyz Republic.

For the purposes of this paragraph, an object of property means property that is an object of taxation in accordance with Section XIII of this Code.

3. The requirements of part 2 of this article for the submission of a single tax return apply:

1) for the period preceding the period in which this Code entered into force, for the following categories of persons:

- a) organization;
- b) an individual entrepreneur;
- c) a peasant or farm enterprise;
- d) an individual who owns property who has a tax liability in accordance with this Code, with the exception of household and garden plots;
- e) natural person specified in part 1 article 107 of this Code;

2) for the period starting from 2022:

a) for an individual employed in an institution, enterprise or organization under the jurisdiction of a state body or local self-government body, carrying out research, creative, teaching, medical and recreational and other activities to serve the population, not related to executive and administrative functions ;

b) to an individual employed in a state body, state or municipal enterprise, or institution, as well as in an organization with a state share of participation, who is not a state civil or municipal employee;

c) for an individual who is a citizen, who has a residence permit or the status of a kairylman in the Kyrgyz Republic, who has received income from activities in international organizations;

d) for an individual who, during a calendar year, has incurred a one-time expense in the amount of more than 3,000 times the calculated index for acquiring the right of ownership or other right to property;

3) for the period starting from 2023 - for an individual who has received taxable income;

4) for the period starting from 2025 - for all categories of individuals specified in part 2 of this article.

4. Subjects have the right to submit a single tax return before the deadlines provided for in paragraph 3 of this article, on a voluntary basis.

5. The single tax declaration shall indicate:

1) information about the objects of taxation;

2) property and financial status of the subject, its branches, representative offices and other separate divisions.

6. Information about the financial condition of the subject is formed in accordance with this Code and the legislation of the Kyrgyz Republic on accounting.

7. A single tax declaration is drawn up for a calendar year and submitted:

1) by an organization - before April 1 of the year following the reporting year;

2) an individual specified in part 1 article 107 of this Code - before April 1 of the year following the reporting year;

3) by an individual entrepreneur - before May 1 of the year following the reporting year;

4) by an individual not specified in paragraphs 2 and 3 of this part - until May 1 of the year following the reporting year.

8. The form, procedure for filling out and submitting a single tax return are approved by the authorized tax authority, with the exception of the form, procedure for filling out and submitting a single tax return submitted by an individual specified in part 1 article 107 of this Code.

9. Tax control of unified tax declarations of citizens of the Kyrgyz Republic - individuals and civil servants is carried out taking into account the provisions of the laws of the Kyrgyz Republic "On preparation for submission of a unified tax return by citizens of the Kyrgyz Republic" and "On voluntary declaration of property and income by individuals".

Article 107

1. This article applies to the following individuals:

1) a person holding a political, special state position;

2) a person holding an administrative public position;

3) an employee of law enforcement agencies, diplomatic services and a serviceman, with the exception of military personnel undergoing military service, cadets and students of higher military educational institutions;

4) a person who replaces or holds political and administrative municipal positions;

5) the chairman of the National Bank and his deputy.

2. An individual specified in part 1 of this article is obliged to submit in electronic form to the tax authority at the place of residence (according to passport data) a single tax declaration containing information on income, expenses, property and obligations belonging to him, as well as his relatives. relatives in the Kyrgyz Republic and abroad, for the reporting year, as well as the grounds for receiving income and expenses incurred.

3. The reporting year is:

1) the period from January 1 to December 31;

2) if an individual specified in part 1 of this article began to fill or hold a state or municipal position after January 1 of the reporting year, then the period from the first day of the month in which this person began to hold a state or municipal position until December 31 of this year ;

3) if an individual specified in paragraph 1 of this article ceased to hold or hold a state or municipal position before December 31 of the reporting year, then the period from January 1 to the last day of the month in which this person ceased to hold or hold a state or municipal position .

4. An individual specified in part 1 of this article may make changes and / or additions to the previously submitted unified tax return for the reporting year no later than June 30 of the year following the reporting year, with the exception of making changes and / or additions in case of detection errors leading to a change in the amount of tax during the limitation period.

5. The form of a single tax declaration, the procedure for its completion and submission, the classifier of income, expenses, property and liabilities, as well as the procedure and grounds for conducting an analysis, are established by the Cabinet of Ministers.

6. In case of non-submission or submission of a single tax declaration by an individual specified in part 1 of this article, in violation of the procedure established by this article, the materials are sent to the prosecution authorities for taking measures provided for by the legislation of the Kyrgyz Republic.

SECTION IV. TAX CONTROL

Article 108. Terms and definitions used in this section

This section uses the following terms and definitions:

1) cancellation of registration - entering into the State Register of Taxpayers information on the termination of tax and / or accounting registration of a taxpayer, VAT registration;

2) state registration of an individual entrepreneur - tax registration of an individual entrepreneur;

3) the state register of taxpayers of the Kyrgyz Republic (hereinafter referred to as the State register of taxpayers) - the state database for the registration of taxpayers;

4) cash registers (hereinafter referred to as cash registers) - hardware and software or software with the function of fixing, uncorrected daily registration and real-time data transmission to the authorized tax authority in a secure form.

For the purposes of this definition:

a) a cash register, which is a hardware and software tool (hereinafter referred to as a hardware cash register), is a technical tool for collecting, processing and transmitting information with built-in software control;

b) a cash register, which is software (hereinafter referred to as software cash register), is recognized as software implemented as a client application that works in integration with the information system:

- authorized tax authority in real time in a secure manner; or

- FDO in real time in a secure form, which ensures the transfer of data in real time to the authorized tax authority in a secure form;

5) tax registration - entering into the State Register of Taxpayers information about the status of registration of a taxpayer, as well as other information for tax purposes in accordance with this Code;

6) taxpayer registration card - a document containing information on the assignment of the TIN of the taxpayer, information on taxes paid and insurance premiums for state social insurance, non-tax income, filled in by an official of the tax authority during the tax and / or accounting registration of the taxpayer;

7) registration information about the taxpayer - information:

a) declared by the taxpayer to the tax authority during his registration;

b) received from authorized state bodies, local governments in accordance with chapter 17 of this Code, other subjects;

c) on codes and identifying features assigned to the taxpayer, in accordance with state and departmental classifiers, approved in the prescribed manner;

8) registration with a tax authority - tax, accounting registration, re-registration, VAT registration;

9) Register of cash registers - a set of information in the automated information system of the authorized tax authority for each model / version of cash registers that have received confirmation of compliance with the technical requirements for cash registers in the prescribed manner;

10) accounting registration of a taxpayer - entering into the State Register of Taxpayers information on accounting:

a) a separate subdivision, object of taxation, place of activity of the taxpayer on the basis of a patent;

b) categories of taxpayers whose status provides the right to pay taxes according to separately established rules, including an agricultural producer, an agricultural cooperative, an agricultural trade and logistics center, a machine and tractor station.

Chapter 12. Registration with the tax authority. Accounting for budget revenues

Article 109. Concept and forms of tax control

1. Tax control is the control of tax authorities over the implementation of the tax legislation of the Kyrgyz Republic.

2. Tax control is carried out in the following forms:

1) tax registration and accounting registration of a taxpayer;

2) accounting for tax revenues to the budget;

3) tax audit;

4) road tax control;

5) establishment of a tax post;

6) control over compliance by the taxpayer with the procedure for applying CCM;

7) examination of the taxpayer upon cancellation of tax and / or accounting registration in connection with the liquidation of an organization or the termination of the activity of an individual entrepreneur, with the exception of a taxpayer operating on the basis of a patent, in the absence of risk factors for non-payment of taxes in the information system of the tax service and the submission of tax returns by the taxpayer with zero scores.

3. Control over the calculation and payment of insurance premiums in the exercise by the authorized state body of the functions of collecting insurance premiums and holding accountable for violations of the legislation on state social insurance is equated to tax control and is carried out in the forms established by this article.

Article 110. Tax registration of a taxpayer

1. Subject to tax registration in the Kyrgyz Republic are entities that are taxpayers in accordance with the tax legislation of the Kyrgyz Republic and the legislation of the Kyrgyz Republic on state social insurance.

2. The state register of taxpayers, including inactive ones, is maintained by the authorized tax authority.

3. The procedure for tax registration and maintenance of the State Register of Taxpayers is established by the Cabinet of Ministers.

4. Tax registration of a taxpayer is carried out in accordance with this Code, unless otherwise provided by the legislation of the Kyrgyz Republic on state registration of legal entities, branches, representative offices.

5. For the purposes of this Code, the tax registration of an individual carrying out activities on the basis of a patent, as well as an individual engaged in individual labor activity, does not require additional state registration as an individual entrepreneur.

Article 111. Grounds, terms and procedure for tax registration of a taxpayer

1. Unless otherwise provided by part 2 of this article, the tax registration of a taxpayer is carried out on the basis of:

1) applications of a taxpayer for tax registration or applications of an individual for state registration as an individual entrepreneur in the form of a paper document or an electronic document;

2) information provided by the authorities specified in chapter 17 of this Code, indicating that the subject has an obligation to pay tax.

Tax registration of individual entrepreneurs is recognized as state registration as individual entrepreneurs.

2. Through the information resource posted on the open official website of the authorized tax authority, tax registration is carried out:

1) a permanent establishment of a foreign organization providing services in accordance with the legislation of the Kyrgyz Republic on electronic commerce;

2) a foreign organization specified in part 4 article 28 of this Code, which is simultaneously recognized by its registration as a VAT taxpayer.

Organizations specified in clause 2 of part 2 of this article are subject to tax registration without undergoing state registration.

The procedure for tax registration through an information resource posted on the open official website of the authorized tax authority is established by the Cabinet of Ministers.

3. The subject specified in part 2 of this article is obliged to submit an application for tax registration through the information resource posted on the open official website of the authorized tax authority before the start of deliveries.

Administration of tax liabilities of a foreign organization specified in part 4 article 28 of this Code is carried out by the tax authority determined by the authorized tax authority.

4. An application for tax registration must be submitted by:

1) domestic organization - to the authorized body for state registration in the terms and in the manner established by the legislation of the Kyrgyz Republic on state registration of legal entities (branches and representative offices);

2) an individual who has made a decision to carry out entrepreneurial activity, individual labor activity - to the tax authority before the start of such activity;

3) a foreign organization or a non-resident individual that owns an object of taxation in the Kyrgyz Republic - to the tax authority within 5 working days from the date of registration of ownership of the object of taxation;

4) diplomatic and equivalent representation - to the tax authority at the location within 5 working days from the date of accreditation in accordance with the legislation of the Kyrgyz Republic.

5. The tax authority is obliged to conduct tax registration of the taxpayer:

1) upon his application, no later than 3 working days following the day of filing an application for tax registration;

2) according to the information provided for in paragraph 2 of part 1 of this article, no later than 3 business days following the day of occurrence of one of the grounds specified in part 1 of this article.

6. Tax registration is carried out:

1) for a domestic organization - in the tax authority at the place of state registration as a legal entity;

2) for an individual who does not have the status of an individual entrepreneur - in the tax authority at the place of registration in accordance with the data of the passport in the Kyrgyz Republic or place of residence;

3) for an individual entrepreneur - in the tax authority at the place of registration in accordance with the data of the passport of an individual entrepreneur or the place of residence, or the place of business;

4) for a branch, representative office of a foreign organization - in the tax authority at the place of state registration of the branch or representative office in the authorized state body that registers legal entities.

7. A foreign organization operating in the territory of the Kyrgyz Republic that has not registered a branch or representative office in the prescribed manner, but has signs of a permanent establishment, is subject to tax registration by the tax authority at the location and within the time period established by this article.

8. A foreign organization or a non-resident individual that owns objects of taxation in the Kyrgyz Republic shall be subject to tax registration simultaneously with registration at the location or registration of an object of taxation.

9. If this article provides for more than one place of registration for a taxpayer, then the taxpayer has the right to choose the place of registration independently from the list of places of registration provided for by this article.

10. Tax registration of diplomatic and equivalent representations is carried out by the tax authority at their location in accordance with the information provided by the authorized state bodies in the manner determined by the Cabinet of Ministers.

11. Tax registration with a tax authority in accordance with this article is the place where a taxpayer is placed on primary tax records.

Article 112. Grounds, terms and place of re-registration of a taxpayer

1. Re-registration of a taxpayer is carried out in the following cases:

1) re-registration of a legal entity, branch, representative office in accordance with the legislation of the Kyrgyz Republic on state registration of legal entities, branches of representative offices;

2) changes in the place of tax registration of the taxpayer in accordance with this Code;

3) changes in the last name, first name, patronymic of the taxpayer;

4) changes in the TIN of the taxpayer in the event of a change in the personal identification number assigned by the authorized state body in the field of population registration.

2. Re-registration of a taxpayer is carried out on the basis of:

1) a written application of the taxpayer;

2) information provided by the authorities specified in chapter 17 of this Code, on changing the registration data of the taxpayer.

3. Unless otherwise provided by this article, a taxpayer whose place of business, whose location or place of residence has changed and does not coincide with the place of current tax accounting, is obliged not later than 15 calendar days from the day following the day on which the changes occurred, to file an application for deregistration to the tax authority at the place of current tax registration.

4. The tax authority at the place of current tax accounting after receiving a taxpayer's application for deregistration due to a change in the place of business, location or place of residence is obliged, no later than 3 working days following the day the application was received:

1) draw up in duplicate an act of reconciliation of mutual settlements of the tax authority with the taxpayer;

2) make a decision on re-registration of the taxpayer;

3) make changes to the State Register of Taxpayers;

4) hand over one copy of the act of reconciliation of mutual settlements and the decision on re-registration to the taxpayer.

5. In case of re-registration of a taxpayer on the basis of subparagraphs 1 and 2 of part 1 of this article, the tax administration of the taxpayer at the place of current tax registration is completed on the day the information on re-registration is entered in the State Register of Taxpayers.

From the day following the day of entering information on re-registration in the State Register of Taxpayers, tax administration is carried out at the new place of tax registration.

6. Upon receipt of the information provided for in paragraph 2 of part 2 of this article, the tax authority is obliged to re-register the taxpayer within 3 working days following the day the decision was made to re-register the taxpayer.

7. The procedure for re-registration and the list of documents to be submitted are approved by the Cabinet of Ministers.

Article 113. TIN of a taxpayer

1. TIN is assigned to the taxpayer by the tax authority upon tax registration.

2. Re-registration of a taxpayer does not lead to a change in the TIN.

3. If an individual has a personal identification number assigned by the authorized state body in the field of population registration, this number is used as the TIN of the taxpayer, except for cases of erroneous and repeated assignment of the TIN.

4. Information about the assigned TIN, other parameters of the taxpayer's activity is entered by the tax authority into the State Register of Taxpayers and reflected in the taxpayer's registration card.

5. The registration card shall be handed over or sent to the taxpayer in the manner prescribed for decisions in accordance with this Code. The form of the taxpayer's registration card is established by the authorized tax authority.

6. The taxpayer, state and judicial authorities, as well as local governments and legislative bodies acting within their powers, are required to indicate the TIN in documents, the execution of which leads or may lead to the emergence or obligation of the taxpayer to fulfill his tax obligations, as well as to imposing or applying penalties to a taxpayer for tax offenses, including:

- 1) contracts, acts, waybills, payment, shipping documents, invoices of the taxpayer;
- 2) appeals, applications, notifications, complaints, declarations, reports, calculations, requests of the taxpayer;
- 3) decisions, notices, notices, demands, orders;
- 4) information about the taxpayer used for interdepartmental exchange of information, as well as in the formation by state bodies of information bases related to the implementation of economic activities of taxpayers and objects of taxation.

7. The taxpayer is obliged to use forms, seals, stamps, strict reporting forms indicating their TIN.

Article 114. Account registration of a taxpayer

1. Accounting registration of a taxpayer is carried out after the subject has passed the tax registration procedure in the following cases:

- 1) for an organization and an individual entrepreneur:
 - a) in the tax authority at the location of the separate subdivision - in the event of the emergence of a separate subdivision;
 - b) in the tax authority at the location of the object of taxation - upon receipt of the object of taxation from the taxpayer;
 - c) at the location of the taxpayer - when registering a subject as an agricultural producer, agricultural cooperative, trade and logistics center for agricultural purposes;
- 2) for an individual entrepreneur carrying out activities on the basis of a patent, in addition to the cases provided for in clause 1 of this part, at the place of carrying out activities, if it is located outside the place of current tax accounting;
- 3) for an individual - in the tax authority at the location and / or registration of objects of taxation;
- 4) for an individual engaged in individual labor activity on the basis of a patent - in the tax authority at the place of activity, if it is located outside the place of current tax accounting.

2. The location of the object of taxation for the purposes of this article is recognized:

- 1) for real estate, including land - the place of their actual location;
- 2) for vehicles - the place of state registration of vehicles, and in the absence of such - the location (residence) of the owner of the property.

3. Accounting registration of a taxpayer is carried out on the basis of:

- 1) a written application of the taxpayer;

2) information provided by the authorities specified in chapter 17 of this Code, carrying out accounting and/or registration of objects of taxation.

4. The taxpayer is obliged to submit an application for accounting registration to the tax authority:

1) for an organization or an individual entrepreneur:

a) at the location of a separate subdivision - before the start of its activities;

b) at the location of the object of taxation - within 15 calendar days following the day of receipt of the object of taxation;

c) at the place of tax registration - before the start of the taxpayer's activities as an agricultural producer, agricultural cooperative, trade and logistics center for agricultural purposes, machine and tractor station;

2) for an individual entrepreneur carrying out activities on the basis of a patent, in addition to the cases provided for in paragraph 1 of this part, before the start of activities at the place of activity, if it is outside the place of current tax accounting;

3) for an individual - within 15 calendar days following the day of receipt of the object of taxation, at the location and / or registration of objects of taxation;

4) for an individual engaged in individual labor activity on the basis of a patent - before the start of activity at the place of activity, if it is outside the place of current tax accounting.

5. Accounting registration is carried out without changing the previously assigned TIN of the taxpayer.

When registering a separate subdivision, an object of taxation, the taxpayer in the application indicates the TIN assigned to him during the tax registration.

6. Accounting registration of a taxpayer is carried out by the tax authority within 3 working days:

1) following the day of submission of the application by the taxpayer;

2) following the day of the decision on accounting registration, when registering on the basis of information provided by the authorized bodies that carry out accounting and / or registration of objects of taxation.

7. Information about the taxpayer's registration is reflected in the taxpayer's registration card.

8. The procedure for record registration is established by the Cabinet of Ministers.

Article 115. Cancellation of the registration of a taxpayer

1. Cancellation of the tax registration of a taxpayer is carried out in connection with:

1) with the registration of the liquidation of the organization or the termination of the activity of an individual entrepreneur;

2) with the termination of the tax liability of an individual due to the termination of the right provided for by this Code in respect of all objects of taxation owned by an individual, such as the rights of ownership, land use, economic management or operational management.

2. Cancellation of tax registration of a taxpayer is carried out on the basis of:

1) a written application of the taxpayer;

2) information provided by the authorized state bodies on the registration of the termination of the taxpayer's activities, the termination of his tax obligations on other grounds established by this Code;

3) decision of the tax authority, adopted in the manner prescribed by the tax legislation of the Kyrgyz Republic.

3. Cancellation of the registration of a taxpayer is carried out in the following cases:

1) termination of activities of a separate subdivision of the taxpayer;

2) termination of the right of the taxpayer in relation to the object of taxation, such as the right of ownership, land use, economic management or operational management;

3) non-compliance with the characteristics of an agricultural producer, an agricultural cooperative, a trade and logistics center for agricultural purposes, a machine and tractor station.

4. Cancellation of the registration of a taxpayer is carried out on the basis of:

1) a written application of the taxpayer;

2) information provided by the authorized state bodies on the registration of the termination of the taxpayer's right to the object of taxation.

5. Cancellation of tax and / or accounting registration at the request of the taxpayer is carried out provided that he does not have a tax debt.

6. The tax authority makes a decision to cancel the registration of a taxpayer, enters information about the cancellation of registration in the State Register of Taxpayers and delivers or sends a decision to cancel the registration to the taxpayer in the manner prescribed by this Code.

7. The procedure for canceling the registration of a taxpayer is established by the Cabinet of Ministers.

Article 116. Personal account of a taxpayer

1. Accounting for the amount of the taxpayer's tax liability, penalties, interest and tax sanctions (hereinafter referred to as the tax liability), their payment to the budget is carried out by the tax authority by maintaining the taxpayer's personal account.

2. The taxpayer's personal account is maintained in the national currency.

3. The amount of the taxpayer's tax liability is reflected in the personal account of the taxpayer on the basis of:

1) tax reporting submitted by the taxpayer;

2) decisions based on the results of tax control, including:

a) decrease or increase in the tax liability, the amount of excess VAT based on the results of tax control;

b) a tax liability disputed by the taxpayer in a pre-trial/court procedure;

c) the tax liability recognized by the taxpayer;

3) calculation of the amount of tax by the tax authority in the case provided for in Section XIII of this Code.

4. An extract from the taxpayer's personal account on the status of settlements with the budget for the tax liability for all or certain types of taxes is issued by the tax authority at the request of the taxpayer at the place of tax accounting and / or registration within one working day from the date of registration of such an application.

5. Reconciliation of calculations on the tax liability of the taxpayer for the reporting year is carried out annually during the period from January 1 of the year following the reporting year until the date of submission of a single tax return for the reporting year, with the drawing up of an act of reconciliation of mutual settlements.

6. During a calendar year, reconciliation of settlements with drawing up an act of reconciliation of mutual settlements is carried out by the tax authority at the place of tax accounting and / or registration at the request of the taxpayer within one working day from the date of registration of such an application.

7. The procedure for recording the amount of a taxpayer's tax liability, reconciling mutual settlements, as well as providing the taxpayer with information on the state of settlements with the budget shall be approved by the authorized tax body.

Chapter 13

Article 117. Concept and types of tax audits

1. A tax audit is carried out exclusively by tax authorities.

Participants in a tax audit are an official of the tax authorities specified in the order, and a taxpayer, as well as a tax representative.

2. If necessary, the tax authorities may involve experts who are not interested in the outcome of a tax audit to study certain issues that require special knowledge and skills and receive advice.

3. The purpose of a tax audit is to exercise control and assist the taxpayer in the timely and complete compliance with the requirements of the tax legislation of the Kyrgyz Republic.

4. Tax audits are divided into the following types:

- 1) field inspection;
- 2) desk audit.

5. Field inspection is divided into the following types:

1) scheduled audit - verification of the fulfillment of a tax obligation for all types of taxes;

2) an unscheduled audit - an audit of the fulfillment of a tax obligation for all types of taxes, carried out in the following cases:

a) upon liquidation of an organization, with the exception of cases where there are no risk factors for non-payment of taxes in the information system of the tax service and the submission by the taxpayer of tax reporting with zero indicators;

b) upon termination of the activities of an individual entrepreneur, with the exception of cases where there are no risk factors for non-payment of taxes in the

information system of the tax service and the taxpayer submits tax returns with zero indicators;

c) upon receipt by the tax authorities of documented information confirming that the taxpayer has facts of incorrect tax calculation;

d) when an organization and an individual entrepreneur are declared bankrupt;

3) cross audit - an audit conducted by the tax authorities in relation to third parties, in cases where, during a tax audit or an examination of the validity of the formation of excess VAT amounts, the tax authority needs to audit, including at the request of the authority considering the complaint the taxpayer, or the tax authorities of other states, individual documents directly related to transactions carried out by the taxpayer with the indicated persons;

4) re-verification - verification carried out by the tax authorities:

a) according to documented information received by the tax service body, indicating that the previously verified taxpayer has facts of incorrect calculation of taxes that were not previously revealed by an on-site audit, and a reasoned statement by an official of the tax service body indicating the reasons why the documents were not verified previously;

b) according to the revised tax reporting of the taxpayer adopted by the tax authority for the tax period covered earlier by the on-site audit.

Rechecking is carried out exclusively on the basis of the specified documentary information for the specified period. In this case, the recheck must be carried out by an official of the tax service body who did not participate in the tax audit, the results of which are rechecked.

A re-inspection appointed on the basis of the results of a request, an examination, a cross-inspection received after the period of completion of an on-site audit may be carried out by an official of the tax service body who conducted this on-site audit;

5) thematic audit - an audit conducted by the tax authorities on behalf of the authorized tax authority when considering a taxpayer's complaint against the decision of the tax authorities, in order to establish a specific fact.

A thematic audit can be carried out for the period previously covered by both field and desk audits.

6. An in-house audit on the correctness of the tax calculation is carried out directly at the location of the tax authority on the basis of the taxpayer's reporting documents and information received by the tax authorities from other sources.

7. Conducting a tax audit should not suspend the activity of a taxpayer, except for the cases established by the legislation of the Kyrgyz Republic.

8. An in-house audit is not carried out in relation to the period and tax liability, which were previously verified by field scheduled and unscheduled audits.

9. The tax authorities do not have the right to decide on the appointment of an on-site unscheduled audit or re-audit based on letters and / or relevant requests from law enforcement agencies, as well as official notes from state bodies in relation to a taxpayer for which there is no documented information confirming the facts of incorrect calculation tax.

Article 118

1. A scheduled audit is carried out not earlier than 12 months from the day following the day of completion of the last scheduled or unscheduled audit by one of the tax authorities.

2. The plan for on-site inspections is drawn up by the authorized tax authority for the current quarter, contains a list of taxpayers subject to inspection, and is approved by the head of the authorized tax authority no later than 15 days before the beginning of the quarter.

3. A plan for conducting on-site inspections is drawn up in respect of taxpayers subject to a scheduled inspection and consists of two sections.

The first section is drawn up in relation to taxpayers selected on the basis of the results of the analysis of risk factors for non-payment of taxes.

The second section is drawn up on the basis of a random sampling method in relation to the remaining taxpayers, which should not exceed 5 percent of the number of taxpayers selected under the first section of the on-site inspection plan.

4. The first section of the plan for conducting on-site inspections is a document for official use and is not subject to publication.

The second section of the plan for conducting on-site inspections is subject to mandatory placement on the open information website of the authorized tax authority and is posted on paper in open access places on the premises of the relevant tax authority no later than 15 days after approval by the head of the authorized tax authority.

5. Risk factors for non-payment of tax include:

1) data mismatch:

a) according to the availability of objects of taxation declared by the taxpayer, and information from state bodies on their registration;

b) for declared (paid) and estimated taxes;

c) on income with information received from the state social insurance bodies of the Kyrgyz Republic;

2) reflection in tax reporting of losses;

3) the tax burden of a taxpayer is below its average level, calculated for taxpayers engaged in similar types of economic activity in the region, by more than 25 percent;

4) deviation of the declared amount of income and tax liabilities from the data obtained by the tax authorities based on the results of the analysis of invoices and other information provided by other taxpayers;

5) non-submission by the taxpayer of corrected tax returns and/or substantiated explanations on the decision of the tax service body to identify inconsistencies in the indicators of the taxpayer's activities based on the results of a desk audit;

6) discrepancy between information received from the authorized tax authorities of the EAEU Member States and tax reporting and/or taxpayer documents on goods imported into the territory of the Kyrgyz Republic from the territories of the EAEU Member States;

7) introduction by the taxpayer of an adjustment in the amount of the preliminary amount of income tax based on the forecast data of the taxpayer in the direction of reduction;

8) the taxpayer is a party to an agreement on a socially significant facility;

9) other risks in accordance with the methodology for planning field audits approved by the authorized tax authority.

6. An unscheduled audit, a cross audit and a re-audit are carried out by decision of the tax authorities in the event of the occurrence of the grounds established by this Code.

7. A scheduled inspection may be carried out remotely in the manner prescribed by the Cabinet of Ministers.

8. A scheduled audit is not carried out in relation to a taxpayer for which there are no risk factors for non-payment of taxes, according to the criteria provided for the first section of the plan.

Article 119

1. Scheduled inspection covers the period:

1) for income tax - no more than 3 previous calendar years that have expired by the beginning of this scheduled audit;

2) for other taxes, with the exception of income tax - no more than 36 previous consecutive calendar months that have expired by the start of this scheduled audit.

2. Other types of audits may be carried out for any period before the expiration of the limitation period for a tax obligation established by this Code.

3. The term for conducting a scheduled inspection, specified in the issued order, must not exceed 30 calendar days following the day the order is delivered to the taxpayer, and for a large taxpayer - 50 calendar days, unless otherwise provided by this article.

4. When conducting a scheduled audit of organizations that have branches in various regions of the Kyrgyz Republic, the period for conducting a tax audit may not exceed 30 calendar days for each branch.

5. The course of the term for conducting an on-site inspection, as well as the conduct of the on-site inspection itself, is suspended:

1) for the period from the day following the day of delivery to the taxpayer of the decision of the tax service body on the submission of documents, and until the day the taxpayer submits the documents requested during the on-site audit, including the day of their submission;

2) due to illness, death of a close relative of participants in a tax audit, but for a period not exceeding 15 calendar days;

3) in case of occurrence of force majeure circumstances;

4) for the period from the day following the day the taxpayer filed a complaint with the authorized tax authority against the decision of the tax authority to appoint and/or extend, suspend and/or resume an on-site audit, until the expiration of the period for appealing against the decision of the authorized tax authority in court, and in case of

appeal against the decision of the authorized tax body in court - before the entry into force of the court decision.

6. The course of the on-site audit, as well as the conduct of the on-site audit itself, shall not be suspended for the period of time necessary to receive a response to a request to a foreign state for the provision of information and receipt of information on it by the tax authorities in accordance with an international agreement, as well as for the period of counter check, examination.

7. If a request is made to a foreign state, an examination is carried out, a cross-check is ordered and their results are not received before the end of the on-site check, the on-site check is completed with an indication in the check report of a record of the requests made, the examination, the appointment of a cross check.

8. Receipt of a response to a request, the results of an examination or a cross-check is the basis for a re-check.

9. Unless otherwise provided by this chapter, an unscheduled inspection shall be carried out within the period specified for a scheduled inspection.

10. Counter and thematic checks are carried out within no more than 10 calendar days.

11. Rechecking is carried out within a period of not more than 15 calendar days.

12. The tax service body is obliged to make a decision to conduct an unscheduled audit within 15 calendar days from the day following the day the tax service body receives the grounds for conducting an unscheduled audit, provided for article 117 of this Code

The tax service body is obliged to hand over the order to the taxpayer and start an unscheduled audit no later than 30 calendar days from the day following the day the tax service body receives the grounds for conducting an unscheduled audit, provided for article 117 of this Code.

Article 120

1. To conduct an on-site audit, the head of the tax service body shall sign an order in the prescribed form containing the following details:

- 1) the date and number of registration of the prescription with the tax authority;
- 2) the name of the tax authority that conducts the audit;
- 3) full name of the taxpayer;
- 4) TIN of the taxpayer;
- 5) type of check (control);
- 6) grounds for verification;
- 7) subject of verification;

8) positions, surnames, names, patronymics of the inspectors involved in the inspection in accordance with this Code;

9) the term for the inspection;

10) the audited tax period;

11) details of the decision of the tax service body on the appointment of an audit.

2. The form of the prescription is established by the Cabinet of Ministers.

3. The order must be signed by the head of the tax service body or a person authorized by the head of the tax service body, certified with a stamp and registered in accordance with the procedure established by the authorized tax body.

4. In the event of an extension of the on-site inspection period, an additional order is issued, which indicates the number, date of registration of the previous order and details of the decision of the tax service body to extend the on-site inspection period.

Article 121

1. Unless otherwise provided by this Chapter, the start of an on-site audit shall be the date of delivery of the order to the taxpayer.

2. The order is presented or sent to the taxpayer by the tax service body at the place of its registration.

3. The order may be transferred:

1) the head of the organization, its tax representative; or

2) to an individual, his tax representative in person against receipt or in any other way confirming the fact and date of receipt of this order.

In the event that the persons referred to in this part evade receiving an order, the said order shall be sent by registered mail. In this case, the order is considered received on the date of receipt of the registered letter indicated in the receipt of delivery.

4. An official of a tax service body conducting an on-site audit shall be obliged to present an official ID to the taxpayer.

5. An official of the tax service body conducting an on-site audit shall hand over to the taxpayer the first copy of the prescription. The second copy of the order shall contain a note from the taxpayer or his tax representative that he has read and received the order.

Article 122. Completion of an on-site inspection

1. Upon completion of the on-site audit, an official of the tax service body draws up an act indicating:

1) the location of the on-site inspection, the date of drawing up the act;

2) type of check;

3) the position, last name, first name, patronymic of the employee or employees of the tax service body who conducted the on-site inspection;

4) last name, first name, patronymic or full name of the taxpayer;

5) location, bank details of the taxpayer, as well as his TIN;

6) last names, first names, patronymics of the head and officials of the taxpayer responsible for maintaining tax and accounting records and paying taxes to the budget;

7) information about the previous audit and measures taken to eliminate previously identified violations of the tax legislation of the Kyrgyz Republic;

8) the audited tax period and general information about the documents submitted by the taxpayer for the audit;

9) a detailed justification for the accrual of the tax liability established during the audit, with reference to the details of the documents on the basis of which the tax liability was accrued, to the relevant norm of the tax legislation of the Kyrgyz Republic.

2. The date of delivery of the report of the field inspection to the taxpayer shall be deemed to be the end of the on-site inspection period. The act of the on-site inspection must be handed over to the taxpayer no later than the end date of the on-site inspection specified in the order, unless otherwise provided by this Chapter.

3. Necessary copies of documents, calculations drawn up by an official of the tax service body, and other materials received during the audit are attached to the on-site inspection report.

4. Unless otherwise provided by this Chapter, an act of an on-site audit shall be drawn up in at least two copies, signed by the official of the tax authorities who conducted the audit, and the head of the organization being audited or an individual entrepreneur, or their tax representatives. In the case when these persons evade signing the act, a corresponding note is made in the act.

5. One copy of the on-site audit report is handed over to the taxpayer. Upon receipt of the on-site inspection act, the taxpayer is obliged to make a note of its receipt.

6. A taxpayer who does not agree with the results of an on-site audit has the right, no later than 5 working days following the date of delivery of the act, to submit written explanations or objections to the audit report to the tax authority that conducted the on-site audit.

Article 123

1. Unless otherwise provided by this chapter, the materials of the on-site audit shall be considered by the head or deputy head of the tax service body no later than 10 working days from the day following the day the taxpayer is handed the act on the on-site audit.

2. If the taxpayer submits a written explanation or objection to the on-site inspection report within the period established article 122 of this Code:

1) the materials of the audit are considered in the presence of the taxpayer or his tax representative no later than 10 working days from the day following the day of registration of the written explanation or objection of the taxpayer with the tax authority;

2) the tax service body delivers a notice of the time and place of consideration of the field audit materials to the taxpayer no later than 5 working days before the date of consideration of the field audit materials by the tax service body.

If the taxpayer who was given a notice of the time and place of consideration of the field audit materials did not appear for consideration, then the audit materials, including objections, explanations, other documents and materials submitted by the taxpayer, are considered in his absence.

3. Based on the results of consideration of the materials of the on-site audit, with the exception of the counter and thematic audits, the head or deputy head of the tax service body makes a decision:

1) on the accrual and / or reduction of tax, penalties;

- 2) on holding the taxpayer liable for committing a tax offense;
- 3) about not bringing the taxpayer to responsibility;
- 4) on the extension of the period for conducting an on-site inspection within the time limits established by part 3 article 119 of this Code.

The decision based on the results of consideration of the materials of the on-site inspection shall be made and handed over to the taxpayer no later than 3 working days following the day of consideration of the materials of the on-site inspection.

Materials based on the results of a thematic audit no later than 3 working days from the date of consideration of the materials are sent to the body considering the taxpayer's complaint against the decision of the tax authorities.

4. When considering the materials of an on-site audit, the tax service body has the right to:

- 1) send a request to the relevant authorized body on the application of the norms of the legislation of the Kyrgyz Republic;
- 2) send a request to the authorized body of a foreign state to provide information;
- 3) appoint an examination and/or cross-check.

In the event that a request is sent in accordance with this part and a response to the request is not received before the time limit established by this Code for making a decision on an on-site audit, the decision of the tax service body is taken within the prescribed time. The decision is made on all issues of the on-site inspection, with the exception of the issue in respect of which the request was made, indicating in the decision information about the request made.

Receipt of a response to a request, the results of an examination or a cross-check may be the basis for re-checking or canceling an earlier decision with a new decision being made no later than 15 working days following the day the answer and/or results are received.

5. The decision to hold a taxpayer liable for committing a tax offense shall set out:

- 1) the circumstances of the offense committed, as they are established by the audit, documents and other information that confirm these circumstances;
- 2) the arguments given by the taxpayer in his defense and the results of the verification of these arguments;
- 3) the grounds for holding the taxpayer liable for a tax offense indicating violations of the norms of this Code and the applicable measures of responsibility.

6. The decision of the body of the tax service on the calculation of the amounts of taxes, penalties and tax sanctions shall be handed over to the taxpayer in the manner prescribed by this Code. A taxpayer who has received a decision on the accrual of taxes, penalties and tax sanctions is obliged to execute it within 30 days from the day following the day of delivery of the decision, unless the taxpayer appealed against the decision based on the results of an on-site audit in the manner prescribed by this Code.

7. Non-compliance by an official of the tax service with the requirements of this article may be the basis for canceling the decision of the tax service and bringing its official to responsibility, provided for by the legislation of the Kyrgyz Republic.

8. According to the revealed violations, for which the taxpayer is liable to be held liable for committing the violation, the tax service body draws up a protocol and issues a decision in accordance with the legislation of the Kyrgyz Republic on violations.

Article 124

1. An examination of a taxpayer upon liquidation of an organization or termination of the activity of an individual entrepreneur is carried out in the absence of risk factors for non-payment of taxes established by article 118 of this Code, and submission by the taxpayer of tax reporting with zero indicators during the entire period of registration.

2. Confirmation that the taxpayer does not have risk factors for non-payment of taxes is their absence in the risk analysis protocol of the information system of the tax service.

For the purposes of this article, the protocol for analyzing the risk of non-payment of taxes of the information system of the tax service is a document automatically generated based on the results of calculating the risk factors for non-payment of taxes.

3. The term for conducting an examination of a taxpayer, including those with a separate subdivision, may not exceed 15 working days.

4. The examination of the taxpayer is carried out:

1) by an official of a tax authority in accordance with his official duties directly at the location of this authority without the involvement of a taxpayer;

2) within 15 working days from the date of formation of the risk analysis protocol by the information system of the tax service.

5. The beginning of the survey is considered the day of formation of the risk analysis protocol by the information system of the tax service.

6. The completion of the survey is the date of registration of the survey report.

7. The act of inspection is drawn up in the amount of at least 2 copies and signed by the official of the tax authority who conducted the inspection.

8. One copy of the inspection act with a decision based on the results of consideration of materials for such an inspection must be handed over to the taxpayer no later than 15 working days from the date of completion of the inspection.

Article 125

1. A desk audit is carried out at the location of the tax authority on the basis of tax reporting and information submitted by the taxpayer that serve as the basis for the calculation and payment of taxes, as well as documents on the activities of the taxpayer, available to the tax authority, without the involvement of the taxpayer.

2. A desk audit is conducted by an official of a tax authority in accordance with his official duties without any special decision of the head of the tax authority, unless otherwise established by this Code.

3. The procedure for conducting a desk audit is established by the Cabinet of Ministers.

4. If, based on the results of an in-house audit, the tax authority reveals the fact of understatement or overstatement of the amount of tax, as well as other errors made by

the taxpayer when filling out tax returns, an official of the tax authority shall draw up a certificate of the in-house audit in the form established by the authorized tax authority.

The certificate of a cameral check should reflect:

1) an indication of the requirement of the legislation of the Kyrgyz Republic, which was violated by the taxpayer;

2) documents, reports and sources of information, on the basis of which a conclusion was made about the fact of underestimation or overestimation of the amount of tax and / or the presence of an error;

3) calculation of the additional charge of the tax liability, if it was made;

4) the requirement to eliminate the revealed violations of the tax legislation of the Kyrgyz Republic.

The certificate of a desk audit is drawn up in two copies and signed by the person who conducted this audit.

5. The tax authority shall notify the taxpayer of the revealed facts of understatement or overstatement of taxes, as well as other errors by presenting a certificate based on the results of a desk audit and a notice of a discrepancy in the indicators of the taxpayer's activities not later than 3 working days following the day the certificate of a desk audit was drawn up, with the requirement their elimination.

Upon receipt of a certificate based on the results of a desk audit and a notice of a discrepancy between the indicators of the taxpayer's activities based on the results of a desk audit, the taxpayer is obliged to make a note of its receipt.

6. After receiving a notice of inconsistencies and a certificate based on the results of a desk audit, the taxpayer is obliged, within 15 calendar days from the day following the day of receipt of the notice, to make appropriate changes to tax and other reporting or, in case of disagreement with the facts set forth in the certificate on the results of a desk audit, as well as with the conclusions and proposals of an official of the tax authority, submit a written objection with arguments, explanations and / or documents confirming the validity of their objections.

7. If a taxpayer submits a reasoned objection to the results of an in-house audit according to the notification received, the tax authority is obliged, no later than 5 working days from the day following the day of receipt of the objection, to consider the materials of the in-house audit taking into account the objections submitted by the taxpayer, make a decision and hand it over to the taxpayer in accordance with the requirements of this Code, if the arguments submitted by the taxpayer are not accepted by the tax authority or are accepted in part.

8. If, as a result of the consideration of objections by the tax authority, the taxpayer's arguments were accepted that there were no understated or overestimated amounts of taxes or other errors in the tax reporting, then in this case, the tax authority, no later than 5 working days after the expiration of the period provided to the taxpayer for submitting an objection, hands over to the taxpayer a written notice of recognition of the arguments presented by him.

9. If the taxpayer fails to eliminate the errors identified by the desk audit within the prescribed period, the tax authority is obliged, within 5 working days from the date of the

deadline, to make a decision based on the results of the desk audit on the assessment and / or reduction of tax, penalties and hand it over to the taxpayer in accordance with the requirements of Articles 96 and 97 of this Code.

10. Based on the results of a desk audit, no tax sanction is applied.

11. A taxpayer who has received a decision based on the results of a desk audit on the accrual of taxes and penalties is obliged to execute it within 30 days from the day following the day the decision was delivered, unless the taxpayer appealed against this decision in the manner prescribed by this Code.

12. Failure by an official of a tax authority to comply with the requirements of this article may be grounds for canceling a decision of a tax authority on the results of a desk audit and holding the official accountable under the legislation of the Kyrgyz Republic regulating the liability of officials of state bodies.

Article 126

1. An in-house audit of the validity and amount of excess VAT is carried out at the location of the tax authority on the basis of VAT tax returns and copies of documents submitted by the taxpayer, and information from state bodies that serve as the basis for calculating the amount of excess VAT, without involving the taxpayer.

2. An in-house audit of the validity and amount of excess VAT is carried out by an official of the tax authority in accordance with his official duties on the basis of the decision of the head of the tax authority.

3. The procedure for conducting a desk audit of the validity and amount of excess VAT is established by the Cabinet of Ministers.

4. The term for conducting a desk audit in accordance with this article should not exceed 15 working days.

5. A taxpayer who does not agree with the decision of the tax authority on the submitted application for the return and/or refund of VAT has the right to appeal the decision in the manner prescribed chapter 20 of this Code.

Chapter 14 The use of cash registers. tax post

Article 127. Raid tax control

1. The bodies of the tax service carry out field tax control in order to exercise control and assist the taxpayer in the timely and complete fulfillment of the requirements of tax legislation and legislation in the field of circulation of alcohol-containing products of the Kyrgyz Republic.

2. Raid tax control is carried out in compliance with the following requirements of tax legislation and legislation in the field of circulation of alcohol-containing products of the Kyrgyz Republic:

1) tax and accounting registration of the taxpayer;

2) application of CMC;

3) payment of tax on the basis of a patent;

4) the use of control seals in the accounting and control of the movement of petroleum products;

- 5) completeness of accounting of employees;
- 6) physical indicators of objects of taxation and the tax base in relation to local taxes;
- 7) registration by individual entrepreneurs of purchases and sales in the book of income and expenses, with the exception of persons keeping records in accordance with the legislation of the Kyrgyz Republic on accounting;
- 8) designation of excisable goods by means of identification or excise stamps and their authenticity;
- 9) the use of automated accounting systems for excisable and marked goods in the manner determined by the Cabinet of Ministers;
- 10) availability of primary accounting documents for the supply of goods, works and services;
- 11) availability of documents and payment of import taxes on goods imported into the territory of the Kyrgyz Republic from the EAEU member states;
- 12) requirements for the production and circulation of ethyl alcohol, alcoholic products, retail sale and consumption of alcoholic products, tonic non-alcoholic and low-alcohol drinks.

When carrying out raid tax control, the removal of the remnants of inventory items is carried out in cases and in the manner determined by the Cabinet of Ministers.

3. Raid tax control, with the exception of a control purchase, is carried out no more than 12 times a year in relation to an individual taxpayer or its separate subdivision.

4. In relation to an individual taxpayer, raid control is carried out on the basis of the results of an analysis of risk factors for non-compliance with the requirements of tax legislation and legislation in the field of circulation of alcohol-containing products of the Kyrgyz Republic in accordance with the methodology for determining taxpayers subject to raid control, approved by the authorized tax authority.

5. An order is issued for conducting raid tax control. The form of the prescription and the procedure for carrying out raid tax control are established by the Cabinet of Ministers.

6. Local self-government bodies carry out raid tax control over compliance with the following requirements of the tax legislation of the Kyrgyz Republic:

- 1) the fact of tax and accounting registration of the taxpayer with the tax authority;
- 2) verification of the fact of tax payment and physical indicators of the tax payer on the basis of a patent.

Article 128. Use of cash registers

1. On the territory of the Kyrgyz Republic, cash settlements with the population, carried out in the course of trade transactions or the performance of work and the provision of services, are carried out with the mandatory use of cash registers and the issuance / sending of a cash register receipt in paper and / or in electronic form suitable for automatic reading. The provisions of this part do not apply to entities that, due to the specifics of their activities or location, can carry out cash settlements without the use of cash registers, according to the list approved by the Cabinet of Ministers.

2. Subjects are obliged to use hardware cash registers or software cash registers included in the Register of cash registers for cash settlements with the population.

3. The Cabinet of Ministers approves:

1) the procedure for issuing a technical opinion to the cash register and the formation of the Register of cash register;

2) requirements for the technical service centers of KKM and OFD;

3) the procedure for registration, application, standard operating rules and the timing of the introduction of CCM.

4. Technical requirements for cash registers are approved by the authorized tax authority.

5. KKM is included and excluded from the Register of KKM on the basis of a technical opinion issued by the authorized state body in the field of communications, informatization and electronic management and in the field of the use of electronic signature.

The technical opinion is a document confirming the compliance/non-compliance of the CCM with the technical requirements approved by the authorized tax authority.

6. An entity that leases space for economic activities, including trading places in markets (mini-markets) and in shopping centers and houses, is obliged to establish in the lease agreement a requirement that the tenant must have a cash register, which is obliged to use a cash register, failure to comply with entails the termination of such an agreement unilaterally.

Article 129

1. A taxpayer who, in accordance with this Code, is obliged to carry out activities using cash registers, shall be subject to the following requirements:

1) acquisition, maintenance and registration of cash registers before the start of activities;

2) exclusion of unauthorized access to the internal mechanisms and program management of the cash register and obtaining a registration card of the cash register;

3) use of CMC in accordance with the standard rules for the operation of CFC;

4) providing officials of tax authorities with unhindered access to cash registers and cash registers when they exercise control over compliance with the procedure for applying cash registers;

5) keeping the cash register in good condition and ensuring the transfer of data in real time to the authorized tax authority and / or OFD, as well as proper accounting of funds when making settlements with fixing transactions in the cash register;

6) the use of cash registers on the spot and at the time of settlement with the buyer or client;

7) placement in a place accessible to the buyer or client of price tags for goods sold or price lists for services rendered, work performed, which must correspond to documents confirming the declared prices and / or tariffs;

8) providing access for employees of technical service centers to cash registers in cases of registration, re-registration, deregistration and repair of cash registers;

9) placement in a place visible to the buyer or client of information about the need to demand a cash receipt in the form approved by the authorized tax authority.

2. For violation of the requirements of the tax legislation of the Kyrgyz Republic on the use of cash registers, the taxpayer shall be liable in accordance with the legislation of the Kyrgyz Republic on offenses.

Article 130

1. The bodies of the tax service exercise control over compliance by the taxpayer with the procedure for applying the CCM.

2. In the course of tax control, the following are subject to verification:

1) registration and procedure for the use of cash registers;

2) serviceability of KKM;

3) issuance of cash receipts to buyers or clients;

4) the availability of price tags or price lists for the goods sold, work performed, services rendered;

5) availability of information on the need to require a cash register receipt in the form approved by the authorized tax authority;

6) compliance with standard operating rules for CMC;

7) compliance of cash receipts with documents presented for payment;

8) compliance of KKM with the technical requirements approved by the Cabinet of Ministers.

3. A control purchase is made by the tax authorities solely to monitor compliance with the procedure and requirements for the use of cash registers, including the issuance of control cash receipts to buyers or clients, and is carried out without frequency limitation.

When the subject uses software tools for accounting for goods, works and services, a control purchase is carried out by the tax authorities to control the issuance of control cash receipts to buyers or customers for compliance with their documents presented for payment.

The procedure for conducting a test purchase is established by the Cabinet of Ministers.

4. Bodies of the tax service have the right to use the data stored in the cash register and information systems of the authorized tax authority and / or OFD, when conducting tax control.

Article 131. Tax post

1. For the purpose of complete accounting of the turnover of goods and funds, the tax body and the local self-government body, within the limits of the rights and powers established by this Code, have the right to establish a tax post on the territory of the taxpayer in the manner established by the Cabinet of Ministers.

2. A taxpayer who has a tax post has the right to involve a representative of an industry business association accredited with the authorized tax body to participate in the work of the tax post.

3. A tax post is established for the following taxpayers:
- 1) producing excisable goods;
 - 2) having tax debts;
 - 3) systematically submitting tax reports with zero indicators;
 - 4) carrying out activities in the field of public catering, trade, services and in the health resort sector;
 - 5) engaged in the extraction of minerals.
4. The list of entities for which a tax post is established is determined by the authorized tax body.

Chapter 15

Article 132

1. A taxpayer shall be obliged to admit to the territory or premises an official of the tax service bodies who directly conducts an on-site inspection, a raid tax control or the installation of a tax post (hereinafter in this Chapter - inspections), upon presentation by this person of an official certificate and an order from the tax authority to conduct an inspection this taxpayer.

2. An official of the tax service bodies who directly conducts an audit has the right to conduct an examination of the territory or premises of the taxpayer used for entrepreneurial activities, or an examination of objects of taxation to determine whether the actual data on these objects correspond to the documentary data submitted by the taxpayer.

3. In case of unlawful obstruction of the access of a tax service official conducting an audit to the territory or premises of the taxpayer, this person shall draw up a protocol signed by him and the taxpayer, on the basis of which the tax service body shall have the right to independently determine the amount of the tax liability on the basis of indirect assessment methods.

If the taxpayer refuses to sign the specified protocol, a corresponding entry is made in it.

4. Illegal obstruction of the access of an official of the tax authorities conducting an audit to the territory or premises of a taxpayer is recognized as a tax offense and entails liability under the legislation of the Kyrgyz Republic.

5. An official of a tax service body must have a permit for admission to the territory or premises of the taxpayer, if such permit is required in accordance with the legislation of the Kyrgyz Republic.

6. A taxpayer has the right not to allow an official of a tax service body to enter the territory or premises for an inspection in cases where:

- 1) the order is not presented or handed over or is not executed in the prescribed manner;
- 2) the period of verification specified in the order has not come or has expired;
- 3) the given person is not indicated in the precept;
- 4) documentation is requested that is not related to the audited tax period.

7. Access of an official of tax service bodies conducting an audit to living quarters against the will of individuals residing in them is not allowed, unless otherwise established by the legislation of the Kyrgyz Republic.

Article 133. Examination

1. The official of the body of the tax service conducting the audit, in order to clarify the circumstances that are important for the completeness of the audit, has the right to inspect the territory, premises or vehicle of the taxpayer, in respect of which the audit or tax control of documents or property is being carried out.

2. The taxpayer in respect of whom the audit is being carried out or his tax representative shall have the right to participate in the examination.

3. During the examination, photo and film shooting, video recording are made, copies are made of documents in cases established by the authorized tax authority.

4. The results of the survey are documented in the act of the survey or reflected in the materials of the audit.

Article 134. Demand for documents

1. The official of the body of the tax service conducting the audit shall have the right to demand from the audited taxpayer the documents necessary for the audit.

The taxpayer to whom the decision to submit documents is addressed is obliged to send or issue them to the tax authority within 5 working days following the day the decision was delivered.

In some cases, documents are submitted in the form of copies certified by the taxpayer.

2. A taxpayer's refusal to submit the documents requested during an audit or failure to submit them within the established time limits shall be recognized as a tax offense and entail liability provided for by this Code.

Article 135. Expertise

1. In necessary cases, including when carrying out actions to exercise tax control, the parties to tax legal relations may engage an expert on a contractual basis at the expense of:

1) the republican budget or the budget of local governments;

2) a taxpayer, an organization of taxpayers, including business associations, professional associations of these entities.

2. In this article, an expert means a person who has special knowledge and is engaged by the parties to tax legal relations to conduct an expert examination.

3. The questions posed to the expert and his conclusion cannot go beyond the limits of the expert's special knowledge.

4. In the cases provided for by paragraph 1 of this article, the decision to conduct an expert examination shall be made by the head of the tax authority upon the application of the taxpayer or the official of the tax service body conducting the tax audit.

The decision states:

- 1) grounds for appointment of an expert examination:
 - 2) last name, first name and patronymic of the expert and the name of the organization in which the expert examination is to be carried out;
 - 3) questions put to the expert;
 - 4) materials placed at the disposal of the expert.
5. The expert has the right to get acquainted with the materials of the check related to the subject of the expertise, to make requests for the provision of additional materials to him.
6. An expert may refuse to give an opinion if the materials provided to him are insufficient or if he does not have the necessary knowledge to conduct an examination.
7. An official of the tax service body conducting a tax audit is obliged to familiarize the audited taxpayer with the decision taken in accordance with part 4 of this article and explain his rights under part 9 of this article, about which a protocol is drawn up.
8. The expert gives an opinion in writing on his own behalf. The expert's conclusion sets out his research, conclusions and substantiated answers to the questions posed. If the expert, during the performance of the expert examination, establishes circumstances relevant to the case, about which he was not asked questions, he has the right to include conclusions about these circumstances in his opinion.
9. The opinion of the expert or his message about the impossibility of giving an opinion is transferred to the party that involved the expert. The second party has the right to give its explanations and raise objections, as well as to ask for additional questions to the expert and the appointment of an additional or repeated examination.
10. An additional expert examination is appointed in case of insufficient clarity or completeness of the conclusion and is entrusted to the same or another expert.
- A re-examination is appointed in case of groundlessness of the expert's opinion or doubts about its correctness and is entrusted to another expert.
- Additional and repeated examinations are appointed in compliance with the requirements provided for by this article.

Article 136

1. In the cases provided for by this Code, when carrying out actions to carry out an inspection, a protocol is drawn up.
2. The protocol shall indicate:
 - 1) its name;
 - 2) the place and date of the specific action;
 - 3) the time of the beginning and end of the action;
 - 4) position, surname, name, patronymic of the person who drew up the protocol;
 - 5) last name, first name, patronymic of each person who participated in the action or was present during its conduct, and, if necessary, his address, citizenship, information about whether he speaks the state or official language;
 - 6) the content of the action, the sequence of its implementation;

7) the actions revealed during the proceedings, the facts and circumstances essential for the case.

3. The protocol is read by all persons who participated in the production of the action or were present during its implementation. These persons have the right to make comments to be included in the protocol or attached to the case.

4. The protocol is signed by the official of the tax service body who compiled it, as well as by all persons who participated in the production of the action or were present during its implementation.

5. Photographs and negatives, films, video recordings and other materials made during the performance of the action may be attached to the protocol.

Chapter 16

Article 137. Terms and definitions used in this chapter

The following terms and definitions are used in this chapter:

1) identical goods - goods that have the same basic features characteristic of them. When determining the identity of goods, their physical characteristics, quality and reputation in the market, country of origin and manufacturer are taken into account. When determining the identity of goods, slight differences in their appearance may not be taken into account;

2) homogeneous goods - goods that, while not identical, have similar characteristics and consist of similar components, which allows them to perform the same functions and / or be commercially interchangeable, if the difference between such goods does not significantly affect their price either can be taken into account through amendments. When determining the homogeneity of goods, their quality, presence of a trademark, reputation in the market, country of origin are taken into account;

3) the market for goods, works, services - the sphere of circulation of these goods, works, services, determined on the basis of the ability of the buyer or seller to actually and without significant additional costs to purchase or sell goods, work, services in the territory of the Kyrgyz Republic closest to the buyer or seller or outside the Kyrgyz Republic;

4) the market price of goods, works, services - the price that has developed in the interaction of supply and demand in the market of identical, and in their absence - homogeneous goods, works, services in comparable economic conditions.

Article 138. Use of indirect valuation methods

1. The tax liability is determined by the tax service body on the basis of indirect methods in the following cases:

1) in case of violation of the procedure for accounting for cash transactions with the population;

2) in the absence of primary accounting documents.

2. The use of indirect methods for calculating tax liabilities is carried out on the basis of an assessment of assets, liabilities, turnover, costs, expenses and / or data

obtained from the results of an established tax post, in the manner determined by the Cabinet of Ministers.

Article 139. Application of the market price of goods, works or services for the purposes of taxation

1. Unless otherwise provided by this article, for the purposes of taxation, the price of goods, works or services actually applied by the parties to the transaction shall be taken into account. Unless proven otherwise, this price is assumed to be in line with market prices.

2. When exercising control over the completeness of the calculation of taxes, the bodies of the tax service shall have the right to verify the correctness of the application of transaction prices only in the following cases:

- 1) in transactions between related parties;
- 2) on commodity exchange (barter) operations;
- 3) when making foreign trade transactions;
- 4) in the absence of supporting documents on the sale of goods, works or services;
- 5) in transactions with entities that have the characteristics of an inactive person;
- 6) in transactions with business entities applying a special tax regime;
- 7) in transactions with goods for which a minimum level of control prices has been established in accordance with this article.

3. In the cases provided for by paragraph 2 of this article, when the prices of goods, works or services applied by the parties to the transaction differ from the market price by more than 20 percent, the tax service body has the right to make a reasoned decision on the additional assessment of tax, penalties and tax sanctions calculated in such a way as if the results of this transaction were evaluated based on the application of market prices for the relevant goods, works or services.

4. The market price is determined in accordance with the methods for determining the market price of goods, works or services for tax purposes, provided for article 140 of this Code, each of which is applied sequentially in the absence of sufficient information to apply the previous ones.

5. When determining the market price, the usual price premiums or discounts are taken into account, which are established when concluding transactions between persons who are not related. In particular, surcharges and discounts caused by:

- 1) seasonal and other fluctuations in consumer demand for goods, works, services;
- 2) loss of quality or other consumer properties of goods in the manner prescribed by the Cabinet of Ministers;
- 3) the expiration or approaching of the expiration date or the sale of goods;
- 4) marketing policy, including when promoting new goods to the markets that have no analogues, as well as when promoting goods, works, services to new markets;
- 5) the implementation of prototypes and samples of goods in order to familiarize consumers with them.

6. When determining market prices for goods, works or services, transactions between persons who are not interdependent shall be taken into account. Transactions between related parties can be taken into account only in cases where the interdependence of these parties did not affect the results of such transactions.

7. When determining and recognizing the market price for a product, work, service, official sources of information on market prices for a product, work, service and exchange quotations, databases of state bodies and local governments, information provided to tax authorities by taxpayers, as well as other relevant information.

8. The procedure for determining and applying the minimum level of control prices is approved by the Cabinet of Ministers.

The size of the minimum level of control prices is approved by the authorized state body determined by the Cabinet of Ministers.

9. For imported/manufactured goods, for which a minimum level of control prices is established, for the purposes of this Code, a price not lower than the level established in accordance with part 8 of this article is accepted.

Article 140. Sources of information and methods for determining the market price of goods, works or services for taxation purposes

1. When determining the market price of goods, the following sources of information are used in relation to:

1) goods, works, services for which state regulated prices (tariffs) are established, the indicated prices (tariffs) are recognized as market prices;

2) metals and oil products as market prices are accepted prices on stock exchanges, the list of which is determined by the Cabinet of Ministers.

2. For goods, works and services not listed in part 1 of this article, the market price of goods, works and services is determined on the date of the transaction according to the quarterly price bulletin of the National Statistical Committee of the Kyrgyz Republic.

3. For goods not listed in paragraphs 1 and 2 of this article, the market price of goods, work or services is determined on the basis of information on transactions concluded at the time of the sale of this goods, work or service, with identical and / or similar goods, works or services. services under comparable conditions. In particular, such conditions of transactions are taken into account as the quantity or volume of goods supplied (for example, the volume of a consignment), the terms for fulfilling obligations, the terms of payments usually applied in transactions of this type, as well as other reasonable conditions that may affect prices.

At the same time, the terms of transactions in the market of identical, and in their absence - homogeneous goods, works or services are recognized as comparable, if the difference between such conditions either does not significantly affect the price of such goods, works or services, or can be taken into account with the help of amendments.

When determining market prices for goods, works or services, transactions between persons who are not related are taken into account.

4. For goods not listed in the previous parts of this article, the market price is determined by the resale price method. In accordance with this method, the market price of a good, work or service sold by a taxpayer is defined as the price at which the

good, work or service was sold by its buyer upon subsequent resale. This takes into account the usual costs incurred in such cases by this buyer during the resale and promotion on the market of the goods, work or services purchased from the taxpayer, as well as the buyer's usual profit for this field of activity.

5. If it is not possible to use the resale price method, the cost addition method is used. In accordance with this method, the market price of a good, work or service sold by the taxpayer is determined as the sum of the costs incurred and the profit usual for this field of activity. This takes into account the direct and indirect costs usual in such cases for the production and / or acquisition and / or sale of goods, work or services, as well as the usual costs for transportation, storage, insurance and other similar costs in such cases.

6. The market price of the goods cannot be lower than the minimum level of the control price established by the Cabinet of Ministers.

7. The methods for determining the market price of goods, works or services established in this article shall not be applied due to the loss of quality or other consumer properties of goods. A decrease in the price of goods, works or services associated with the loss of quality or other consumer properties of goods is determined in accordance with the procedure established by the Cabinet of Ministers.

8. When considering a case on appeal by a taxpayer of a decision of a tax service body on determining the price of a transaction for tax purposes, the court shall have the right to take into account any circumstances that are important for determining the results of the transaction, not limited to the circumstances listed in this chapter.

Chapter 17. Interaction of tax authorities with other entities

Article 141

1. Interaction of tax authorities with customs authorities, financial intelligence agencies and internal affairs bodies is carried out within the powers established by this Code, the legislation of the Kyrgyz Republic in the field of customs, operational-search activities, countering the financing of terrorist activities and the legalization (laundering) of criminal proceeds, concluded bilateral (multilateral) agreements.

2. Tax service bodies interact with customs authorities, financial intelligence agencies and internal affairs bodies by exchanging, receiving and presenting information and materials specified in this article.

3. Bodies of the tax service:

1) consider documented information and materials identified and sent by the financial intelligence agencies, customs authorities and internal affairs bodies related to the fulfillment of the tax liability of the taxpayer, and in accordance with the procedure established by this Code, make an appropriate decision on them in relation to the taxpayer or on refusal to make a decision or make a decision in accordance with the norms of criminal, criminal procedural legislation;

2) submit, upon a written request of the customs service, financial intelligence and internal affairs bodies, the available information on the tax registration of the taxpayer: his TIN, last name, first name and patronymic or name, place of residence or location, as well as registration for VAT;

3) receive from the customs authorities a complete database on export-import operations, as well as on imported fixed assets with a conditional charge of VAT;

4) submit to the customs authorities information on the facts of customs offenses revealed during the on-site inspection by sending the relevant materials.

Article 142

The interaction of the tax authorities and the justice authorities is carried out by exchanging databases of entities that have been registered, re-registered and excluded from the state register of legal entities.

Article 143

1. Interaction between the bodies of the tax service and the bodies of statistics shall be carried out within the powers established by this Code and the Law of the Kyrgyz Republic "On Official Statistics".

2. The tax authorities interact with the statistical authorities by:

1) exchange, receipt or presentation of information and materials specified in this article;

2) participation in the definition of tasks, the development of forms and the processing of the results of statistical observations in the field of taxation for the collection of statistical reporting, conducting registrations, censuses, polls, sample and other surveys;

3) participation in the development of statistical methodology and reporting and statistical documentation of static observations, as well as standard forms of accounting documentation;

4) keeping up to date and ensuring information compatibility of the State Register of Taxpayers of the Kyrgyz Republic and the Unified State Register of Statistical Units based on the use of TIN, common identification code of enterprises, organizations and individual entrepreneurs and other state classifiers.

3. The interaction of the tax service body with the statistics body is also carried out:

1) upon registration and inclusion in the State Register of Taxpayers of the Kyrgyz Republic and the Unified State Register of Statistical Units of a new taxpayer;

2) upon re-registration of a taxpayer;

3) when exercising control over the activities of the taxpayer within the established powers;

4) when the taxpayer terminates his activities.

4. Bodies of the tax service transfer to the bodies of state statistics:

1) information from the database on taxpayers who have passed state registration;

2) information from the database on taxpayers engaged in economic and entrepreneurial activities.

5. Statistical bodies transfer to tax authorities:

1) on a regular basis - directories, bulletins issued by state statistics bodies;

2) on the basis of a relevant request - the necessary information (database) on statistical units on paper and/or electronic media;

3) upon state registration of individual entrepreneurs and peasant (farm) enterprises - reserve codes of the general identification code of enterprises, organizations and individual entrepreneurs.

Article 144

1. The interaction of the tax authorities with the Marking Operator is carried out within the powers established by this Code and the tax legislation of the Kyrgyz Republic.

2. The tax authorities interact with the Marking Operator through the GAIS "Marking of Goods" in order to obtain the following information:

1) on taxpayers engaged in the circulation of goods subject to marking with means of identification;

2) on goods subject to mandatory labeling of goods by means of identification;

3) on the means of identification applied to goods subject to mandatory labeling by means of identification;

4) on violations of the requirements for mandatory labeling of goods with means of identification identified by consumers of these goods;

5) other information determined by the tax legislation of the Kyrgyz Republic.

3. The marking operator in accordance with the legislation of the Kyrgyz Republic and the contractual framework of the EAEU provides:

a) collection, transfer, processing and storage of information, including using fiscal software;

b) functioning of the GAIS "Marking of goods";

c) traceability of goods subject to mandatory labeling by means of identification in the manner determined by the Cabinet of Ministers;

d) assistance to the authorized tax authority in the development of draft regulatory legal acts regarding the functioning and technical operation of the GAIS "Marking of Goods".

4. The labeling operator, in order to perform the assigned functions in accordance with the legislation of the Kyrgyz Republic and the contractual framework of the EAEU, has the right to:

1) act as a single issuer/national operator (administrator) of goods labeling;

2) conclude agreements/contracts/agreements with issuers/operators of the EAEU member states and other states;

3) collect fees for the services provided, including for the issuance and generation of product labeling codes.

The labeling and traceability system for labeled goods is subject to an information security audit once every 3 years.

Article 145

1. The bodies of the tax service interact with the bodies that carry out state registration of rights to real estate and registration of vehicles by obtaining information in the form of a document on paper or an electronic document:

1) on property - objects of taxation, registered or removed from registration in these bodies;

2) about the entities that are the owners of this property;

3) on the parameters of the property that is the object of taxation.

2. The bodies specified in part 1 of this article are obliged to transfer information on state registration of the right of ownership or an object of taxation to the tax authority at their location on a quarterly basis, no later than the 20th day of the month following the last month of the reporting quarter.

3. When registering, re-registering, issuing certificates and conducting technical inspections, bodies that register rights to immovable property, motor vehicles or tractors, self-propelled technological machines, as well as trailers to them, must require the presentation of a document confirming the payment of property tax.

In the absence of the specified document, registration, re-registration, issuance of certificates and technical inspection are not performed.

4. The bodies of the tax service interact with other bodies that register transactions related to the transfer of rights to objects of taxation, including notarial transactions and transactions on the stock exchange of the Kyrgyz Republic. The bodies specified in this part are obliged to transfer information on the registration of transactions to the tax authority at their location on a quarterly basis, no later than the 20th day of the month following the last month of the reporting quarter.

Article 146

1. In order to interact with the tax authorities, banks are required to:

1) provide information:

a) on the availability and numbers of taxpayers' accounts on the basis of a request from the tax authorities within 3 business days;

b) on transactions carried out with the accounts of the audited taxpayer, as well as information on the current state of his account on the basis of a judicial act that has entered into legal force;

2) open an account for organizations and individual entrepreneurs in the presence of tax registration of the taxpayer in the Kyrgyz Republic, as well as for peasant (farm) enterprises in the presence of a document certifying the right to land use, or a document on the presence of livestock;

3) execute, as a matter of priority, the instructions of the taxpayer on the transfer of funds to the budget on account of the fulfillment of his tax obligations;

4) send tax amounts to the budget on the day of the operation to withdraw funds from the taxpayer's account;

5) submit, within 30 calendar days following the day of receipt of the relevant request, information on writing off the outstanding debt from the borrower of the bank and termination of the right to claim the debt by the bank;

6) fulfill in an indisputable and priority manner the tax payment claims issued by the tax authorities to pay off the tax debt recognized by the taxpayer;

7) provide real-time information on settlements through POS-terminals and QR-payments.

2. In order to interact with the tax authorities, banks and payment organizations / payment system operators are required to transmit information on payments made in real time.

3. The procedure and requirements for information transmitted in accordance with clause 7 of part 1 and part 2 of this article are established by the Cabinet of Ministers in agreement with the National Bank.

Article 147

The tax authorities interact with the civil registry office, the local self-government body empowered with state registration of civil status acts, with the diplomatic mission and consular office of the Kyrgyz Republic outside the territory of the Kyrgyz Republic by obtaining information on state registration of civil status acts: birth, death, marriage, divorce, change of surname, name, patronymic.

Article 148

The bodies of the tax service interact with the authorities empowered in relation to foreign citizens or stateless persons by obtaining information:

1) on issued permits for the entry of foreign citizens or stateless persons into the Kyrgyz Republic, for their stay in the Kyrgyz Republic and departure from the Kyrgyz Republic, in connection with their activities leading to the emergence of an object of taxation;

2) on foreign citizens and stateless persons arriving in the Kyrgyz Republic for the purpose of carrying out labor activities.

Article 149

In order to form and implement an effective tax policy in the Kyrgyz Republic, increase the level of interaction and achieve a balance of interests of taxpayers and the state, tax authorities interact with taxpayer organizations, including business associations, professional associations.

Article 150

The bodies of the tax service interact with the diplomatic, consular and other representative offices of a foreign state or an international organization, taking into account the provision that these entities enjoy immunity to the demand of the tax authorities to provide any information and perform any action in accordance with the provisions of this Code.

Article 151

1. Tax service bodies interact with local governments by:

1) receipt from local governments:

a) decisions on the introduction of local taxes;

- b) decisions (resolutions) on land plots allocated to legal entities and individuals for economic activity and construction of individual residential buildings;
- c) information on concluded lease agreements for the use of lands of state and municipal property;
- d) decisions on the size of the adopted coefficients that differentiate the base rate of property tax;
- e) decisions on exemptions for land tax and property tax;
- f) applications for the establishment of a tax post;
- g) protocols drawn up in case of violation by taxpayers of the norms provided for Section XIII and chapter 56 of this Code, in case of delegating relevant state powers to them;
- 2) joint participation in the work of the commissions provided for by this Code;
- 3) holding joint events for the purposes of taxation;
- 4) joint forecasting of the revenue side of local budgets.

2. Bodies of local self-government, within the framework of their competence, assist the bodies of the tax service in accounting for taxpayers and collecting taxes.

Article 152

The tax authorities interact with the authorities issuing licenses and permits by obtaining from them information about the entities that have received licenses and permits, as well as other information at the request of the tax authorities.

Article 153. Interaction of Tax Service Bodies with Other Law Enforcement Bodies

The interaction of tax authorities with law enforcement agencies of the Kyrgyz Republic, law enforcement agencies of foreign states is carried out in accordance with the legislation of the Kyrgyz Republic in this area, as well as international treaties that have entered into force in accordance with the legislation of the Kyrgyz Republic.

Article 154. Liability for Violation of the Provisions of this Chapter

Failure by officials of the relevant bodies to comply with the requirements of this chapter shall entail liability in accordance with the legislation of the Kyrgyz Republic.

SECTION V. TAX VIOLATION AND LIABILITY FOR ITS COMPLETION

Chapter 18. General Provisions on Liability for Committing Tax Offenses

Article 155. The concept of a tax offense

A violation of the tax legislation of the Kyrgyz Republic or a tax offense is a guilty-committed illegal act (action or inaction) of a participant in tax legal relations.

Article 156. Responsibility for committing a tax offense

1. Responsibility for committing a tax offense is the legal consequence of committing a tax offense, expressed in the conviction and application of penalties by a court or a competent body (official) against a participant in tax legal relations guilty of committing a tax offense.

2. Responsibility for committing a tax offense is established by this Code, legislation on offenses and criminal legislation of the Kyrgyz Republic.

Article 157

In the cases provided for by this Code, liability for committing a tax offense shall be borne by:

- 1) the taxpayer, his officials and/or legal representatives (parents, guardian, custodian);
- 2) bodies of the tax service, their officials;
- 3) another participant in tax legal relations.

Article 158. General principles of bringing to responsibility for committing a tax offense

1. No one can be held liable for committing a tax offense otherwise than on the grounds and in the manner prescribed by this Code and the legislation of the Kyrgyz Republic.

2. No one can be held liable repeatedly for committing the same tax offense.

3. Bringing a participant of tax legal relations to liability for committing a tax offense does not relieve the taxpayer and his officials from the liability provided for by this Code, the legislation on offenses and the criminal legislation of the Kyrgyz Republic, if there are appropriate grounds.

4. Calling to account for committing a tax offense does not release the taxpayer from the obligation to fulfill the tax obligation, as well as to pay the amount of penalties and tax sanctions due in accordance with this Code.

5. A participant in tax legal relations is recognized not guilty of committing a tax offense:

- 1) if his guilt is not established in the manner prescribed by the legislation of the Kyrgyz Republic;
- 2) if he calculated the tax liability in accordance with the written explanation of the authorized state body;
- 3) if the legitimacy of his actions to fulfill the duties of a taxpayer or tax agent is confirmed by a tax audit report and a relevant decision of the tax authority.

6. A taxpayer held liable is not required to prove his innocence in committing a tax offense.

7. The obligation to prove the circumstances that testify to the fact of a tax offense and the taxpayer's guilt in committing it shall be assigned to the tax service bodies.

Article 159

1. An entity cannot be held liable for committing a tax offense if the limitation period has expired from the day it was committed and the relevant decision of the tax service body has not been handed to him.

2. In case of committing a tax offense related to the understatement of the amount of tax indicated in the tax report, the calculation of the limitation period begins from the date of delivery of the relevant decision of the tax service body.

Article 160. Tax sanction for committing a tax offense

1. A tax sanction is a measure of responsibility for committing a tax offense.

2. A tax sanction is established and applied in the form of monetary penalties in the amount provided for by this Code.

3. When one subject commits two or more tax offenses, the tax sanctions provided for by this Code shall be levied for each offense separately, without absorption of a less severe sanction by a more severe one.

4. The decision to apply a tax sanction shall be taken by the tax service body and handed over to the taxpayer in accordance with the procedure established by this Code.

5. In the event of force majeure circumstances, a tax sanction for committing a tax offense is not applied by decision of the Cabinet of Ministers.

Article 161

1. The tax authorities may apply to the court with a claim for the recovery of a tax sanction no later than 6 years following the date of delivery to the taxpayer of the decision to hold liable for a tax offense.

2. In the event of a refusal to initiate or terminate a criminal case, but in the presence of a tax offense, the time limit for filing a statement of claim is calculated from the day the tax service body receives a decision to refuse to initiate or terminate a criminal case.

Chapter 19. Types of tax offenses and liability for their commission

Article 162. Evasion of tax and/or accounting registration with a tax authority

When conducting activities by a taxpayer without tax and / or accounting registration with a tax authority, a tax sanction is applied in a single amount of the amount of taxes accrued and / or subject to accrual for the entire period of such activity, but not less than 50 calculated indicators.

Article 163

1. Unless otherwise established by this article and based on the results of an on-site audit by a tax service body, it is established that the amount of tax indicated in tax returns is understated in comparison with the amount of tax that should have been indicated in tax returns:

1) if the tax amount is underestimated by up to 10 percent of the tax amount that should have been indicated in the tax reporting of the corresponding tax period, the tax sanction is not applied to the taxpayer;

2) if the amount of tax is underestimated in the amount of 10 to 50 percent of the amount of tax that should have been indicated in the tax reporting of the corresponding tax period, a tax sanction in the amount of 50 percent of the amount of tax understatement is applied to the taxpayer;

3) if the amount of tax is underestimated in the amount of more than 50 percent of the amount of tax that should have been indicated in the tax reporting of the corresponding tax period, a tax sanction in the amount of 100 percent of the amount of tax understatement is applied to the taxpayer.

2. If, based on the results of an on-site audit, the tax authority establishes that the taxpayer has not submitted tax returns for a certain tax period, the entire amount of the tax liability that was subject to reflection in these tax returns is recovered to the budget and a tax sanction of 100 percent is applied to this taxpayer from the amount of the identified tax liability.

3. If, based on the results of an on-site audit by a tax service body, it is established that the taxpayer has exercised the right to offset the amount of VAT paid or payable for the acquired material resources on invalid invoices, this taxpayer shall be subject to a tax sanction in the amount of 100 percent of the amount of VAT accepted to offset.

Article 164. Failure to fulfill the obligation to pay taxes by a tax agent

1. In case of non-payment or incomplete payment of the amount of tax withheld and payable, a tax sanction is applied to the tax agent in the amount of 10 percent of the unpaid amount of tax payable and / or additional payment for each full or incomplete month from the date established for its payment but not more than 50 percent of the specified amount.

2. According to the submitted updated financial statements, the tax sanction is applied only to the amount of the unpaid tax liability arising from these financial statements.

Article 165. Responsibility of an official of a tax service body

1. An official of a tax service body who is guilty of violating the tax legislation of the Kyrgyz Republic shall be liable in accordance with the legislation of the Kyrgyz Republic.

2. An official of a tax service body who has committed unlawful actions and/or inaction is not entitled to hold any position in the tax service bodies after his guilt has been established in a judicial proceeding.

3. Losses caused to the taxpayer as a result of illegal actions and/or inaction of the tax service body or its officials who violated the rights of the taxpayer, as well as due to improper performance by this tax service body or its officials of the obligations provided for by this Code in relation to the taxpayer, are subject to compensation these officials and tax authorities.

SECTION VI. APPEALING THE DECISIONS OF THE TAX AUTHORITIES, ACTIONS AND/OR INACTION OF THEIR OFFICIALS

Chapter 20

Article 166

In accordance with this section, consideration of a taxpayer's complaint against the decision and action/inaction of the tax authorities and their officials is carried out by the authorized tax authority.

Article 167. Procedure and terms for filing a complaint by a taxpayer

1. A taxpayer's complaint against the decision of the tax authorities shall be submitted to the authorized tax authority within 30 calendar days from the day following the day the decision was delivered to the taxpayer.

2. An appeal against a decision to appoint and/or extend and/or suspend and/or resume an on-site inspection shall be filed within 5 working days from the date of delivery.

3. A copy of the complaint must be sent by the taxpayer to the tax authority whose decision is being appealed.

4. A complaint filed in violation of the provisions of this section shall be returned by the authorized tax authority to the applicant with an indication of the reason.

5. The taxpayer, after the elimination of the reasons that were the reason for the return of his complaint, has the right to re-send the complaint to the authorized tax authority within 10 calendar days, and in the cases provided for in part 2 of this article, within 2 working days following the day receiving a returned complaint.

6. If the taxpayer filed a complaint against the decision of the tax authorities after the expiration of the period established by parts 1, 2 and 5 of this article, then this complaint is not subject to consideration.

Article 168. Form and content of a taxpayer's complaint

1. A taxpayer's complaint shall be filed in writing.

2. The complaint must contain:

- 1) date of submission of the complaint;
- 2) the name of the tax service body to which the complaint is filed;
- 3) last name, first name and patronymic or full name of the person filing the complaint, his place of residence (location);
- 4) TIN of the taxpayer;
- 5) the name of the tax service body whose decision is being appealed;
- 6) the circumstances on which the taxpayer filing the complaint bases his claims and evidence confirming these circumstances;
- 7) list of attached documents;
- 8) details of the appealed decision;
- 9) the address for sending the result of the consideration of the complaint.

3. The complaint may also contain other information relevant to the resolution of the dispute.

4. The complaint is signed by the taxpayer.

5. Attached to the complaint:

- 1) copies of materials and an act based on the results of tax control;
- 2) a copy of the decision on it;
- 3) documents confirming the circumstances on which the taxpayer bases his claims, certified by the taxpayer and other bodies;
- 4) other documents relevant to the case.

Article 169. Procedure for considering a taxpayer's complaint

1. A decision on the merits of the complaint shall be sent to the taxpayer's complaint no later than 30 calendar days following the day the complaint was received.

The term for considering a complaint is calculated from the day following the day the complaint was registered with the authorized tax authority, and expires on the day the decision is sent to the taxpayer.

2. If during the period of consideration of the complaint the taxpayer received additions to the initial complaint on interrelated taxes and payments, the term for consideration of the main and additional complaints begins from the day following the day of receipt of the addition.

The term for considering a complaint is interrupted in cases of appointment of a cross and / or thematic audit, sending requests to the relevant authorities, including authorized bodies of other states in accordance with international treaties.

The taxpayer is sent an interim decision that the final decision on the complaint will be made after the procedures provided for in this part are completed.

The term for consideration of the complaint, including the days of extension and interruption of the terms provided for in this part, may not exceed 90 days from the day following the day the complaint was filed.

3. A taxpayer's complaint shall be considered satisfied if the authorized tax body has not sent a decision within the time limits provided for in parts 1 and 2 of this article.

4. Based on the results of consideration of the complaint, the authorized tax body shall take one of the following decisions:

- 1) satisfy the complaint of the taxpayer;
- 2) partially satisfy the complaint of the taxpayer;
- 3) refuses to satisfy the taxpayer's complaint.

The decision taken by the authorized tax body in accordance with paragraphs 1 and 2 of this part shall cancel the appealed decision of the tax service body.

5. The authorized tax body delivers the decision to the taxpayer in the manner prescribed article 96 of this Code, and also sends it to the tax authority whose decision is being appealed.

In the cases provided for by paragraphs 1 and 2 of part 4 of this article, based on the decision of the authorized tax authority, the tax service body, the decision of which is being appealed, is obliged to issue a new decision in accordance with parts 3-7 article 123 of this Code.

6. If the complaint contains a question on which decisions on the merits were repeatedly sent to the applicant in connection with previously sent complaints, and the complaint does not contain new arguments or circumstances, the authorized tax

authority has the right to decide on the groundlessness of the next complaint and terminate the correspondence with the taxpayer on this issue, provided that the said complaint and the previously submitted complaints were sent to the same body.

The taxpayer shall be informed of this decision in writing.

7. A taxpayer who does not agree with the decision of the authorized tax authority on the filed complaint has the right to appeal against this decision in the administrative proceedings of the Kyrgyz Republic or in an arbitration court in accordance with the legislation of the Kyrgyz Republic.

8. When appealing against the decision of the authorized tax body in the arbitration court, the arbitrators considering the complaint are appointed by the chairman of the arbitration court in the amount of three arbitrators.

Attention! The norms of this article on the issues of the arbitration court shall enter into force on January 1, 2023 in accordance with article 23 Law of the Kyrgyz Republic dated January 18, 2022 No. 4.

Article 170

The decision on the results of the consideration of the complaint must indicate:

- 1) the date and place of the adoption of the decision;
- 2) the name of the authorized tax authority that considered the complaint;
- 3) surname and initials or full name of the taxpayer, address of the applicant;
- 4) TIN of the taxpayer;
- 5) the name of the tax service body against whose decision the complaint was filed;
- 6) details and a summary of the contested decision;
- 7) essence of the complaint;
- 8) a statement of the motives and facts underlying the decision;
- 9) references to the norms of this Code, law or regulatory legal act;
- 10) the decision taken;
- 11) a corresponding order to the tax authority, the decision of which was appealed.

Article 171. Consequences of filing a complaint

1. The filing of a complaint by a taxpayer with an authorized state body or court in accordance with the procedure established by this Code shall suspend the execution of the appealed decision.

2. The execution of the decision shall be suspended from the date of filing a complaint with the authorized tax authority until the expiration of the period established by the procedural legislation for appealing against the decision of the authorized tax authority in court, and in case of appealing the decision in court - until the entry into force of the court decision.

3. In case of full or partial satisfaction of the taxpayer's complaint, appropriate amendments and additions are made to the decision of the tax service body on the basis of the decision on the complaint.

4. In case of satisfaction or partial satisfaction of the taxpayer's complaint, tax sanctions and penalties for the entire period of consideration of the complaint shall be accrued only on the amount that is recognized as reasonably accrued.

5. If, after the adoption of a decision on a taxpayer's complaint, documentary information is received that is not taken into account when making a decision of the authorized tax authority and entails a change in the tax liability of the taxpayer, then the authorized tax authority has the right to change this decision before the expiration of the limitation period.

The provisions of this part shall not apply if there is a court decision rendered on the merits in relation to the decision of the authorized tax authority on the taxpayer's complaint.

Article 172

Actions and/or inaction of the tax authorities and/or their officials are appealed in the manner prescribed by this chapter.

Article 173

Appeal against decisions, as well as actions (inaction) taken (carried out) within the framework of the criminal procedure legislation, is carried out in the manner prescribed by the Criminal Procedure Code of the Kyrgyz Republic.

SPECIAL PART

Chapter 21. Tax accounting

Article 174. Terms and Definitions Used in the Special Part of this Code

The following terms and definitions are used in the Special Part of this Code:

1) refined measured ingot - a manufactured and marked ingot of precious metal (gold, silver or platinum) weighing 1000 grams or less, with a chemically pure base metal content of at least 99.90 percent of the ligature mass of the ingot for gold, at least 99.90 percent ligature mass of the ingot for silver and not less than 99.95 percent of the ligature mass of the ingot for platinum;

2) refined standard bullion - a bullion made and marked from gold or silver that meets the International Quality Standards adopted by the London Precious Metals Market Association;

3) bad debt - the amount due to the taxpayer, which the taxpayer is not able to receive in full due to the termination of the obligation by a court decision, bankruptcy, liquidation or death of the debtor, or the expiration of the limitation period provided for by the civil legislation of the Kyrgyz Republic;

4) charitable activities - voluntary activities of an individual and / or legal entity aimed at the implementation of charitable goals provided for by the legislation of the Kyrgyz Republic on charitable activities, on the transfer of assets to citizens and legal entities, the provision of services and the performance of work on a disinterested (gratuitous or preferential) basis or for payment not exceeding the costs incurred in their implementation;

5) charitable organization - non-profit organization:

a) established and carrying out charitable activities in accordance with the legislation of the Kyrgyz Republic on non-profit organizations and charitable activities;

b) not engaged in the implementation of activities for the production and / or sale of excisable goods;

c) not participating in the support of political parties or election campaigns;

6) refundable insurance premium - return by the insurer of the insurance premium paid by the insured in full or in part with payment to the insured in cases of early termination of the contract;

7) entrance fees - assets transferred to a person upon joining a non-profit organization based on membership, in the amount and in the manner provided for in the constituent documents of this organization, provided that such transfer will not be conditioned by the counter provision of services to a member of this organization free of charge or at a price below cost;

8) redemption amount in case of long-term life insurance - a part of premium reserves payable to the insured on the day of early termination of the contract. The amount of the redemption amount is determined according to special tables compiled by the insurer, and depends on the duration of the expired insurance period and the period for which the contract was concluded;

9) grant - assets donated by states, international, foreign and domestic organizations to the Cabinet of Ministers, local governments, state, as well as non-profit organizations that do not participate in the support of political parties or candidates of election campaigns;

10) humanitarian aid - assets donated by states, organizations to the Cabinet of Ministers, local government, state, non-profit organization, as well as a needy individual in the form of food, equipment, equipment, equipment, medical supplies and medicines, other property to improve living conditions and life of the population, as well as the prevention and elimination of emergency situations of a military, environmental and man-made nature, subject to their further consumption and / or gratuitous distribution;

11) dividend - a part of the taxpayer's profit, including:

a) the increase in value upon liquidation of the organization, received by a person in the form of income from shares owned by him;

b) the profit of an individual entrepreneur remaining at his disposal after paying income tax;

c) any payments in accordance with the person's share in the capital, taking into account the specifics established by the constituent documents;

d) cooperative payments to members of agricultural cooperatives;

e) payments in accordance with a share in an investment fund.

The value of shares (shares) additionally received by a member of the organization, distributed among the members of the organization by decision of the general meeting, or the difference between the par value of new shares received in exchange for the original ones, and the par value of the initial shares of the shareholder when distributed among the members of the organization of shares (shares) in due to

an increase in the authorized capital of this organization, including at the expense of the property of the organization.

12) discount on debt securities - the excess of the nominal value over the cost of the initial placement (excluding the coupon) or the acquisition cost (excluding the coupon) of debt securities;

13) debt security - a security that is a loan agreement, fixing the relationship between the issuer - the organization that issued the debt security, and the investor - the entity that acquired this security and who has the right to repay the loan amount and interest due on this loan;

14) share of participation - equity participation in the property of an individual and a legal entity in a jointly created organization, with the exception of a joint-stock company and a unit investment fund;

15) income - inflow, growth of assets (cash, other property) or reduction of liabilities, entailing an increase in the taxpayer's own capital, with the exception of contributions of participants;

16) income on debt securities - a discount or a coupon (taking into account the discount or premium from the cost of the initial placement and/or the acquisition cost); bill payments;

17) income recognized as received from a source in the Kyrgyz Republic is:

a) labor income received by the employee:

- in connection with labor activity carried out in the Kyrgyz Republic, regardless of where the income is paid;

- on behalf of the state or on behalf of the state, regardless of the place of work;

b) income from entrepreneurial activities received by a domestic organization or individual entrepreneur, except for cases when it is received from entrepreneurial activities carried out by a domestic organization through a permanent establishment located outside of Kyrgyzstan;

c) income received by a foreign organization from entrepreneurial activities carried out through a permanent establishment located in the Kyrgyz Republic;

d) dividends paid by a domestic organization;

e) rent received from the lease of immovable property located on the territory of the Kyrgyz Republic;

f) income received by a domestic organization from the sale of property, with the exception of:

- immovable property located outside the Kyrgyz Republic or subsoil use rights outside the Kyrgyz Republic;

- share in the capital or other participatory interest in a foreign organization;

g) income received by a foreign organization from the sale of:

- immovable property located on the territory of the Kyrgyz Republic, or rights to use subsoil located on the territory of the Kyrgyz Republic;

- shares in the capital or other participatory interest of a foreign organization in a domestic organization;

h) insurance premium related to risk insurance or reinsurance in the Kyrgyz Republic;

i) income received from performing or holding a sporting event in the Kyrgyz Republic by an artist, athlete or group of artists or athletes;

j) the amount received from the sale of minerals, oil, objects of the animal or plant world, extracted from the earth or waters in the territory of the Kyrgyz Republic;

k) interest, royalties, pension, fees for technical, consulting, management services or any other amount payable:

- by a domestic organization or an individual entrepreneur, except for expenses related to entrepreneurial activities carried out by a domestic organization through a permanent establishment located outside the Kyrgyz Republic;

- by a foreign organization as expenses related to entrepreneurial activities carried out by the said organization through a permanent establishment located in the Kyrgyz Republic;

18) investment coins of gold and/or silver - coins of gold and/or silver, issued (issued) by the National Bank and intended for investment and creation of a personal savings fund by the population;

19) Islamic securities - securities issued in accordance with Islamic financing, certifying the ownership of an indivisible share in the established property or entrepreneurial activity of the issuer;

20) coupon on debt securities (hereinafter - coupon) - the amount paid (payable) by the issuer in excess of the nominal value of debt securities in accordance with the terms of the issue;

21) leasing company - a domestic organization, branch and / or representative office of a foreign organization, at least 90 percent of the revenue of which is the revenue received under financial lease (leasing) agreements from the sale of fixed assets;

22) lottery activity - the activity of an entity in organizing a group or mass game, during which the organizer of the lottery conducts between the participants of the lottery - the owners of lottery tickets, the drawing of the prize fund of the lottery, carried out in accordance with the legislation of the Kyrgyz Republic. At the same time, the winnings do not depend on the will and actions of the subject of the lottery activity;

23) marked ingots - ingots on which symbols, letters, numbers, graphic signs or inscriptions are applied for the purpose of their further identification, indicating their properties, characteristics and identification data;

24) machine and tractor station - an organization that performs agrotechnical work for an agricultural producer or an agricultural cooperative using agricultural machinery, provides services for the maintenance and repair of agricultural machinery, and also supplies spare parts for it;

25) non-profit organization - an organization that meets the following requirements:

- a) this organization is registered in the organizational and legal form provided for by the legislation of the Kyrgyz Republic on non-profit organizations, as well as other legislation of the Kyrgyz Republic;

b) this organization does not pursue profit making as the main goal of its activities and does not distribute the profit received among its members, founders and officials;

26) numismatic (collection) coins - coins issued by the National Bank in limited quantities, intended for cultural and educational purposes and having a specific theme;

27) payment - includes all types of payments to the supplier made directly or indirectly by the consumer or other person for supplies paid or payable in full or in part in kind or in cash;

28) non-cash payment - payment by depositing cash and / or transferring funds to a taxpayer's bank account, including payment through electronic banking, through a payment terminal, a personalized electronic wallet, electronic payment software, as well as making payment by conducting commodity exchange (barter) operation;

29) payment in cash - payment in cash to the taxpayer's cash desk;

30) organizations of culture and sports - commercial and non-profit organizations, regardless of the form of ownership, the main activity of which is the provision of services for the preservation, creation, development, dissemination and development of cultural values and the provision of cultural benefits, as well as services in the field of physical culture and sports;

31) reporting period - a period consisting of a calendar year, quarter and month, for which the taxpayer is obliged to submit tax reporting in accordance with the requirements of this Code;

32) minerals - natural mineral formations contained in the subsoil, hydrocarbons and groundwater, the chemical composition and physical properties of which make it possible to use them in the sphere of material production and consumption;

33) damage to goods - deterioration of all or individual properties of goods, as a result of which this goods cannot be used for the purposes of a taxable supply;

34) premium on debt securities - the excess of the cost of the initial placement (excluding the coupon) or the cost of acquisition (excluding the coupon) over the face value of debt securities, the terms of issue of which provide for the payment of a coupon;

35) preferential settlements - settlements determined by the Cabinet of Ministers, and / or administrative-territorial units having a special status in accordance with the legislation of the Kyrgyz Republic;

36) preferential border settlements - border settlements determined by the Cabinet of Ministers and having a special preferential tax regime;

37) derivative securities - securities certifying the rights in relation to the underlying asset of these derivative securities. Derivative securities include options, swaps, forwards, futures, depositary receipts, warrants and other securities recognized as derivative securities in accordance with the legislation of the Kyrgyz Republic. Underlying assets can be standardized consignments of goods, securities, currencies and financial instruments;

38) development of mineral deposits - a complex of mining operations for the opening, preparation and extraction of minerals from the bowels;

39) royalties - payments of any kind received as remuneration:

a) for the use or grant of the right to use copyright in any work of literature, art or science, including computer programs, film, television, video films or recordings for radio and television;

b) for any patent confirming the right to an industrial property subject matter, trademark, design or model, plan, secret formula or process, or to information (know-how) relating to industrial, commercial or scientific experience.

Royalties do not include remuneration received under a finance lease (leasing) agreement.

For the purposes of Section XI of this Code, "royalty" means a payment for the use of subsoil, paid by a royalty taxpayer;

40) agricultural cooperative - a cooperative whose members are agricultural producers and whose activities are aimed at the sale of goods, the provision of services, the performance of work for members of the cooperative and agricultural producers, as well as the sale of agricultural products produced by them and products of processing of agricultural products;

41) agricultural producer - an organization or individual producing agricultural products, as well as products of processing of agricultural products of its own production, except for excisable goods, provided that the proceeds from the sale of these products is at least 75 percent of the total volume of sales of goods, works, services within a calendar year, excluding proceeds from the sale of fixed assets owned by this organization or individual;

42) networks of engineering and technical support - a set of communications and structures directly used in the process of electricity, heat, gas, water supply and sanitation;

43) doubtful obligation - the amount due for payment by the taxpayer, which he did not pay due to the termination of the obligation by a court decision, bankruptcy, liquidation or death of the creditor, or the expiration of the limitation period provided for by the civil legislation of the Kyrgyz Republic;

44) insured - an individual or an organization that has an interest in the object of insurance, has entered into an agreement with the insurer in order to ensure its own or a third person (beneficiary) interest and pays the insurance premium (contribution) to the insurer for the obligation to compensate for damage in the event of an insured event specified in the agreement insurance (insurance policy);

45) insurance premium (contribution) - the amount paid by the insured to the insurer for assuming the obligation to pay the sum insured (compensation) upon the occurrence of an insured event stipulated in the insurance contract, which is paid by the insured in a lump sum payment (insurance premium) or in installments (insurance premiums) monthly, quarterly, etc., during the term of the insurance contract;

46) sum insured (indemnity) - partial or full compensation for loss within the limits of the sum insured in case of an insured event with the insured, third parties or their property, paid by the insurance company;

47) insured event - an event upon the occurrence of which, by virtue of law or contract, the insurer is obliged to pay the sum insured (compensation);

48) insurer - a domestic organization that, in accordance with the legislation of the Kyrgyz Republic, has a license to carry out insurance and which, in accordance with the concluded insurance contract (insurance policy) with the insured, for an insurance premium (contribution) assumes the obligation to compensate for the damage incurred by the insured or a third by a person upon the occurrence of an insured event specified in the insurance contract;

49) subsidy - assistance provided by the Cabinet of Ministers, Jogorku Kenesh and local keneshes in the form of transfer of assets to a taxpayer in exchange for the past or future fulfillment of certain conditions related to its economic activity;

50) a large business entity - an organization or an individual entrepreneur whose revenue for the last 12 consecutive months exceeds 30,000,000 soms.

For the purposes of submitting tax reports and paying tax, in case of understatement of the amount established by this paragraph, the entity is considered as a large business entity until the end of the calendar year.

For the purposes of tax administration, a functional subdivision of the authorized tax body shall recognize an entity as a major taxpayer if it meets the criteria established by the Cabinet of Ministers;

51) the subject of the resort and health-improving sphere - an organization or an individual entrepreneur providing services for the reception and accommodation of vacationers for temporary residence with the provision of certain household, transport, entertainment, health and medical services. For tax purposes, sanatoriums, sanatorium-and-spa institutions, houses and bases of entertainment, sports and recreation, dispensaries, guest houses, boarding houses, campsites and other institutions of a similar purpose, as well as private houses and their parts used for similar purposes are recognized as such entities for tax purposes;

52) a small business entity - an organization or an individual entrepreneur whose total revenue for the last 12 consecutive months does not exceed 8,000,000 soms.

For the purposes of submitting tax reports and paying taxes, if the amount established by this paragraph is exceeded, the entity is considered as a small business entity until the end of the calendar year;

53) public catering entity - an organization or an individual entrepreneur providing public catering services (restaurant, cafe, canteen, snack bar, bar and other public catering facilities);

54) a medium-sized business entity - an organization or an individual entrepreneur whose total revenue for the last 12 consecutive months exceeds 8,000,000 soms, but does not exceed 30,000,000 soms.

For the purposes of submitting tax reports and paying tax, in case of exceeding or understating the amount established by this paragraph, the entity is considered as a medium-sized business entity until the end of the calendar year;

55) technological connection to engineering networks - a set of engineering and organizational measures, including:

a) development of technical specifications for the reconstruction and development of engineering and technical support networks;

b) construction and installation works;

c) installation of equipment;

d) other services and works rendered / performed by specialized organizations for the development and maintenance of the engineering and technical support network in a technically sound condition, in order to create a technological possibility for connecting objects to such a network;

56) trade and logistics center for agricultural purposes - an organization that meets in the aggregate the following features:

a) which should carry out activities to provide the domestic market with agricultural products, to export and sell domestic agricultural products and processed products of domestic agricultural products of its own production and those produced by other entities;

b) which owns on the right of use or ownership of a property complex consisting of a land plot (land plots) with industrial, administrative, storage and other buildings, premises and structures located on it, intended for sorting, calibrating, storing, marking, packaging, transporting, processing of agricultural products, products of processing of agricultural products;

57) frequency (power) control services - services provided by the system operator - the open joint-stock company "National Electric Grid of Kyrgyzstan" in order to ensure reliable parallel operation of energy systems with a single frequency in the interconnection of the energy systems of states - parties to international agreements on parallel operation, including a set of organizationally and technologically related measures to balance the deviations of the actual electric power from its value declared in the daily power flow schedule;

58) loss of goods - an event that resulted in the destruction and / or loss of goods. The loss of goods incurred by a taxable subject within the limits of natural wastage established by the regulatory legal acts of the Kyrgyz Republic is not considered a loss;

59) financial lease - a special type of lease relations for the transfer of goods by the lessor to the lessee for use as a fixed asset, carried out on the basis of a financial lease agreement or an Ijara muntahiyya bittamlik agreement and diminishing musharakah in accordance with Islamic finance, which provides for the payment of lease payments by the lessee, concluded in accordance with the procedure established by the legislation of the Kyrgyz Republic;

60) financial services are:

a) operations on credits, loans, Islamic finance agreements, provision and collection of debt obligations, issuance of guarantees and / or guarantees, issuance of bank guarantees, debt management;

b) operations on deposits, Islamic finance agreements, opening and maintaining a bank account of an organization and an individual, including accounts of correspondent banks;

c) operations with payments, transfers, debt obligations, checks and commercial negotiable means of payment, collection operations;

d) opening and maintenance of metal accounts of individuals and organizations, which reflect the physical amount of refined precious metals belonging to this person;

e) operations with currency, banknotes and monetary means that are legal tender, as well as with refined standard and measured ingots, bullion coins, with the exception of numismatic coins;

f) transactions with shares, bonds and other securities, payment cards, as well as excise stamps, with the exception of services to ensure the safety of securities; operations with shares in the capital of business partnerships and companies;

g) management of investment funds;

h) clearing operations, including collection, reconciliation, sorting and confirmation of payments, as well as their mutual offset and determination of the net positions of clearing participants - banks and organizations engaged in certain types of banking operations;

i) opening and servicing letters of credit;

j) the operation of the bank to attract and place funds under an agreement in accordance with Islamic finance;

k) other operations specified in the license of the National Bank are also financial services for the bank;

61) securities - shares, debt securities, derivative securities, Islamic securities and other objects of property rights recognized as securities in accordance with the legislation of the Kyrgyz Republic;

62) membership fees - assets transferred by a member of a non-profit organization in the amount and in the manner provided for in the constituent documents of this organization, provided that such transfer will not be conditioned by the counter provision of goods, works, services to a member of this organization free of charge or at a price below cost;

63) economic (balance) reserves - mineral reserves, considered by the State balance of mineral reserves of the Kyrgyz Republic as economically viable for development.

Article 175. Tax accounting and tax policy of a taxpayer

1. Tax accounting is a system of generalization of information for the calculation of tax liabilities in accordance with this Code, reflected in the tax policy of the taxpayer.

2. The tax policy of a taxpayer is a document drawn up by a taxpayer, which establishes:

1) the composition of the elements of taxation and the specifics of calculating the tax base;

2) methods of tax accounting of income and expenses;

3) the procedure for identifying fixed assets by groups;

4) tax depreciation methods;

5) rules for maintaining separate accounting, if the taxpayer is obliged to keep separate accounting in accordance with the requirements of this Code;

6) the rules for determining the amount of VAT to be credited when the taxpayer makes taxable and/or exempt supplies;

7) rules for determining the amount of excise tax to be deducted in the production of excisable goods from excisable raw materials;

8) technological norms of waste and losses of raw materials and materials in the process of production of goods;

9) a list of primary tax documents;

10) tax accounting registers;

11) other rules and methods of tax accounting related to the calculation and execution of tax obligations.

3. The decision to make changes to the tax policy is made from the beginning of the calendar year, and in case of changes in the tax legislation of the Kyrgyz Republic - not earlier than from the day such changes in tax legislation come into force.

4. If the methods, procedure, rules and technological standards specified in this article are not regulated by the sectoral legislation of the Kyrgyz Republic, then the taxpayer has the right to establish methods, procedures, rules, as well as technological standards for waste and losses of raw materials and materials in the process of production of goods, in tax policy.

Article 176. Method of tax accounting of income and expenses

1. A taxpayer determines income and expenses for the purposes of taxation on an accrual basis or on a cash basis.

2. Tax accounting of income and expenses on an accrual basis is carried out in accordance with the legislation of the Kyrgyz Republic on accounting, unless otherwise established by this Code.

3. Tax accounting of income and expenses on a cash basis is carried out in accordance with the requirements of article 180 of this Code.

4. The transition from the accrual method to the cash method and vice versa is made by the taxpayer from January 1 of the current year, with the fact of such a transition reflected in the unified tax return for the previous year.

5. When changing the method of tax accounting of income and expenses used by the taxpayer, amendments to the accounting of income, expenses and other elements affecting the amount of tax are made by the taxpayer on January 1 of the current year so that none of the above elements is omitted or taken into account twice.

6. Barter transactions, the transfer of the rights of a creditor in relation to taxes are recognized as the sale of goods, works, services at applicable prices with the obligatory registration of these transactions with invoices.

7. For the purposes of taxation, income and expenses of taxpayers do not include the results of revaluation or depreciation of assets and liabilities, including through discounting of cash flows, carried out in accordance with the legislation of the Kyrgyz Republic on accounting.

8. If the same income is provided for in several income items, then such income is subject to taxation only once. If the same expenses are provided for in several items of

expenses, then such expenses are deductible from income only once. No income or profit can be taxed twice and no expenses can be deductible twice.

Article 177. Tax accounting documents

1. Tax accounting documents are:

- 1) primary accounting document, including an accountant's certificate;
- 2) tax accounting registers;
- 3) calculation of the tax base;
- 4) tax reporting.

2. A document confirming the date, amount and nature of income or expense, as well as participants in the transaction, is recognized as a primary accounting document.

3. The form and procedure for filling in the primary accounting document by the taxpayer shall be established in relation to:

- 1) invoices, cashier's checks, sales receipts, purchase acts, receipt and expenditure cash orders and other documents - by the Cabinet of Ministers;
- 2) payment documents - by the National Bank and business practices applied in banking practice;
- 3) other primary accounting documents not established in accordance with paragraphs 1 and 2 of this part, as well as tax accounting registers - by the tax policy of the taxpayer.

4. Tax accounting registers are designed to systematize and accumulate information contained in primary documents accepted for accounting, analytical tax accounting data, to be reflected in the calculation of the tax base.

Tax accounting registers are maintained in the form of special forms on paper, in electronic form and/or on any other media.

5. Forms of tax accounting registers and the procedure for reflecting in them analytical data of tax accounting, data of primary accounting documents are developed by the taxpayer independently and are established by the annexes to the tax policy of the taxpayer.

6. Forms of tax accounting registers for determining the tax base, which are documents for tax accounting, must contain the following details:

- 1) the name of the register;
- 2) period and date of compilation;
- 3) transaction meters in kind and/or in monetary terms;
- 4) the name of business transactions;
- 5) the signature and full length of the signature of the person responsible for compiling the indicated registers.

7. The correctness of the reflection of business transactions in tax accounting registers is ensured by the persons who compiled and signed them.

Correction of an error in the tax accounting register must be substantiated and confirmed by the signature of the responsible person who made the correction, indicating the date and justification for the correction made.

8. When conducting tax control, a small business entity is not required to submit other documents, in addition to primary tax documents, tax accounting registers, calculation of the tax base and tax reports.

9. Tax accounting documents are drawn up by the taxpayer in the state or official language.

If there are other accounting documents drawn up in a foreign language, at the request of the tax authority, the taxpayer is obliged to ensure the translation of such documents into the state or official language.

10. Upon liquidation of an organization, as well as upon termination of the activities of an individual entrepreneur after being excluded from the state register, tax accounting documents may be destroyed, with the exception of documents subject to submission to the state archive.

Article 178. Invoice. Invoice issued by the VAT taxpayer

1. An invoice is a tax document drawn up by a taxpayer when selling goods, rendering services and performing work.

2. The invoice shall be issued in the form of an electronic document in accordance with the requirements of the tax legislation of the Kyrgyz Republic and the legislation of the Kyrgyz Republic on electronic management and electronic signature, except for the cases provided for by this article.

3. If it is impossible for a taxpayer to issue an invoice in the form of an electronic document in cases established by the Cabinet of Ministers, such a taxpayer has the right to issue an invoice on paper in three copies, followed by the issuance of an electronic invoice within the time and procedure established by the Cabinet of Ministers.

4. A taxpayer who has drawn up an invoice on paper must submit one copy of the invoice to the tax authority at the place of current tax accounting:

1) a VAT taxpayer - together with a VAT report for the tax period;

2) a non-VAT taxpayer - no later than the 25th day of the month following the month in which the paper invoice was issued.

5. The taxpayer has the right not to draw up an invoice when selling goods, rendering services and performing work to the population, provided that settlements are made by means of cash registers in accordance with this Code.

Under the terms of this part, the taxpayer is obliged to issue an invoice at the request of the buyer.

6. When a taxpayer supplies goods, performs work and renders services provided for in paragraph 5 of this article, an invoice shall be issued as a single invoice no later than 10 business days of the month following the previous month.

7. VAT taxpayer, with the exception of a foreign organization specified in part 4 of article 28 of this Code is obliged:

1) draw up invoices in accordance with the requirements of this Code;

2) keep records of invoices for deliveries and purchased material resources.

8. When adjusting the amount of the taxable supply, an additional invoice is issued in the manner determined by the Cabinet of Ministers.

9. An invoice, except for an invalid one, serves as the basis for the VAT taxpayer to accept VAT amounts on acquired material resources for offset in the manner prescribed by this Code.

10. The form of an invoice, the procedure for its execution and application, as well as the procedure for the formation and circulation of an invoice in the form of an electronic document are established by the Cabinet of Ministers.

11. A taxpayer not specified in part 7 of this article shall issue invoices:

- 1) on a voluntary basis;
- 2) without fail - within the time limits established by the Cabinet of Ministers.

Article 179

1. A small business entity that is not registered for VAT has the right to keep records of income and expenses in accordance with the cash method.

2. An entity whose revenue for the last 12 consecutive months exceeds 8,000,000 soms, excluding revenue from supplies exempt from VAT, loses the right to use the cash method of accounting from the first day of the year following the given calendar year.

3. A small business entity, the amount of revenue of which did not exceed the amount established by part 2 of this article, has the right to switch to another accounting method from the first day of the next calendar year.

Article 180. Cash method of accounting

1. Cash method of accounting - a method of accounting for income and expenses, in accordance with which income is recognized on the date of receipt of payment, and expenses - on the date of payment of funds.

2. If, instead of payment in cash, the taxpayer receives other property, property rights, results of works or services, income is recognized on the date of transfer of property, property rights specified in the act of transfer of property or property rights, as well as on the date of acceptance of works or services specified in act of work performed or services rendered.

When offsetting mutual claims, income is recognized as of the date when one party to the transaction receives a document confirming the intention of the other party to offset mutual claims from the other party to the transaction.

3. If instead of paying cash, the taxpayer transfers other property, property rights, results of works or services, the expense is recognized on the date of transfer of property or property rights specified in the act of transfer of property or property rights, as well as on the date of acceptance of works or services specified in act of work performed or services rendered.

When offsetting mutual claims, an expense is recognized as of the date when one party to the transaction receives an application for mutual offset from the other party to the transaction.

4. Acquisition of property, including securities and fixed assets, is recognized as an expense on the date of transfer of ownership in respect of this property.

Article 181. Separate accounting and rules for its maintenance

1. Taxpayers carrying out activities for which this Code provides for different conditions of taxation are required to keep separate records of objects of taxation, including:

1) a taxpayer who is entrusted with the obligation to keep records in accordance with a simple partnership agreement in relation to his own activities and the activities of a simple partnership;

2) a taxpayer who is entrusted with the obligation to keep records in accordance with the trust management agreement in relation to his own activities and the activities of managing the property of the founder of the trust management;

3) a taxpayer operating under various tax regimes;

4) a taxpayer carrying out activities subject to various taxation conditions.

2. Separate accounting is maintained by taxpayers on the basis of accounting data.

3. When distributing expenses between types of activity, the taxpayer has the right to choose any of the indicators corresponding to this type of activity:

1) proceeds from sales;

2) direct costs;

3) floor space.

Expenses are distributed in proportion to the shares of the selected indicator attributable to each of the types of goods, work, services.

The allocation of expenses between activities subject to different taxation conditions should be established in the tax policy of the taxpayer.

If the indicator chosen for the distribution of expenses is not established by the taxpayer in accordance with this article, the authorized tax body has the right to independently distribute the taxpayer's expenses using any indicator established by this article.

Income and expenses attributed to a certain type of activity must be confirmed by accounting documentation in accordance with the requirements of this Code.

Article 182. Features of accounting for financial lease

1. The cost of fixed assets transferred and / or received for financial lease is determined at the time of the conclusion of a financial lease agreement or an Ijara Muntahiya Bittamlik agreement in accordance with Islamic finance.

2. For the purposes of taxation, financial lease is recognized as the purchase of fixed assets by the lessee.

3. The lessee is considered as the owner of fixed assets, and lease payments - as payments on a loan provided by the lessor to the lessee.

Article 183. Preferential types of industrial activity subject to preferential taxation

1. The Cabinet of Ministers no more than once every 5 years approves the list of preferential types of industrial activities carried out on the territory of preferential settlements and subject to preferential taxation.

The re-approval of the list of preferential types of industrial activity subject to preferential taxation is carried out on the basis of an analysis of the effectiveness of the benefits provided for the development of the settlement.

In doing so, the list includes:

- 1) all types of industrial production based on innovative technologies;
- 2) light and food industries;
- 3) electric power industry;
- 4) processing of agricultural products;
- 5) assembly production;
- 6) any export-oriented production.

2. Unless otherwise established by this article, the decision to grant tax benefits within the territory of a particular preferential settlement to an enterprise engaged in a preferential type of industrial activity is made on the basis of an investment agreement approved by a resolution of representative bodies of local self-government. Investment agreements are developed by the authorized body in the field of attracting investments.

Local self-government bodies of a preferential settlement conclude an investment agreement for 5 years with the establishment of a standard that takes into account the volume of investments, the amount of proceeds from the sale of products and the total amount of income tax paid.

In the event that the standards established in the investment agreement are met, local governments have the right to extend the validity of the concluded investment agreement for the next 5 years.

If the conditions of the investment agreement are not met, the taxpayer loses the right to preferential taxation and pays taxes for the entire period of the investment agreement.

3. Unless otherwise established by this article, the tax benefits provided shall apply to newly created enterprises and do not apply to their separate subdivisions located outside the settlement where they have been granted benefits.

4. Tax benefits within the territory of an administrative-territorial unit, which has a special status in accordance with the legislation of the Kyrgyz Republic, are provided to taxpayers who have tax registration with the tax authorities of an administrative-territorial unit, which has a special status in accordance with the legislation of the Kyrgyz Republic, and who carry out activities provided for by part 1 of this article, on the territory of this administrative-territorial unit, without requiring the conclusion of an investment agreement specified in part 2 of this article, with the exception of their separate subdivisions located outside the territory of the administrative-territorial unit, where they were granted benefits.

SECTION VII. INCOME TAX

Chapter 22. General Provisions

Article 184. Concepts and terms used in this section

For the purposes of this section, the following concepts and terms are used:

- 1) prize - any type of income, as a prize or cash payments, received by a taxpayer from participation in games, including gambling, lotteries, drawings, contests, competitions, olympiads, festivals and other similar events;
- 2) income - an increase in assets, the receipt of material assets having a monetary value, and / or the receipt of material benefits, as well as a decrease in the obligations of a taxpayer;
- 3) dependent - a close relative of the taxpayer, living at the expense of his income, having no income.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Section 185. Income Taxpayer

1. An income tax payer is:

- 1) an individual who is a citizen of the Kyrgyz Republic and receives income;
- 2) a resident individual who is not a citizen of the Kyrgyz Republic, but has a residence permit in the Kyrgyz Republic or the status of kairylman, who receives income;
- 3) a resident individual who is not a citizen of the Kyrgyz Republic and does not have a residence permit or kairylman status, who receives income from sources in the Kyrgyz Republic;
- 4) a non-resident individual who is not a citizen of the Kyrgyz Republic, receiving income from a source in the Kyrgyz Republic.

2. Unless otherwise provided by this Code, when paying income to an individual, the tax agent shall calculate, withhold and pay the amount of income tax to the budget.

3. An individual entrepreneur is not an income tax payer, except for the case when this individual entrepreneur is a tax agent.

Article 186. Object of taxation

1. The object of taxation of income tax is the implementation of economic activity, with the exception of entrepreneurial activity, as a result of which income is received:

- 1) from a source in the Kyrgyz Republic and/or from a source outside the Kyrgyz Republic - for a citizen of the Kyrgyz Republic;
- 2) from a source in the Kyrgyz Republic and / or from a source outside the Kyrgyz Republic - for a resident individual who is not a citizen of the Kyrgyz Republic, but has a residence permit in the Kyrgyz Republic or the status of kairylman;
- 3) from a source in the Kyrgyz Republic - for a resident individual who is not a citizen of the Kyrgyz Republic and does not have a residence permit or kairylman status;
- 4) from a source in the Kyrgyz Republic - for an individual non-resident of the Kyrgyz Republic, with the exception of an individual non-resident of the Kyrgyz Republic

who is an employee of a branch and / or representative office of a domestic organization registered outside the Kyrgyz Republic.

2. Imposition of income tax on income received from sources in the Kyrgyz Republic is carried out regardless of the place of payment of income, including payment of income outside the territory of the Kyrgyz Republic.

3. The amount of profit of an individual registered or obliged to register as an individual entrepreneur is not subject to income taxation, provided that he fulfills tax obligations corresponding to the chosen tax regime, if such obligations are provided for by this Code.

Article 187. Tax base

1. The tax base for income tax is the income calculated as the difference between the total annual income received by the taxpayer for the tax period, reduced by the amount of non-taxable income, and the deductions provided for by this section, unless otherwise provided by this section.

2. If the amount of wages paid by the employer for the worked calendar month does not exceed the amount of the minimum estimated income established in accordance with this article, the amount of the minimum estimated income shall be taken as the tax base.

3. The minimum estimated income per month for the next calendar year is determined by districts and cities of the Kyrgyz Republic in the amount of 60 percent of the average monthly salary of employees for the previous year based on the data of the statistical agency in the manner established by the Cabinet of Ministers.

The amount of the minimum estimated income is subject to official publication no later than November 1 of the current year.

If the amount of the minimum estimated income for the next calendar year is not established in the manner prescribed by this Code, the amount of the minimum estimated income of the previous year is applied.

4. The requirements of paragraph 2 of this article shall not apply to wages of employees paid:

- 1) at the expense of budgetary funds;
- 2) concurrently;
- 3) junior service personnel;
- 4) employees of homeowners associations, condominiums, housing construction, garage, agricultural and gardening cooperatives;
- 5) disabled people of I, II and III groups;
- 6) persons working during the period of serving a sentence in places of deprivation of liberty or in a settlement.

5. For the purposes of taxation, janitors, cleaners, janitors, orderlies, laboratory assistants, stokers, trainees, apprentices, watchmen are recognized as junior service personnel.

6. In case of incomplete use of working time for employees, the minimum estimated income is applied by the employer in proportion to the time actually worked:

- 1) receiving disability and childbirth benefits;
- 2) working part-time;
- 3) on vacation, including without pay;
- 4) newly hired or dismissed, who have worked for less than a month.

Article 188. Tax period

The tax period for income tax is a calendar year.

Chapter 23. Aggregate annual income and other income

Article 189. Composition of the total annual income

1. The total annual income of a tax period includes all types of income received by a taxpayer in this tax period, both in cash and in kind, in the form of work, services, including:

- 1) the employee's income, including:
 - a) wages, including remuneration, guarantee, compensation and other payments provided for by the labor legislation of the Kyrgyz Republic;
 - b) received by the employee as labor compensation:
 - products;
 - work performed in the interests of the employee;
 - services rendered to the employee;
 - c) payment by the employer for the cost of goods, works, services received by the employee from third parties;
 - d) the amount of insurance premiums paid by the employer under the insurance contract for its employees;
- 2) income received in the form of material benefit;
- 3) the value of an asset received free of charge, including a virtual asset;
- 4) interest income, income under an insurance contract, including under the Islamic principles of insurance, except for non-taxable income and previously taxed at the source of income in the Kyrgyz Republic;
- 5) dividends;
- 6) proceeds from the sale of movable and immovable property, minus the cost of its acquisition;
- 7) proceeds from the sale of a share, a debt security, a share in an organization, a share of a partner under a Sharika/decreasing Musharaka agreement in accordance with Islamic finance, minus the cost of their acquisition;
- 8) a subsidy;
- 9) income received in the form of compensation for moral damage;
- 10) pension;
- 11) scholarship;
- 12) allowance;
- 13) income received in the form of winnings;

- 14) income from the termination of a taxpayer's obligation arising as a result of:
 - a) debt forgiveness by the creditor;
 - b) writing off the obligation due to the expiration of the limitation period established by the Civil Code of the Kyrgyz Republic;
 - c) fulfillment of a taxpayer's obligation, including a tax obligation, by a third party;
- 15) the sum insured (compensation) under the insurance contract;
- 16) royalties;
- 17) income paid from accumulative types of insurance (interest income under an insurance or reinsurance agreement);
- 18) the amount of excess proceeds from the sale of virtual assets over the cost of their acquisition;
- 19) income in the form of remuneration and compensation received for participation in the management of the organization;
- 20) other types of taxable and non-taxable income.

2. Income expected to be received but not actually received is not income and is not included in the total annual income.

3. Undistributed profit of the bank, aimed at increasing the authorized capital, without paying dividends, is not a payment of income and does not entail a tax liability.

Article 190. Income received in the form of material benefit

1. The composition of the total annual income includes income from the receipt of the following types of material benefits:

1) provision of an interest-free loan or credit, Islamic financing, as well as a loan, credit, Islamic financing at interest income below the discount rate of the National Bank at the time of debt formation;

2) provision of goods free of charge;

3) provision by the employer of a discount when selling goods to an employee.

2. Income from material benefit in granting a loan is the amount of the loan multiplied by the discount rate of the National Bank, calculated on a monthly basis during the period of using the loan.

3. Income from material benefit when providing a loan, credit, Islamic financing is a positive difference between the product of the amount of the loan, credit, Islamic financing by the discount rate of the National Bank on the date of receipt of the loan, credit, Islamic financing and the product of the amount of the loan, credit, Islamic financing by the interest rate set by the entity that provided the loan, credit, Islamic finance.

4. Income from material benefits when goods are provided free of charge is the book value of the goods provided.

5. Income from material benefits when providing a discount is a positive difference between the book value of the goods and the cost of the actual sale.

6. The obligation to calculate and pay income tax on income received in the form of material benefit shall be borne by the taxpayer independently, with the exception of material benefit provided to the employee by the employer.

Section 191. Income Tax Benefits

1. The following categories of taxpayers are exempt from paying income tax:

- 1) participants of the Great Patriotic War;
- 2) servicemen who took part under interstate agreements in the war in Afghanistan and other countries;
- 3) persons awarded orders and medals of the USSR for selfless work and impeccable military service in the rear during the Great Patriotic War;
- 4) participants in the Batken events;
- 5) persons who took part in the liquidation of the accident at the Chernobyl nuclear power plant;
- 6) widows or widowers of servicemen who died in the Great Patriotic War;
- 7) persons awarded the highest degree of distinction of the Kyrgyz Republic "Kyrgyz Respublikasynyn Baatyr".

The exemption from income tax provided for by this part shall not apply to income received from the sale of movable and/or immovable property provided for by part 6 of this article.

2. The following incomes of socially unprotected categories of taxpayers are not subject to income tax:

- 1) income of persons with disabilities received in the form of:
 - a) payment for technical means for the disabled;
 - b) payment for disability prevention and rehabilitation;
 - c) payments for the maintenance of dogs - guides for the disabled;
 - d) amounts or property received from trade union bodies;
- 2) income of disabled citizens, members of low-income and low-income families received in the form of money and property from trade union bodies;
- 3) the value of assets, including medicines, medical and social services, food, meals, basic necessities, personal hygiene, received free of charge from the state, non-profit organizations by persons in need of social rehabilitation or adaptation:
 - a) refugees
 - b) seriously ill;
 - c) unemployed;
 - d) orphans;
 - e) persons returning from places of detention;
 - f) other persons with incomes below the subsistence level.

3. The following income received by a taxpayer in the form of:

- 1) benefits established by the legislation of the Kyrgyz Republic;

2) scholarships and pensions established by the legislation of the Kyrgyz Republic, as well as scholarships paid by non-profit organizations of the Kyrgyz Republic;

3) payment for compensation for harm provided for by the legislation of the Kyrgyz Republic and / or a court decision;

4) payments and donated property paid from the reserve fund of the President, the reserve fund of the Toraga of the Jogorku Kenesh, the fund of the deputy of the Jogorku Kenesh and the reserve fund of the Cabinet of Ministers;

5) the amount received free of charge due to force majeure circumstances by decision of the Cabinet of Ministers, local keneshes, non-profit organizations;

6) scholarships and lump-sum monetary rewards paid to champions and prize-winners, as well as those who have taken other places, their coaches and doctors, based on the results of participation in the Olympic, Paralympic and Asian Games, in the World Championships, Asia at the expense of the budget;

7) humanitarian aid;

8) winnings, the value of which does not exceed 10 calculated indicators, as well as winnings from participation in gambling, stimulating lotteries / promotions aimed at encouraging citizens to demand cashier's checks when making cash settlements carried out by authorized state bodies;

9) prizes from participation in international competitions, festivals;

10) prizes awarded by international organizations (foundations);

11) refundable insurance premiums and redemption amounts, as well as insurance amounts and compensation in the event of an insured event under an insurance contract concluded by an individual not related to entrepreneurial activities;

12) amounts received for blood donation from other types of donation provided for by the legislation of the Kyrgyz Republic;

13) vouchers to health resorts, rest homes, boarding houses, sanatoriums, children's health centers received from trade union bodies or at the expense of funds for the rehabilitation of employees in accordance with the legislation of the Kyrgyz Republic on state social insurance;

14) amounts of compensation payments and benefits related to the death and / or bodily injury of military personnel, employees of national security agencies, law enforcement agencies, civil servants in the performance of their official duties, from the state budget.

4. The following income of a taxpayer received in the course of labor activity is not subject to income tax:

1) pensions, benefits, state social insurance contributions, compensation for harm, allowances and district coefficients established for work in high mountains and remote hard-to-reach areas, if the employer is required to make these payments in accordance with the legislation of the Kyrgyz Republic;

2) the amount of compensation to an employee, a member of the executive body, a member of the board of directors or the supervisory board of travel expenses, as well as expenses incurred by members of the organization's management body in the performance of their duties;

- a) on the way to the destination and back - according to the submitted documents;
- b) for renting a dwelling - according to the submitted documents;
- c) daily allowance - within the limits established by the Cabinet of Ministers.

In the absence of the documents specified in subparagraphs "a" and "b" of this paragraph, the amounts of compensation for travel expenses are subject to exemption from taxation within the limits established by the Cabinet of Ministers;

3) the cost of mandatory medical examination and treatment and preventive care for employees, including the cost of laboratory tests paid by the employer and vaccination of employees for diseases whose pandemic nature is established in accordance with the legislation of the Kyrgyz Republic on emergency situations;

4) insurance premiums under contracts of compulsory insurance of their employees, as well as payments under such contracts;

5) the cost of employee training provided for article 220 of this Code;

6) the cost of a New Year's gift for children (dependants) of an employee under 14 years of age, in the amount of not more than 10 calculated indicators for each child;

7) the cost of special clothing, special footwear, personal protective equipment, soap, disinfectants; the cost of milk and therapeutic and preventive nutrition of workers employed in work with harmful or dangerous working conditions in accordance with the list of such work and in accordance with the norms established by the legislation of the Kyrgyz Republic;

8) amounts received free of charge by close relatives of a deceased employee or an employee in connection with the death of a close relative;

9) remuneration of labor of citizens employed in paid public works organized by the bodies of the employment service;

10) wages, bonuses, compensations and other compensation and incentive payments to employees of religious organizations;

11) income of military personnel, employees of the authorized state body in charge of internal affairs, employees of institutions and bodies of the penitentiary system, employees of the authorized state body in the field of customs in the form of monetary allowance and compensation instead of food rations;

12) monetary allowance of employees of the diplomatic service of the Kyrgyz Republic, civil servants and other employees - citizens of the Kyrgyz Republic working in foreign institutions of the Kyrgyz Republic, as well as representative offices of state bodies of the Kyrgyz Republic in foreign states or international organizations located abroad.

5. The following income from operations related to family relations is not subject to income tax:

1) alimony received in accordance with the legislation of the Kyrgyz Republic;

2) any income from the transfer of property between spouses or between former spouses resulting from a divorce;

3) the value of property, works, services received by an individual from close relatives by way of inheritance or donation, with the exception of property, works, services received in the course of entrepreneurial activities.

6. The income received from the sale of the following is not subject to income tax:

1) a motor vehicle owned by the right of ownership for more than one year from the date of acquisition;

2) real estate classified as housing stock in accordance with the data of the body of the unified system of state registration of rights to real estate and owned by the taxpayer for more than 2 consecutive years from the date of acquisition of this real estate;

3) agricultural products received by the taxpayer from his household plot;

4) movable property acquired and used for own needs.

7. The following income of a taxpayer from other activities is not subject to income tax:

1) interest on a deposit in a bank of the Kyrgyz Republic;

2) interest income and income from the growth of securities received by the owner of securities listed on the stock exchanges on the day of receipt of income in the highest and next to the highest listing category;

3) income under the Mudaraba agreement in accordance with Islamic finance;

4) a dividend received by a resident individual, with the exception of a dividend received from participation in a foreign organization;

5) the amount of the return in the amount of the contributed share or share of the participant or from equity securities;

6) the value of shares (stakes) additionally received by a member of the organization, distributed among the participants of the organization by decision of the general meeting, or the difference between the par value of new shares received in exchange for the original ones, and the par value of the initial shares of the shareholder in the distribution of shares (stakes) among the participants of the organization in connection with an increase in the authorized capital of this organization, including at the expense of the property of the organization;

7) amounts received by an individual from entrepreneurial activities and remaining at his disposal after paying income tax;

8) amounts received by an individual from the funds of election funds of candidates, political parties and from the funds of referendum groups during the period of election campaigns, referendum campaigns, for exercising the powers of an authorized representative, observer, proxy, representative of a candidate or a political party in election commissions, and also the provision of campaigning services directly related to the conduct of election campaigns, referendum campaigns.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 192. Date of occurrence of income

For the purposes of this chapter, the date on which income arises is:

1) when receiving income in cash - the date of payment of the amount of income, including the transfer of income to the accounts of the taxpayer in banks or, on his behalf, to the accounts of third parties;

2) upon receipt of income in the form of goods - the date of transfer of ownership of the goods;

3) when receiving income in the form of work, services - the date when all or part of the work is completed or the service is provided;

4) when receiving income in the form of material benefit:

a) for a loan or credit received - the date of payment by the taxpayer of the amount of payments and / or interest in accordance with the loan or credit agreement;

b) for the received loan - the last day of each month of using the loan;

c) for the received and/or purchased goods - the date of receipt and/or purchase of the goods;

5) upon termination of the obligation of the taxpayer - the date of termination of the obligation.

Chapter 24. Deductions from comprehensive income to determine the tax base

Article 193. General provisions

1. Unless otherwise provided by this section, a taxpayer shall be entitled to the following deductions:

1) standard deductions;

2) social deduction;

3) property deduction.

2. The standard deduction applies to all categories of taxpayers, except for a non-resident individual.

3. Social and property deduction is applied for:

1) a citizen of the Kyrgyz Republic;

2) a resident individual who is not a citizen of the Kyrgyz Republic, but has a residence permit in the Kyrgyz Republic or the status of kairylman.

4. The taxpayer has the right to deductions in the tax period to which such deductions relate.

Article 194. Standard deductions

The standard deductions are:

1) from a personal deduction - in the amount of 6.5 calculation indices for each month of the tax period;

2) from the deduction for the taxpayer's dependents - in the amount of one calculation index for each dependent for each month of the tax period;

3) from the deduction of deductions for state social insurance, with the exception of deductions for state social insurance on income not subject to income tax, in accordance with this Code;

4) from the deduction of contributions to a non-state pension fund - no more than 8 percent of the tax base of the taxpayer.

Article 195. Social deduction

1. The taxpayer has the right to receive a social deduction for the education of the taxpayer and his dependents, whose age does not exceed 24 years.

2. The amount of the deduction for preschool, school education, primary, secondary and higher vocational education is set equal to the amount of payment made by the taxpayer to the educational organization of the Kyrgyz Republic, licensed by the authorized state body, or to the board of trustees, and confirmed by documents, but not more than 10 percent of the taxpayer's tax base, excluding education deductions, and for taxpayers with three or more dependents, no more than 25 percent of the taxpayer's tax base, excluding education deductions.

3. The right to a social deduction, established by part 1 of this article, is granted upon filing a single tax return on the basis of a written application of the taxpayer and documents confirming the expenses incurred. In this case, only one taxpayer is entitled to the deduction.

4. If the amount of the social deduction exceeds the amount of the restriction provided for in paragraph 2 of this article, this excess is not subject to deduction in the following tax periods.

Article 196. Property deduction

1. In the event that the subject of the agreement is the acquisition and / or construction of real estate related to the housing stock, the taxpayer has the right to receive a property deduction within the amount actually directed by the taxpayer to pay off interest expense under a loan agreement and / or a mortgage loan with a bank, and/or under a housing loan, an Islamic finance agreement, a lease-to-purchase agreement for participants in a public housing program.

2. The amount of the property deduction provided for by paragraph 1 of this article may not exceed 2,300 calculation indices per year.

3. A property deduction is provided to a taxpayer when he submits a single tax return based on a written application of the taxpayer and documents confirming the fact that the taxpayer has paid money to pay off the interest expense on a loan and / or mortgage loan with a bank, and / or on a housing loan or agreement under Islamic finance, or a lease-to-purchase agreement for participants in the public housing program.

4. The property deduction provided for by this article shall not apply when the costs of construction or acquisition by a taxpayer of a residential house, apartment, room or share in them, including under a lease with a buyout agreement for participants in the state housing program, are paid free of charge another entity that is not a close relative of the taxpayer, as well as if the transaction for the acquisition of such property is made between individuals who are related parties.

Chapter 25. Income tax rate. The procedure for calculating income tax

Article 197. Income tax rate

1. The income tax rate is set at 10 percent, unless otherwise provided by this article.
2. The income tax rate is set at 5 percent for employees:
 - 1) taxpayers registered and operating in preferential border settlements;
 - 2) taxpayers specified in part 4 article 183 of this Code;
 - 3) a resident and directorate of the High-Tech Park, with the exception of employees providing maintenance and protection of buildings, premises, land plots.

Article 198. Calculation of income tax

Income tax is calculated by multiplying the income tax base by the income tax rate.

Article 199. Procedure for calculation, term and place of payment of income tax

1. An income taxpayer shall make a final calculation and pay income tax before the date of submission of a single tax return established by this Code. The final amount of income tax is determined as the difference between the calculated amount of tax and the amount of tax withheld by the tax agent, unless otherwise provided by this article.
2. The amount of income tax of the taxpayer, calculated by the withholding agent, based on the minimum estimated income in accordance with the requirements of part 3 article 187 of this Code is final and not subject to recalculation.
3. Income tax is paid at the place of registration and/or accounting registration of the taxpayer.

Chapter 26. Fulfillment of a tax obligation by a tax agent for income tax

Article 200. Tax liability of the employer

1. The payment of income to an individual who is in an employment relationship with the source of income leads to the employer's obligation to act as a tax agent as a source of income, unless otherwise provided by this section.

If the calculation of the amount of income tax requires documents confirming the right to deduction and / or exemption from tax, and the taxpayer has not provided these documents, the tax agent shall calculate the amount of income tax without taking into account the specified deduction and exemption.

2. If a taxpayer submits documents confirming the right to a deduction and/or exemption that affect the amount of income tax for the previous year no later than the date on which a tax agent submits a single tax return for that year, as provided for by this Code, the tax agent is obliged to accept the documents, adjust the income tax, as well as pay the taxpayer or withhold from him the amount of the difference.

3. For the years preceding the previous period, taking into account the limitation period, income tax adjustment is carried out by an individual by submitting an updated UNT for these tax periods to the tax authority at the place of tax registration with documents confirming his right to deduction and / or exemption from income tax.

4. When calculating income tax paid by an employer, the tax base is the difference between the amount of paid income and the amount of standard deductions, unless otherwise provided by this article.

5. If the amount of the employee's tax base for income tax is less than the amount of the minimum estimated income:

1) the size of the tax base for income tax is taken equal to the minimum estimated income from which income tax is withheld by a tax agent;

2) the amount of income tax withheld from the minimum estimated income is paid by the employer:

a) from the employee's salary - in the amount of income tax calculated from the actually calculated tax base;

b) from the employer's funds - in the amount of income tax calculated from the difference between the minimum estimated income and the actually calculated tax base.

To calculate the tax liability for the current month, the income tax base and the amount of the minimum estimated income are calculated by the employer on an accrual basis for the months actually worked by the employee from the beginning of the current tax period.

6. When calculating the amount of income tax withheld by a tax agent, income not subject to income tax is not taken into account.

7. Unless otherwise provided by this part, the right to make a standard deduction is granted to a tax agent only in respect of income received under an employment contract, and only if the employment relationship between the employee and the employer was valid for at least 15 days during the month, in which the said income was paid.

If the employment relationship lasted less than 15 days, and also if the person worked part-time, the tax agent has the right to make a deduction in respect of income received under this employment contract, only in the amount of state social insurance premiums.

8. An agricultural cooperative and an agricultural trade and logistics center, as well as organizations and individual entrepreneurs engaged in production activities in the clothing and textile industry during the period until 2027, as tax agents, withhold and pay a fixed amount of income tax from the wages of employees per employee, calculated on the basis of the minimum estimated income determined in accordance with article 187 of this Code.

Article 201

The payment of income to an individual who is not in an employment relationship with him leads to the obligation for the tax agent to pay income tax to him as a source of income from the amount of such payment, with the exception of income:

1) paid upon acquisition of immovable property or a vehicle;

2) classified as non-taxable in accordance with this section;

3) paid to an individual entrepreneur;

4) paid to an individual engaged in individual labor activity on the basis of a patent.

Article 202. Procedure for the fulfillment of a tax obligation by a tax agent

1. Income tax withheld by a tax agent shall be paid to the budget no later than the 20th day of the month following the month in which the income was paid.

2. Income tax withheld by a tax agent shall be paid at the place of current tax accounting of the tax agent, and in the presence of separate subdivisions - at the place of registration of the separate subdivision.

The amount of tax payable to the budget at the location of a separate subdivision is determined based on the amount of income paid to the employees of this separate subdivision.

3. Withholding tax in the Kyrgyz Republic is calculated and paid to the budget by a tax agent, regardless of the form and place of income payment.

4. If a tax agent did not withhold or did not fully withhold tax on income paid to an individual, with the exception of payments to an individual entrepreneur, then the tax agent shall be obliged to fulfill this tax obligation and responsible for its non-fulfillment in accordance with this Code.

Article 203. Submission of reporting on income tax by a tax agent

The tax agent is obliged to submit reports on income tax to the tax authority at the place of its payment no later than the 20th day of the month following the reporting month.

Chapter 27. Features of taxation of certain categories of individuals

Article 204

The following income is not subject to income tax:

1) the head, as well as the staff of the diplomatic mission and consular office of a foreign state, members of their families living with them, if they are not citizens of the Kyrgyz Republic, with the exception of income from a source in the Kyrgyz Republic, not related to the diplomatic or consular service of these individuals persons;

2) administrative, technical and service personnel of a diplomatic mission and a consular office of a foreign state and members of their families living with them, if they are not citizens of the Kyrgyz Republic, with the exception of income from a source in the Kyrgyz Republic that is not related to the work of these individuals in these representations;

3) an individual, if this person is not a citizen of the Kyrgyz Republic, working in an international organization in accordance with the norms provided for by an international treaty that has entered into force, to which the Kyrgyz Republic is a party.

Article 205. Elimination of double taxation

1. The amount of tax paid by a taxpayer in a foreign state shall be credited when calculating the tax liability for income tax in the Kyrgyz Republic in the presence of an agreement on the avoidance of double taxation concluded between the Kyrgyz Republic and a foreign state that has entered into force in the manner prescribed by law, if the

amount of such income subject to taxation in a foreign state in accordance with the provisions of this agreement.

2. The amount of creditable amounts provided for by part 1 of this article must not exceed the amount of tax that would be paid in the Kyrgyz Republic at the rates applicable in its territory.

3. The procedure for offsetting amounts of income tax paid in a foreign state is established by the Cabinet of Ministers.

SECTION VIII. INCOME TAX

Chapter 28. General Provisions

Article 206. Concepts and terms used in this section

In this section, the following concepts and terms are used:

1) geological preparation of a deposit - a complex of prospecting and appraisal and exploration works, including calculation and geological and economic assessment of the deposit reserves by industrial categories;

2) mining and capital works - a complex of mining and construction works that provide opening and preparation for the development of a deposit or its part:

a) in case of open pit mining, mining and capital works include:

- carrying out and equipment of opening (capital trenches) and cut (cut trenches or pits) workings;

- removal of rocks (capital overburden) covering and enclosing a mineral deposit in dump embankments at the time the quarry is put into operation;

- works on drilling and equipment of water-reducing wells, construction of underground drainage workings, etc.

In the process of mining and capital works, mineral reserves are opened and prepared for development, which guarantee the achievement of the design capacity within 4 to 6 months of the open pit operation. When a deposit occurs at a considerable depth, mining and capital works include works that must be completed to achieve at least 15 percent of the design production capacity of a quarry;

b) in case of underground mining, mining and capital works include:

- construction and equipment of shafts, adits and chambers adjoining them, deepening of shafts, construction and equipment of chambers and workings of the near-shaft yard;

- conducting and equipping the main capital workings (crosscuts, haulage and ventilation drifts, slopes, bremsbergs, ore passes, etc.).

During the construction of a new mining enterprise, the volume of mining and capital works is predetermined by ensuring its full design production capacity or the capacity of its separate stage (when a new mining enterprise is commissioned by stages);

3) mining and preparatory works - a complex of mining and construction works for the timely reproduction of mining in mines and quarries, protection from gas-dynamic manifestations, including emissions of coal, rocks and gases, rock bursts, and additional

exploration of prepared reserves. The main content of mining and preparatory work is the implementation of preparation workings that outline the excavation areas of a mining enterprise;

4) mining enterprise - an enterprise engaged in the development of mineral deposits;

5) fixed assets of mining and / or mining enterprises - produced and / or acquired property provided for by the technical design and / or feasibility study of these enterprises, including:

a) carried out and equipped capital mining and mining developments (mine shafts, adits, crosscuts, main haulage and ventilation drifts, slopes and bremsbergs, underground chambers for central and local drainage, power supply and ventilation, technological main roads of quarries, capital overburden, stripping and cutting trenches and other capital and mining developments that provide access, stripping and preparation of deposit reserves, mining equipment, process equipment, vehicles, except for cars);

b) mining and transport machines, technological equipment for the development of mineral deposits and processing of mineral raw materials, as well as other equipment for the main and auxiliary purposes;

c) buildings and structures of the main and auxiliary purposes;

d) transport routes;

6) profit of a domestic organization from large investments - profit of a domestic organization from carrying out activities for the production and sale of goods of its own production, including the production and sale of goods obtained as a result of processing goods in the territory of the Kyrgyz Republic, using exclusively new equipment, calculated in accordance with this section if the taxpayer:

a) received for the tax period proceeds from the sale of manufactured products in the amount of at least 170,000,000 soms; and

b) monthly during the tax period pays income tax in the amount of at least 150,000 soms; and

c) has a paid authorized capital of at least 10,000,000 soms.

In this paragraph, new equipment means fixed assets imported into the territory of the Kyrgyz Republic after and not used on its territory until May 1, 2015, as well as used real estate that is the property of a domestic organization or is used by it in accordance with a financial lease (leasing) agreement).

New equipment does not include fixed assets imported by the taxpayer after May 1, 2015 and used to expand or modernize fixed assets or a production complex acquired or manufactured by the taxpayer before May 1, 2015.

The fact of import of new equipment into the territory of the Kyrgyz Republic must be confirmed by documents issued when importing goods in accordance with the legislation of the Kyrgyz Republic in the field of customs or the tax legislation of the Kyrgyz Republic.

Article 207

The taxpayer of income tax (hereinafter in this section - the taxpayer) is:

- 1) domestic organization;
- 2) a foreign organization operating through a permanent establishment in the Kyrgyz Republic;
- 3) a foreign organization that does not have a permanent establishment in the Kyrgyz Republic and receives income from sources in the Kyrgyz Republic;
- 4) individual entrepreneur.

Article 208. Features of the payment of income tax by a tax agent

Income tax obligations of a foreign organization that is not associated with a permanent establishment in the Kyrgyz Republic and receives income from a source in the Kyrgyz Republic shall be performed by a tax agent.

Article 209. Object of taxation

The object of taxation of income tax is the implementation of economic activity, as a result of which income is received:

- 1) by a domestic organization or an individual entrepreneur - from a source in the Kyrgyz Republic and / or from a source outside the Kyrgyz Republic;
- 2) a foreign organization operating through a permanent establishment in the Kyrgyz Republic, or a non-resident individual registered or obliged to register as an individual entrepreneur - from sources in the Kyrgyz Republic;
- 3) by a foreign organization operating without establishing a permanent establishment in the Kyrgyz Republic - from a source in the Kyrgyz Republic.

Article 210. Tax base

1. The tax base for income tax is the positive difference between a taxpayer's total annual income, reduced by the amount of non-taxable income, and deductible expenses in accordance with this section, calculated for the tax period.

2. Income as part of the total annual income and deductible expenses are recognized in accordance with the rules established by the legislation of the Kyrgyz Republic on accounting, taking into account the specifics provided for by this Code.

3. The tax base for a foreign organization that is not associated with a permanent establishment in the Kyrgyz Republic and receives income from a source in the Kyrgyz Republic is income without deductions.

Article 211. Tax period

1. The tax period for income tax is a calendar year.

2. If a taxpayer is registered after the beginning of the calendar year, the first tax period for him is the period from the date of his registration to the end of the calendar year.

In this case, the day of registration of the taxpayer is the day of his state registration with the authorized state body.

3. If a taxpayer has been liquidated or has gone through reorganization procedures before the end of a calendar year, the last tax period for him is the period from the beginning of the year to the day the liquidation or reorganization is completed.

4. If a taxpayer registered after the beginning of a calendar year is liquidated or has undergone reorganization procedures before the end of this year, the tax period for it is the period of time from the day of creation to the day of completion of liquidation, reorganization.

Chapter 29

Article 212. Composition of the total annual income

The total annual income includes all types of income determined in accordance with the rules established by the legislation of the Kyrgyz Republic on accounting, including:

1) proceeds from the sale of goods, works, services, with the exception of proceeds from the sale of fixed assets included in the tax group for the purposes of tax depreciation;

2) proceeds from the sale of an asset not subject to depreciation, minus the cost of its acquisition;

3) income in the amount of the cost of materials or other property received during the dismantling or liquidation of the decommissioned asset;

4) income received for agreeing to restrict or terminate economic activity;

5) income in the amount of the value of an asset received free of charge, including virtual assets;

6) income from foreign currency revaluation minus loss from foreign currency revaluation;

7) interest income;

8) income received under agreements in accordance with Islamic finance;

9) dividends;

10) royalties;

11) income in the form of remuneration and compensation received for participation in the management of the organization;

12) proceeds from the sale of services for the lease of movable and immovable property;

13) proceeds from the sale of movable and immovable property not used in entrepreneurial activities, minus the cost of its acquisition, with the exception of the property of an individual entrepreneur included in a single tax declaration;

14) proceeds from the sale of shares, shares in the organization, the partner's share under the Musharakah agreement in accordance with Islamic finance, minus the acquisition cost;

15) proceeds from the sale of debt securities, excluding the coupon, minus the acquisition cost, taking into account the amortization of the discount and / or premium as of the date of sale for subjects of public interest;

- 16) proceeds from the sale of debt securities minus the acquisition cost for a taxpayer, except for a subject of public interest;
- 17) income from foreign exchange operations minus losses from foreign exchange operations;
- 18) subsidies;
- 19) the negative amount of the tax calculation for the group of depreciated assets at the end of the tax period;
- 20) the value of surplus assets, including waste, subject to further use;
- 21) income from the termination of a taxpayer's obligation arising as a result of:
 - a) write-off of obligations by the creditor, with the exception of the write-off of debts adopted by a separate law;
 - b) fulfillment of a taxpayer's obligation, including a tax obligation, by a third party;
- 22) income from the assignment of the right to claim a debt;
- 23) sum insured (compensation) under insurance contracts, except for reimbursement of sums insured for insured fixed assets;
- 24) the amount of doubtful liabilities;
- 25) excess of income over expenses received during the operation of social facilities;
- 26) the amount of excess proceeds from the sale of virtual assets over the cost of their acquisition;
- 27) other types of taxable and non-taxable income.

Article 213. Non-taxable income

1. Not subject to income tax:

- 1) the value of property received as a share contribution and / or contribution to the authorized capital, and / or other types of contribution of the subject to the organization in which the subject is a participant;
- 2) the cost of fixed assets and / or funds for capital investments in the development of its own production base, received by the organization free of charge by decision of the Cabinet of Ministers or local governments;
- 3) the cost of hydroelectric power plants, thermal power plants, hydraulic structures, water intake structures, mining equipment, civil defense facilities, as well as the right to use land plots received free of charge by business companies with a state stake of more than 50 percent and / or specialized organizations that use and operation of the specified objects for their intended purpose;
- 4) the cost of fixed assets, housing and communal facilities, roads, water supply and sewerage, electrical networks and metering devices, substations, boiler houses and heat networks, gas networks and gas metering devices received free of charge by a specialized organization that uses, operates and maintenance of these facilities for their intended purpose, regardless of its form of ownership, in accordance with the act of accepting the facility for operation;

5) payment for technological connection to the engineering and technical support networks of new construction / reconstruction / re-profiling / redevelopment and / or constructed objects, but not connected to engineering networks, received by a specialized organization, regardless of its form of ownership;

6) received by non-profit organizations:

a) membership and entry fees;

b) humanitarian aid and grants, as well as voluntary donations, provided they are used for statutory purposes;

c) the value of assets received free of charge, provided that they are used for statutory purposes;

d) payment for services for the technical maintenance of apartment buildings and buildings and structures serving them;

e) payment for services for the supply of irrigation water within the framework of the statutory activities, provided by water user associations for their members;

f) income from the provision of religious rites, rituals, ceremonies, services for organizing and conducting pilgrimages, as well as voluntary donations;

7) dividends received by taxpayers from participation in domestic organizations;

8) the value of property received by a simple partnership as a contribution of partners, as well as the value of property received from partners under a Sharika / diminishing Musharaka agreement in accordance with Islamic finance without forming an organization;

9) the value of the property accepted by the trustee for trust management;

10) income in the form of an excess of the value of own shares over their nominal value;

11) the value of shares (stakes) additionally received by a member of the organization, distributed among the participants of the organization by decision of the general meeting, or the difference between the par value of new shares received in exchange for the original ones, and the par value of the initial shares of the shareholder in the distribution of shares (stakes) among the participants of the organization in connection with an increase in the authorized capital of this organization, including at the expense of the property of the organization;

12) profit received by the bank under the Sharika agreement in accordance with Islamic finance;

13) interest income and income from the increase in the value of securities listed on the stock exchanges on the day of sale in the highest and next to the highest listing categories.

2. The list of specialized organizations specified in paragraphs 3-5 of part 1 of this article, and the procedure for the acceptance and transfer on a gratuitous basis of the objects specified in paragraphs 2-5 of part 1 of this article, are approved by the Cabinet of Ministers.

Article 214. Adjustment of income

1. Income from the sale of goods, works, services is subject to adjustment in the following cases:

- 1) full or partial return of goods;
- 2) changes in the terms of the transaction.

The income adjustment changes the amount of the total annual income of the tax period in which the return of goods occurred or the terms of the transaction changed.

2. Income from the sale of fixed assets subject to depreciation, as well as insurance payments received under insurance contracts for these fixed assets, are not included in income from the sale of goods, but are taken into account when determining the tax value of the group in accordance with this section.

Article 215. Compensable deductions

1. If previously deducted expenses, losses or bad debts are reimbursed, then the amount received becomes income for the tax period in which the reimbursement was made.

2. If reserves in respect of which a deduction was previously made in accordance with this section are reduced, such reduction is either included in income or reduces expenses in accordance with the legislation of the Kyrgyz Republic on accounting.

Article 216. Income and deductions under long-term contracts

1. For the purposes of this article, a long-term contract means a contract for production, installation or construction, or for the provision of related services, that is not completed within the tax period in which the contractual work was started, except for contracts that are estimated to be due be completed within 12 months of the contract start date.

2. When a taxpayer uses the accrual method to determine income and expenses, income and deductions relating to long-term contracts are taken into account during the tax year on the basis of the percentage performance of the contract.

The performance portion of a contract is determined by comparing the costs incurred up to the end of the tax year with the total costs of the contract.

3. When a taxpayer applies the simplified method of accounting for determining income and expenses, income and deductions relating to a long-term contract are determined based on the actually performed and paid works and services during the tax year.

Chapter 30. Expenses subject to deduction from the total annual income

Article 217. Deductions of expenses related to income generation

1. Unless otherwise provided by this Code, a taxpayer shall have the right to deduct from the total annual income (hereinafter referred to as deduction in this section) only documented expenses related to the receipt of income in accordance with this Code.

2. Deferred expenses are deductible in the tax period to which they relate.

3. If the same costs are provided for in several articles that establish costs that are deductible in accordance with this section, then such costs are deductible only once.

4. The specifics of determining taxable expenses for certain categories of taxpayers or expenses incurred in connection with special circumstances are established by the provisions of this section.

Article 218

Expenses of a taxpayer engaged in production activities are subject to deduction within the technological norms of losses of raw materials and materials in the process of production of goods established by the tax policy of the taxpayer.

Article 219

1. Expenses related to business trips of officials of the taxpayer, including employees, members of the executive management body and members of the board of directors or the supervisory board are deductible.

2. Expenses related to business trips subject to deduction include:

1) actually incurred expenses for travel to the place of business trip and back, including payment of expenses for reservation;

2) actually incurred expenses for accommodation, including the payment of expenses for the reservation;

3) per diems paid for the time spent on a business trip within and outside the Kyrgyz Republic, within the limits established by the Cabinet of Ministers.

3. Representation expenses subject to deduction include expenses for transport support and hotel services for participants in the organization and members of its management bodies in the performance by these persons of the functions provided for by the charter of the organization.

Article 220. Deduction of expenses for education

1. Expenses of a taxpayer for employee training include expenses aimed at training, advanced training and retraining of personnel.

2. Expenses referred to in paragraph 1 of this Article shall be deductible if the training:

1) contributes to the acquisition and/or advanced training of an employee within the framework of the taxpayer's activities; and

2) a person who has an employment relationship with a taxpayer and works full time passes; and

3) is carried out:

a) a domestic organization licensed by an authorized state body in the field of education;

b) by a foreign organization in person or remotely if the taxpayer withholds tax as a source of income.

§ 221 Deductions for interest expenses

1. Paid interest expenses are deductible, subject to the restrictions provided for in this article, if the amount of the debt was used for economic activity.

2. Interest expenses paid in connection with the acquisition or creation of depreciable fixed assets, or associated with expenses that affect the change in their value before they are put into operation, are not subject to deduction from the total annual income, but increase their value.

Article 222

1. The taxpayer's expenses for innovation activities are deductible. Innovation activities include:

- 1) research work;
- 2) development work;
- 3) design and survey work;
- 4) work on the introduction of scientific and technological achievements;
- 5) work on the implementation of application software packages;
- 6) work on the introduction of information and communication technologies.

2. Deductions of expenses, provided for by paragraph 1 of this article, related to the acquisition and/or production of fixed assets, shall be made in the manner established by this Code in relation to fixed assets.

Article 223. Reserve for geological exploration

1. A mining enterprise has the right to make contributions to the reserve for geological exploration within the boundaries of mining and geological allotments.

2. The amount of the reserve is determined by the taxpayer in the amount not exceeding 15 percent of the tax base for income tax for the reporting period, calculated without taking into account the deduction provided for by this article.

3. The amount of contributions to the reserve is deductible.

4. The amount of the reserve for geological exploration within the boundaries of the mining and geological allotment, not used by the taxpayer within 5 years from the last date of the tax period in which the amount of the reserve is recognized as a deduction, is recognized as income.

Article 224. Cost of fixed assets, intangible assets and inventories

1. The initial cost of fixed assets includes the actual costs of their acquisition, including interest expenses associated with the acquisition and production of fixed assets for own use; the costs of manufacturing, installation, installation and bringing them to a state in which they are suitable for use; customs duties and fees, taxes, with the exception of VAT subject to offset, expenses for insurance of fixed assets during transportation and other expenses that increase their value, except for the amounts of taxes included in expenses for which the taxpayer is entitled to deductions in accordance with this Code.

2. The cost of fixed assets changes in cases of reconstruction, expansion, modernization, technical re-equipment, partial liquidation of the relevant facilities.

3. When an organization receives fixed assets as a contribution to the statutory fund, as well as to operational management, economic management, the initial cost of these funds is the value not lower than the value reflected in the accounting records of the transferring party, but not higher than the market value of these fixed assets.

In case of gratuitous receipt of fixed assets, the initial cost is determined according to the data of the act of acceptance and transfer of the named funds, but not lower than their book value.

4. The book value is assumed to be zero in the following cases:

1) upon receipt of the donated objects specified in points 2-4 of part 1 article 213 of this Code;

2) upon receipt by non-profit organizations of property in the form of:

a) membership and entry fees;

b) humanitarian aid and grants;

c) donated assets.

5. The initial cost of intangible assets includes the costs of their acquisition and / or creation, including interest costs and costs of bringing them to a state in which they are suitable for use.

The cost of intangible assets contributed by the founders on account of their contributions to the authorized capital of the organization is determined by agreement of the parties in compliance with the requirements of the legislation of the Kyrgyz Republic.

The cost of intangible assets purchased for a fee from other organizations and individuals is determined based on the actual costs incurred to acquire and bring these assets to a state of readiness.

The cost of intangible assets created by the organization itself is determined as the sum of the actual costs of their creation, manufacture, including the costs of acquiring inventories, labor costs, costs of third-party services, costs of paying fees associated with obtaining patents, evidence.

6. The cost of fixed assets and intangible assets is subject to deduction by calculating depreciation charges in the manner and on the terms established by this Code.

7. The cost of inventories is determined based on the price of their acquisition, including commissions paid to intermediary organizations, import customs duties and fees, indirect taxes, with the exception of VAT subject to offset, transportation costs and other costs associated with the acquisition of commodity material values.

8. The cost of fixed assets, intangible assets and inventory includes VAT on acquired material resources, which is not subject to offset.

Article 225. Depreciable fixed asset

1. A depreciable fixed asset is a fixed asset of a taxpayer, including an intangible asset that is in ownership, operational management, economic management, unless otherwise provided by this Code, put into operation and used to generate income, the value of which is 100 or more calculated indicators.

2. Immovable property owned by the right of ownership to an individual who is an individual entrepreneur is not subject to depreciation.

The sale of such property is subject to taxation in accordance with the procedure established by Section VII of this Code.

3. Land and other objects of nature use, such as water, subsoil and other natural resources, as well as inventories, objects of capital construction in progress, securities, financial instruments, uninstalled equipment, fixed assets and intangible assets that are not used are not subject to depreciation. by a taxpayer in the production and/or sale of goods, performance of work and provision of services, and property, the value of which is fully transferred in the current tax year to the cost of finished products, work performed and services rendered.

4. From the composition of depreciable property for the purposes of this section, fixed assets are excluded:

1) transferred under contracts for gratuitous use, operational management, economic management;

2) transferred to conservation;

3) under reconstruction and modernization for more than 12 months.

5. The composition of depreciable property for the purposes of this section does not include a fixed asset, the cost of which is less than 100 calculation indices. The cost of such a fixed asset is subject to deduction in the tax period in which the given fixed asset was acquired by the taxpayer.

Article 226. Classification of fixed assets and determination of the amount of depreciation charges

1. Fixed assets subject to depreciation are classified into 6 groups with the following depreciation rates:

1) Group 1: cars, computers, and equipment connected to computers, copiers, telephones, tools and inventory - 30 percent;

2) Group 2: vehicles, except for cars, machinery and equipment for all sectors of the economy, furniture, intangible assets - 25 percent;

3) Group 3: fixed assets not specified in other groups - 20 percent;

4) Group 4: aviation, railway, water and other types of vehicles, with the exception of motor vehicles - 15 percent;

5) Group 5: buildings, structures, premises - 10 percent;

6) Group 6: the taxpayer's expenses for the geological preparation of a mineral deposit, design and engineering and survey work and obtaining the rights to use subsoil, for capital mining and mining and preparation work for the purpose of subsequent extraction of minerals, as well as fixed assets of mining and / or mining enterprises put into operation and actually used in subsoil use - 50 percent. In this case, the use of a reduced depreciation rate is allowed. In subsequent tax periods, taxpayers using reduced depreciation rates are not allowed to change these reduced rates.

Capital costs for mining and preparation works are depreciated at the depreciation rate, which is determined as the ratio of the amount of reserves redeemed during the

tax period to the amount of economic (balance) reserves of the extraction area at the beginning of the tax period.

2. Unless otherwise established by this section, the amount of depreciation charges for tax purposes is determined by taxpayers annually in the manner established by this article. Depreciation is calculated separately for each group by applying the depreciation rate specified in paragraph 1 of this article to the tax value of the group at the end of the year.

3. For buildings, structures and premises (hereinafter in this article - an object), depreciation is charged for each object separately. After 20 years from the date of commissioning and use of the object, each object is depreciated on a straight-line basis at the rate of 20 percent per year.

4. Unless otherwise established by this section, a taxpayer-lessee who has received fixed assets that are the subject of a financial lease agreement shall accrue depreciation in accordance with the procedure established by this article.

5. Fixed assets subject to depreciation for tax purposes for each group determine the tax value of the group.

The tax value of the group at the end of the year is calculated as follows:

1) the tax value of the group at the beginning of the year, determined as the tax value of the group at the end of the previous year, reduced by the amount of depreciation charges calculated in the previous year,

a plus

2) the value of fixed assets added to the group during the year,

minus

3) fixed assets retired during the year, at the cost of implementation.

6. If the tax value of the group at the end of the year is less than zero, it is equal to zero, while the taxpayer includes the indicated negative balance in the total annual income.

7. The Cabinet of Ministers has the right to establish accelerated depreciation rates for certain types of fixed assets.

8. For the purposes of this article, the revaluation of fixed assets carried out in accordance with the legislation of the Kyrgyz Republic on accounting does not increase or decrease the tax value of the group.

9. The cost of fixed assets acquired in the year preceding the year of entry into force of this Code, which was not added to the value of the group in the specified year, is added to the value of the group in the year of entry into force of this Code.

10. The cost of fixed assets retired in the year preceding the year of entry into force of this Code, by which the value of the group was not reduced in the specified year, reduces the value of the group in the year of entry into force of this Code.

Article 227. Receipt and disposal of fixed assets for the purpose of depreciation

1. Unless otherwise provided by this Code, acquired and received fixed assets are considered as fixed assets added to the group during the year and increase the tax value of the group:

1) upon receipt of a fixed asset as a contribution to the authorized capital - at a cost determined in accordance with article 224 of this Code;

2) when transferring an object of fixed assets from the conservation regime to operating fixed assets - by the tax value of fixed assets that had previously left the group during the conservation of these fixed assets;

3) when returning a fixed asset previously transferred for gratuitous use - at the cost of disposal;

4) upon receipt of a fixed asset after reconstruction or modernization - by the cost of the fixed asset that has retired from the group, increased by the taxpayer's costs associated with the reconstruction or modernization of this fixed asset;

5) upon receipt of a fixed asset received into the ownership of a taxpayer free of charge, the value of which is included in income, - for the value of the fixed asset, determined in accordance with part 3 of article 224 of this Code;

6) when acquiring fixed assets, commissioning fixed assets after completion of construction - at their original cost;

7) if the limit on the amount of repair costs in accordance with paragraph 3 is exceeded in articles 229 of this Code - for the amount of expenses exceeding the limit.

2. Retiring fixed assets reduce the tax value of the group:

1) when selling a fixed asset or transferring a fixed asset to a financial lease - for the cost of sale;

2) upon transfer as a contribution to the authorized capital - at a cost determined in accordance with article 224 of this Code;

3) in case of loss, damage to fixed assets in the absence of an insurance contract - at zero cost;

4) upon the occurrence of an insured event - according to the amount of insurance payments paid to the insured by the insurance company in accordance with the insurance contract;

5) in case of gratuitous transfer, transfer for gratuitous use, as well as in case of transfer for conservation - at the book value determined in accordance with the legislation of the Kyrgyz Republic on accounting;

6) in case of sale of liquidated fixed assets - at the cost of sale;

7) when transferring liquidated fixed assets to inventory - at the cost of inventory, determined in accordance with the legislation of the Kyrgyz Republic on accounting.

Article 228

1. Depreciation charges on depreciable fixed assets determined in accordance with article 226 of this Code are deductible.

2. If the tax value of the group at the end of the year is less than 100 calculated indicators, then this amount is recognized as depreciation charges and the entire tax value of the group is subject to deduction, unless otherwise provided by this article.

3. If all fixed assets in the group were sold, transferred to another person or liquidated, then the residual tax value of the group is recognized as depreciation charges and is deductible.

Section 229. Deductions for Repair Expenses

1. Deductions for the repair costs of fixed assets under the right of ownership, including those that are the subject of a financial lease, are made in respect of each group determined in accordance with article 226 of this Code.

2. The amount of repair expenses deductible in accordance with paragraph 1 of this article for each tax period is limited to 15 percent of the tax value of the group at the beginning of the year, determined as the tax value of the group at the end of the previous year, reduced by the amount of depreciation charges calculated in the previous year.

3. The amount exceeding the limit established by part 2 of this article is considered as the value of fixed assets added to the value of the group and increases the tax value of the group at the end of the reporting year.

4. The amount of actual repair costs incurred by the lessee in relation to the leased fixed assets shall be deducted in the manner prescribed by this article.

5. If the cost of repairs is not deductible in accordance with this article, the lessee is obliged to form a group and deduct the incurred expenses in the form of depreciation deductions determined in accordance with this section, at the depreciation rate established for a group of fixed assets, in which includes the repaired fixed asset, during the term of the lease. After the expiration of the lease agreement, the lessee has the right to deduct the residual tax value of the group formed in accordance with this part.

Article 230. Deduction of the amount of insurance premiums for state social insurance

The total annual income of the taxpayer is reduced by the amount of insurance premiums established by the legislation of the Kyrgyz Republic on state social insurance.

Article 231. Losses arising from the sale of securities

1. Loss from the sale of securities is:

1) for securities, except for debt securities, the negative difference between the sale price and the purchase price;

2) for debt securities:

a) for an entity of public interest - the negative difference between the cost of sale and the cost of acquisition, taking into account the amortization of the discount and / or premium as of the date of sale.

b) for a taxpayer other than a subject of public interest - a negative difference between the cost of sale and the cost of acquisition.

2. Losses arising from the sale of securities shall be compensated at the expense of income received from the sale of other securities.

3. If the losses specified in part 2 of this article cannot be compensated in the year in which they occurred, then they must be extended for a period of up to 5 years and compensated at the expense of income from the sale of securities during these 5 years.

Article 232. Transfer of losses associated with economic activity

1. The amount of excess of taxpayer's deductions over his income is recognized as a loss and transferred by the taxpayer for a period of not more than 5 calendar years as deductions from the taxable income of the tax periods following the period in which this loss was received.

Losses incurred in the tax period in which the taxpayer is exempt from paying income tax are not subject to transfer as deductions to the taxable period.

2. If a taxpayer has suffered losses in more than one tax period, the transfer of such losses to the tax periods following the period in which this loss was incurred shall be carried out in the order in which they were incurred.

3. In the event that a taxpayer ceases to operate due to reorganization, the successor taxpayer shall have the right to reduce the tax base in the manner and under the conditions provided for by this article by the amount of losses received by the reorganized taxpayer prior to the reorganization.

Article 233. Reserve to cover potential losses and damages. Bank contributions to the Deposit Protection Fund

1. The amount of reserves formed by the bank in accordance with the regulatory requirements of the National Bank is subject to deduction from the total annual income.

2. Contributions directed by the bank to the Deposit Protection Fund are deductible from the gross annual income.

Article 234. Deductions on expenses for charity

1. The cost of property, including monetary funds, donated to charitable organizations, as well as cultural and sports organizations, regardless of the form of ownership, provided that this property is not used in favor of the taxpayer who transferred it, is subject to deduction.

2. The amount of the deduction specified in this article is limited to the book value of the transferred property or the amount of money within 10 percent of the taxpayer's tax base for the reporting period, calculated without taking into account the deduction established by this article.

Article 235. Deduction of amounts of taxes

Unless otherwise provided by this section, the following amounts of expenses related to the calculation of taxes and other payments established by the tax legislation of the Kyrgyz Republic are subject to deduction, including:

- 1) the amount of VAT for acquired material resources that is not subject to offset;
- 2) the amount of excise tax that is not subject to deduction;
- 3) the amount of sales tax paid to suppliers when purchasing goods, works and services;

- 4) the taxpayer's expenses for VAT accrued on the balances of inventories, fixed assets and intangible assets upon cancellation of VAT registration;
- 5) property tax;
- 6) taxes for the use of subsoil.

Article 236. Expenses not subject to deduction

1. Not deductible:

- 1) expenses associated with the production, acquisition and installation of fixed assets, and other capital expenses;
- 2) tax sanctions, penalties and interest paid to the budget and the budget of the state social insurance body of the Kyrgyz Republic;
- 3) income tax paid or payable in the Kyrgyz Republic;
- 4) income tax paid or payable in a foreign country;
- 5) expenses in the form of deductions to reserves, unless otherwise provided by this section;
- 6) the excess of expenses incurred during the operation of social facilities according to the list approved by the Cabinet of Ministers over the income received during the operation of these facilities;
- 7) any expenses incurred for another person, unless there is confirmation of the fact that these expenses were incurred in order to pay for the services rendered related to income generation;
- 8) expenses for the acquisition, management or maintenance of any type of property, the income from which is not subject to taxation in accordance with the provisions of this Code;
- 9) any losses directly or indirectly related to the sale or exchange of property by a taxpayer to a member of his family or an interdependent entity;
- 10) expenses of the taxpayer in respect of his close relatives and other persons not related to the implementation of economic activities;
- 11) expenses for payment of price differences when selling at preferential prices or tariffs, or at prices below market goods, works, services to employees, except for those taxed with income tax by a tax agent;
- 12) the amount of natural losses and declines in excess of the norms established by the regulatory legal acts in force on the territory of the Kyrgyz Republic;
- 13) expenses, the nature and amount of which cannot be determined by supporting documents, except for the cases established by this Code;
- 14) the amount of expenses not related to the receipt of income;
- 15) expenses associated with the receipt of income that is not taxable or exempt from income tax;
- 16) daily allowance paid for the time spent on a business trip, in an amount exceeding the limits established by the Cabinet of Ministers, with the exception of excess amounts subject to income tax;
- 17) expenses for organizing banquets, leisure, entertainment or recreation;

18) expenses of the taxpayer-issuer incurred upon receipt of property as payment for the shares (shares, shares) placed by it;

19) the amount of the excess of the cost of acquiring virtual assets over the proceeds from their sale.

2. The expenses described in paragraph 1 of paragraph 1 of this article shall be reimbursed by way of depreciation.

Article 237

1. Determination of the tax base of participants in the contract of trust management of property is carried out:

1) in accordance with paragraph 3 of this article - if, under the terms of the said agreement, the beneficiary is the founder of the management;

2) in accordance with paragraph 4 of this article - if, under the terms of the specified agreement, the founder of the management is not a beneficiary.

2. For the purposes of this section, property transferred under a property trust management agreement shall not be recognized as income of the trust manager.

The remuneration received by the trustee during the term of the agreement on trust management of property is his income.

The trust manager is obliged to determine income and expenses for the tax period on trust management of property and provide the founder of the management and / or the beneficiary with information on the income and expenses received for their accounting by the founder of the management and / or the beneficiary when determining the tax base in accordance with this section.

3. The income of the founder of trust management under the contract of trust management of property shall be included in his total annual income.

Expenses associated with the implementation of a property trust management agreement, including depreciation of property, as well as remuneration of the trustee, are recognized as income-related expenses and are the expenses of the founder of the management.

4. The income of the beneficiary under the trust management agreement is included in his total annual income and is subject to taxation in accordance with the established procedure.

Expenses associated with the implementation of a property trust management agreement, including depreciation of property, as well as remuneration of the trustee, are recognized as income-related expenses and are the expenses of the beneficiary.

Losses incurred during the term of such an agreement from the use of property transferred to trust management are not recognized as losses of the founder (beneficiary) accounted for for tax purposes in accordance with this section.

5. Upon termination of the trust management agreement, the property transferred to trust management, under the terms of the said agreement, may either be returned to the management founder or transferred to another person.

In the event of the return of property, the founder of the management does not generate income or loss, regardless of the occurrence of a positive or negative

difference between the value of the property transferred to trust management at the time of entry into force and at the time of termination of the property trust management agreement.

6. This article does not apply to the management company and participants (founders) of the agreement on trust management of property constituting a separate property complex - a unit investment fund, except for the case provided for in paragraph one of part 2 of this article.

Article 238

1. An entity charged with keeping records of a simple partnership in accordance with the agreement is obliged to keep separate records for the main activities of its organization and the activities of a simple partnership.

2. A participant in a simple partnership, who is entrusted with the duty of keeping records, is obliged to calculate tax liabilities in accordance with the requirements of this Code, with the exception of income tax.

3. Profit and losses before tax under a simple partnership agreement are distributed among the participants in accordance with the agreement and are accounted for each of them separately.

4. The transfer of property of participants as a contribution to a simple partnership is not a sale.

5. After fulfilling the terms of the simple partnership agreement, the contributions are returned to the participants either in monetary terms or in kind. Return in the amount of the contribution made is not recognized as income of the participant.

Chapter 31

Article 239. Profit tax benefits

1. Profit is exempt from taxation:

1) a charitable organization;

2) societies of the disabled, organizations and individual entrepreneurs, in which disabled people (except for persons with disabilities of the 3rd group of a general disease) make up at least 50 percent of the total number of employees, and their wages amount to at least 50 percent of the total wage fund. The list of these companies, organizations and individual entrepreneurs is determined by the Cabinet of Ministers;

3) agricultural producer;

4) agricultural cooperative;

5) credit union;

6) institutions of the penitentiary system of the Kyrgyz Republic;

7) preschool educational organizations (kindergartens established on the basis of private ownership);

8) general educational organizations created on the basis of a private form of ownership;

9) machine and tractor station;

10) new producers of electrical and thermal energy, gas and renewable fuels in gaseous state, liquid biological fuels obtained as a result of the use of renewable energy sources within 5 years from the date of commissioning of the property of power plants based on the use of renewable energy sources;

11) trade and logistics center for agricultural purposes;

12) a taxpayer registered and operating in preferential border settlements.

2. Exemption from payment of income tax does not relieve the taxpayer from the obligation to submit an income tax return.

Chapter 32 The procedure for calculating, submitting a report and paying income tax

Article 240. Income tax rate

1. Unless otherwise established by this section, the income tax rate is set at 10 percent.

2. The income tax rate in relation to the mining and sale of gold-bearing ore, gold-bearing concentrate, gold alloy and refined gold is set at 0 percent.

3. The income tax rate for enterprises whose activities are classified as preferential types of industrial activities subject to preferential taxation established article 183 of this Code, with the exception of mining and processing enterprises, as well as entities engaged in the production of excisable goods, is set at 0 percent.

4. The rate of tax on the profit of a domestic organization from large investments is set at 0 percent in relation to the profit received by the taxpayer during the tax period in which the taxpayer meets the criteria established by this section, and is not applied to the profit received from:

1) extraction of minerals, with the exception of profits from the production and sale of goods obtained as a result of the processing of minerals, as well as profits from the processing of waste from mining, processing, coke-chemical and metallurgical production;

2) carrying out trading activities;

3) production and sale of excisable goods.

The taxpayer shall have the right to apply the tax rate established by this part to the profit received at the end of each of the five tax periods following in a row, starting from the tax period following the tax period in which the first profit was received from the operation of new equipment.

Article 241. Calculation of income tax

Income tax is calculated in accordance with the procedure established by Part 1 article 43 of this Code.

Article 242

1. An income taxpayer shall make the final settlement and pay the tax before the deadline for submitting a single tax return established by this Code.

2. The final tax amount is determined as the difference between the calculated tax amount and:

- 1) the previously calculated amount of income tax for the reporting tax period;
- 2) the amount of tax paid by the taxpayer in a foreign state in accordance with the requirements of articles 246 of this Code;
- 3) the amount of expenses for the purchase of a cash register or a fiscal data transmission device, determined in accordance with part 3 of this article.

3. The taxpayer has the right to reduce the amount of income tax by the amount of expenses for the purchase of cash registers or fiscal data transmission devices in an amount not exceeding 100 times the calculated index for each unit of cash registers or fiscal data transmission devices, provided that the taxpayer complies with the following conditions:

- 1) A cash register or a fiscal data transmission device is purchased in the reporting tax period;
 - 2) the cash register or fiscal data transmission device was used by the taxpayer in its activities continuously during the period from the date of registration of the cash register or fiscal data transmission device until the end of the tax period;
 - 3) the taxpayer was not held liable for violation of the requirements of the legislation of the Kyrgyz Republic on the use of cash registers.
4. Income tax is paid at the place of the current tax registration of the taxpayer.

Article 243

1. A taxpayer, with the exception of a taxpayer whose income is taxed at a zero rate, and a taxpayer exempted from paying income tax, is obliged, starting from the second quarter on a quarterly basis, to submit tax reports and pay a preliminary amount of income tax to the budget no later than the 20th day of the second month following the reporting period, at the place of the current tax registration of the taxpayer.

2. The reporting period for the preliminary amount of income tax is the first quarter, the first half of the year, the first 9 months of the current tax period.

3. The preliminary amount of income tax for the reporting period is determined in the amount of 10 percent of the profit calculated for the reporting period in accordance with the rules established by the legislation of the Kyrgyz Republic on accounting.

When calculating the preliminary amount of income tax, income not subject to income tax in accordance with this Code shall not be taken into account.

4. The preliminary amount of income tax payable to the budget for the reporting period is determined as a positive difference between the preliminary amount of income tax calculated for the reporting period and the preliminary amount of income tax calculated for the previous reporting period.

5. If a taxpayer carries forward losses associated with economic activity, a positive difference between the preliminary amount of income tax calculated in accordance with Part 4 of this Article and the amount calculated in the amount of 10 percent of losses subject to carry forward as a deduction is paid to the budget from the taxable income of the reporting tax period in accordance with article 232 of this Code.

6. In the event of non-payment or late payment of the preliminary amount of income tax, the taxpayer shall be subject to a fine established by this Code for non-payment or late payment of tax.

Chapter 33. Features of taxation of certain categories of taxpayers and income

Article 244

When calculating the tax base, a domestic organization engaged in insurance activities has the right to deduct the amounts of deductions to insurance reserve funds in accordance with the standards approved by the Cabinet of Ministers.

Article 245. Features of taxation of mining and/or mining enterprises

1. Activities related to the extraction and sale of gold-bearing ore, gold-bearing concentrate, gold alloy and refined gold are subject to income tax.

2. If there are other minerals in gold-bearing ore or gold-bearing concentrate of industrial content, the activity for their extraction and sale is subject to income tax in accordance with chapters 28-32 of this Code.

3. The object of taxation of income tax is the mining and sale of gold-bearing ore, gold-bearing concentrate, gold alloy and refined gold.

4. The tax base of income tax is:

1) proceeds, excluding VAT and sales tax, received from the sale of gold alloy and/or refined gold;

2) the cost of gold in gold-bearing ore and gold-bearing concentrate, calculated on the basis of world prices, in the manner prescribed by the Cabinet of Ministers.

5. The income tax rate is established in the following amounts:

1) for gold ore and gold concentrate:

Gold price per troy ounce in US dollars	up to 1300	from 1301 to 1400	from 1401 to 1500	from 1501 to 1600	from 1601 to 1700	from 1701 to 1800	from 1801 to 1900	from 1901 to 2000	from 2001 to 2100	from 2101 to 2200	from 2201 to 2300	from 2301 to 2400	from 2401 to 2500	from 2501 and above
Income tax rate, in % until 2023	eight	ten	12	fourteen	16	eighteen	twenty	21	22	23	24	25	26	27
Income	eleven	13	fifteen	17	19	21	23	24	25	26	27	28	29	thirty

tax rate, in % from 202 3														
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2) for gold alloy and refined gold:

Gold price per troy ounc e in US dolla rs	up to 13 00	fro m 13 01 to 14 00	fro m 14 01 to 15 00	fro m 15 01 to 16 00	fro m 16 01 to 17 00	fro m 17 01 to 18 00	fro m 18 01 to 19 00	from 1901 to 2000	fro m 200 1 to 210 0	fro m 21 01 to 22 00	fro m 22 01 to 23 00	from 2301 to 2004	fro m 24 01 to 25 00	fro m 250 1 and abo ve
Inco me tax rate, in %	one	3	5	7	9	elev en	13	four teen	fifte en	16	17	eight een	19	twen ty

6. The tax period for income tax is a calendar month.

7. Calculation of income tax is carried out in accordance with the procedure established by part 1 article 43 of this Code.

8. The taxpayer specified in part 1 of this article is obliged to submit tax reports and pay tax on income no later than the 20th day of the month following the reporting period, at the place of registration. In the absence of accounting registration, income tax is paid at the place of current tax accounting.

Chapter 34

Article 246

1. The amount of tax paid by a domestic organization in a foreign state is credited when calculating the tax liability if there is an Agreement on the Elimination of Double Taxation concluded between the Kyrgyz Republic and a foreign state that has entered into force in accordance with the procedure established by law, if the amount of such income is subject to taxation in a foreign state in accordance with the provisions of the Agreement.

2. The amount of the creditable amount provided for by part 1 of this article must not exceed the amount of tax that would be paid in the Kyrgyz Republic at the rates applicable in its territory.

3. The procedure for offsetting the amount of income tax paid in a foreign state is established by the Cabinet of Ministers.

Article 247

A permanent establishment of a foreign organization includes in its total annual income and indicates in its tax reporting all income received by a foreign organization from sources in the Kyrgyz Republic, including those received on bank accounts of a foreign organization outside the Kyrgyz Republic.

Article 248

1. Income received from sources in the Kyrgyz Republic by a foreign organization that is not associated with a permanent establishment in the Kyrgyz Republic is subject to taxation in accordance with agreements on the avoidance of double taxation between the Kyrgyz Republic and the state of which the foreign organization is a resident.

2. If there is no agreement on the avoidance of double taxation between the Kyrgyz Republic and the state whose resident is a foreign organization receiving income from sources in the Kyrgyz Republic, the said income is taxed upon its payment to a foreign organization in accordance with parts 3-6 of this Article at the rates, established in article 249 of this Code.

3. Unless otherwise provided by this article and article 249 of this Code, taxation at the source of income without making deductions at the rates provided for in article 249 of this Code is subject to income recognized as received from a source in the Kyrgyz Republic in accordance with the requirements of articles 192 of this Code, not associated with a permanent establishment in the Kyrgyz Republic.

4. The following shall be recognized as payment of income specified in this article:

1) payment of money in cash and/or non-cash form, transfer of securities, shares of participation, goods. For the purposes of this chapter, the payment of income is not an increase in the number and value of securities or an increase in the value of the share of a participant in an organization when the authorized capital of an organization is increased at the expense of retained earnings;

2) performance of works, provision of services on the territory of the Kyrgyz Republic;

3) write-off or set-off of debt, made to pay off debt to a foreign organization for the payment of income from a source in the Kyrgyz Republic.

5. Taxation at the source of income is applied regardless of whether the payment is made in the territory or outside the Kyrgyz Republic.

6. Calculation, withholding and transfer to the budget of the amount of tax from the income of a foreign organization not associated with a permanent establishment in the Kyrgyz Republic, received from a source in the Kyrgyz Republic, is carried out by a tax agent paying income at the rates established in article 249 of this Code, except for the case when the tax agent is notified by the recipient of income that the income paid relates to the permanent establishment of the recipient of income in the Kyrgyz Republic, and the recipient of income has submitted to the tax agent a copy of the registration card and a certificate from the tax authority on his tax registration in the Kyrgyz Republic.

Article 249

Income from sources in the Kyrgyz Republic of a foreign organization that is not associated with a permanent establishment in the Kyrgyz Republic is subject to taxation with a withholding agent at the following rates:

1) dividends, interest income, except for interest income received from securities listed on the stock exchange of the Kyrgyz Republic in the highest and next to the highest listing category, income paid under agreements concluded in accordance with Islamic finance - 10 percent;

2) insurance premiums paid:

a) under contracts of insurance or reinsurance of risks, with the exception of payments under contracts of compulsory insurance - 5 percent;

b) under contracts of compulsory insurance or reinsurance for compulsory insurance of risks - 10 percent;

3) royalties, royalties - 10 percent;

4) works, services performed and rendered by a foreign organization on the territory of the Kyrgyz Republic - 10 percent;

5) telecommunications or transport services in international communications and transportation between the Kyrgyz Republic and other states - 5 percent.

Transportation between the Kyrgyz Republic and other states means any transportation by sea, river or aircraft, motor vehicle or rail transport, except for cases when transportation is carried out exclusively between points located outside or on the territory of the Kyrgyz Republic.

Article 250

1. A tax agent is obliged to submit a report on the amount of tax withheld by him as a source of income in the Kyrgyz Republic at the place of current tax accounting no later than the 20th day of the month following the month in which the payment of the amount of income was made.

2. The tax agent is obliged to the amount of tax withheld by him as a source of income in accordance with article 248 of this Code, pay to the budget at the place of current tax accounting no later than the 20th day of the month following the month of payment of income, in accordance with the conditions of articles 249 of this Code.

3. If a tax agent did not withhold or did not fully withhold tax on income paid to a foreign organization, then the tax agent shall be obliged to fulfill this tax obligation and responsible for its non-fulfillment in accordance with this Code.

SECTION IX. VALUE ADDED TAX

Chapter 35

Article 251. Concepts and terms used in this section

In this section, the following concepts and terms are used:

1) taxable import - import of goods, with the exception of imports exempt from VAT in accordance with this Code.

The import of goods from the territory of a member state of the EAEU to the territory of the Kyrgyz Republic is not taxable as an import in connection with their transfer:

a) from a taxpayer of a member state of the EAEU to its branch or representative office in the Kyrgyz Republic;

b) from a branch or representative office in a member state of the EAEU to a taxpayer of the Kyrgyz Republic, of which it is a branch or representative office;

2) supply of goods - sale of goods, gratuitous transfer of ownership of goods;

3) supply of services - performance of work and provision of services for payment;

4) taxable supply - a supply, the place of which is located on the territory of the Kyrgyz Republic, with the exception of exempted supplies.

Export from the territory of the Kyrgyz Republic to the territory of another member state of the EAEU of customer-supplied raw materials for processing outside the territory of the Kyrgyz Republic is equated to a taxable supply if more than 24 months have passed since the date of export of the customer-supplied raw materials and the products of processing have not been imported into the Kyrgyz Republic;

5) exempt supply - a supply whose place is outside the Kyrgyz Republic, as well as supplies specified in article 264 of this Code.

Article 252. Value added tax

VAT is a form of withdrawal to the budget of a part of the cost of a taxable supply, as well as taxable imports.

Article 253. VAT taxpayer

A VAT taxpayer is:

1) a taxpayer who pays taxes or whose activities are subject to taxation in accordance with the general tax regime;

2) an entity carrying out taxable imports;

3) a foreign organization specified in part 4 article 28 of this Code.

Article 254. VAT rate

1. Unless otherwise provided by this Code, the VAT rate is set at 12 percent of the taxable supply and taxable import.

2. The VAT rate is set at 0 percent for supplies specified in articles 302-306 and part 2 articles 430 of this Code.

3. The VAT rate is set at 12 percent for supplies by a foreign organization specified in part 4 article 28 of this Code.

Chapter 36

Article 255. Requirements and procedure for VAT registration

1. An entity carrying out entrepreneurial activities and paying taxes in accordance with the general tax regime is subject to registration for VAT on the date of its tax registration.

Procedure for registration of a foreign organization specified in part 4 article 28 of this Code as a VAT taxpayer is determined article 111 of this Code.

2. An entity carrying out entrepreneurial activities and paying taxes under the simplified taxation system based on a single tax, whose revenue for the last 12 consecutive months, or for a period of less than 12 consecutive calendar months, exceeded the amount of 30,000,000 soms, is obliged to register as a VAT taxpayer by submitting an application within a month after the expiration of the period in which the volume of its revenue exceeded the amount of 30,000,000 soms.

Registration for VAT comes into force on the first day of the month following the month in which the subject filed an application for registration.

3. If an entity that was required to register in accordance with the requirements of this part did not submit an application for registration or submitted it untimely, then it shall be recognized as an entity registered for VAT from the first day of the month following the month in which the entity was required to register as VAT taxpayer.

Article 256. Cancellation of VAT registration

1. Cancellation of VAT registration of an entity that pays taxes on the basis of the general tax regime, whose revenue for the last 12 consecutive months amounted to less than 30,000,000 soms, and that made a decision to switch to a simplified taxation system based on a single tax, is carried out on the basis of his application for the transition to a simplified taxation regime.

2. Cancellation of registration for VAT shall enter into force on the first day of the month following the month in which the subject filed an application for switching to a simplified taxation regime.

3. If a VAT taxpayer ceased to carry out activities in connection with the liquidation of an organization or the termination of the activities of an individual entrepreneur, he is obliged to apply to the tax authority at the place of registration in order to cancel the registration for VAT no later than the month in which the activities were terminated.

Cancellation of VAT registration takes effect from the day following the day of filing the application.

4. Registration for VAT shall be canceled upon initiation of bankruptcy proceedings of a taxable entity. Cancellation of registration is carried out at the request of a special administrator, who is obliged to submit an application within 10 working days following the day the bankruptcy process began.

5. A taxpayer applying the regime established article 324 of this Code, is obliged to apply to the tax authority for the purpose of canceling the registration within five days from the date of application of this regime.

6. When submitting an application for the transition from the general tax regime to the special tax regime, a VAT taxpayer or a special administrator must submit VAT tax returns.

7. Cancellation of VAT registration does not release the taxpayer from the fulfillment of the VAT tax obligation, as well as from the payment of interest, penalties and tax sanctions accrued and / or subject to accrual in accordance with this Code.

Chapter 37. Object of taxation

Article 257. Object of taxation

1. The object of VAT taxation are:

- 1) a taxable supply;
- 2) taxable imports.

2. The sale of a virtual asset is not subject to VAT taxation.

Article 258. Delivery of goods, works and services

1. Delivery of goods is:

1) transfer of ownership of the goods to another person, including the transfer of goods by the employer to the employee as wages or other payments provided for by the Labor Code of the Kyrgyz Republic, the transfer of pledged property to pay off the debt of the pledger under the debt obligation;

2) transfer of property to financial lease;

3) supply of electricity, natural and liquefied gas, heat, water, refrigeration and air conditioning services;

4) return of goods in accordance with the customs procedure for re-import, exported earlier in accordance with the customs procedure for export.

2. The supply of work and/or services is the performance by the taxpayer for payment of activities other than the supply of goods, including:

1) provision of property for temporary possession and use under property lease (lease) agreements;

2) performance of work, provision of services by the employer to an employee as remuneration in accordance with the Labor Code of the Kyrgyz Republic.

3. The supply of ancillary works or services related to the supply of goods, when the supply of goods is primary in relation to the supply of such works or services, shall be part of the supply of goods.

4. In the event that the supply of works or services is primary in relation to the supply of goods, the supply of related goods associated with the supply of works or services shall be part of the supply of works or services.

5. The supply of work or service related to the import of goods is part of the import of goods.

6. The supply of goods, works or services carried out in violation of the legislation of the Kyrgyz Republic is recognized as a taxable or exempt supply in accordance with this section.

7. Upon transition of a taxpayer from the general tax regime to a special tax regime, as well as the liquidation of an organization or the termination of the activities of an individual entrepreneur, bankruptcy through liquidation or restructuring, the balances of inventories, fixed assets and intangible assets acquired during the tax payment period in accordance with with a tax regime are recognized as realized at their book value.

8. The transfer of goods is not a delivery:

- a) under a simple partnership agreement or under a Sharika agreement, without forming an organization, in accordance with Islamic finance;
- b) under a trust management agreement;
- c) under a financial lease agreement;
- d) if the ownership of the goods is not transferred to another entity;
- e) upon reorganization of the organization.

9. Non-delivery goods loss:

- a) within the norms of natural loss established by the legislation of the Kyrgyz Republic;
- b) within the technological norms of losses of raw materials and materials in the process of production of goods, established by the tax policy of the taxpayer;
- c) as a result of force majeure circumstances.

10. The use or disposal of waste within the technological norms of waste raw materials and materials in the process of production of goods established by the tax policy of the taxpayer is not a supply.

11. The value of the goods lost as a result of force majeure must be documented by the conclusion of an independent expert commission consisting of representatives of the Chamber of Commerce and Industry and / or relevant bodies in the manner prescribed by the Cabinet of Ministers.

Article 259. Delivery of goods, works, services carried out by an agent

1. The supply of goods, works, services carried out by an agent on behalf of the principal - the taxpayer of the Kyrgyz Republic, is recognized as the supply of the principal.

2. Delivery of goods, works, services carried out by an agent on behalf of:

1) the principal - the taxpayer of the Kyrgyz Republic, carried out by the agent on its own behalf, is recognized as the supply of the agent, unless otherwise provided by this article.

For the purposes of this paragraph, the transfer of goods by the principal to the agent is recognized as a taxable supply on the date of delivery of the goods by the agent;

2) the principal - a foreign organization or a non-resident individual who is not a VAT taxpayer, is included in the agent's supply.

Article 260. Import of goods carried out by an agent

1. Import of goods carried out by an agent on behalf of the principal shall be recognized as import carried out by the principal himself.

2. Import of goods carried out by an agent on its own behalf shall be recognized as import carried out by an agent.

For the purposes of this Part, VAT on imports is creditable to the agent provided that the agent is a VAT taxpayer.

3. Import of goods carried out by an agent - a foreign organization whose activities do not lead to the formation of a permanent establishment in the Kyrgyz Republic, as

well as by an individual - non-resident, is recognized as import carried out by the principal - the taxpayer of the Kyrgyz Republic.

4. Import of goods carried out by an agent - taxpayer of the Kyrgyz Republic shall be recognized as import carried out by an agent if the import is carried out in favor of the principal - a foreign organization whose activities do not lead to the formation of a permanent establishment in the Kyrgyz Republic, as well as an individual - a non-resident of the Kyrgyz Republic.

Article 261

1. The date of occurrence of a tax obligation is the date of delivery, unless otherwise provided by this article.

2. Delivery date:

1) for goods - the date of transfer of ownership of goods to the buyer;

2) for works performed or services rendered, the date on which all work is completed or services are rendered.

3. For completed construction and installation works, the date of occurrence of the tax liability is the date when the work is completed and paid for.

4. In cases where an invoice is issued or payment is received prior to the date of taxable delivery, the tax liability date is the date the invoice is issued or the date payment is received, whichever is earlier.

5. The date of occurrence of the tax liability for VAT upon import of foreign goods is determined in accordance with the customs legislation of the EAEU and the legislation of the Kyrgyz Republic in the field of customs affairs.

6. The date of occurrence of a tax liability when importing goods from the EAEU member states is the later of the following dates, unless otherwise provided by this part:

1) date of import of goods into the territory of the Kyrgyz Republic;

2) the date determined by the accounting rules for the reflection of goods in the accounting records of the taxpayer.

When importing goods from the EAEU member states, the date of the tax liability arising from the agent in accordance with article 259 of this Code is the date of importation of goods into the territory of the Kyrgyz Republic.

7. When importing to the territory of the Kyrgyz Republic from the territory of another member state of the EAEU customer-supplied raw materials for processing in the territory of the Kyrgyz Republic, if the products of processing were not exported within 24 months outside the territory of the Kyrgyz Republic, the date of occurrence of the tax obligation is the date of import of raw materials to be customer-supplied.

8. When exporting tolling raw materials from the territory of the Kyrgyz Republic to the territory of another EAEU member state for processing, if the processed products were not imported into the territory of the Kyrgyz Republic within 24 months, the date of occurrence of the tax liability is the date of exportation of raw materials to be given.

Article 262. Place of delivery of goods

Unless otherwise provided by this section, the place of delivery of the goods shall be the place where the supplier delivered the goods, or if the delivery includes transportation, the place of delivery of the goods is the location of the goods at the time of commencement of the transportation.

In case of delivery of goods by a taxpayer of one EAEU member state to a taxpayer of another EAEU member state, when the transportation (transportation) of goods is started outside the EAEU and completed in another EAEU member state, the place of delivery of goods is recognized as the territory of the EAEU member state on whose territory the goods placed under the customs procedure for release for domestic consumption.

Article 263. Place of supply of works and/or services

The territory of the relevant state is recognized as the place of supply of works, services, if:

1) works, services are directly related to immovable property located in the territory of this state.

The provisions of this paragraph shall also apply to services for renting, hiring and providing for use on other grounds of immovable property;

2) works, services are directly related to movable property, vehicles located on the territory of this state, with the exception of rent, leasing and provision of vehicles for use on other grounds;

3) services in the field of culture, art, training (education), physical culture, tourism, recreation and sports are provided on the territory of this state;

4) the taxpayer of this state acquires:

a) consulting, legal, accounting, auditing, financial, engineering, advertising, design, marketing services, insurance services, information processing, as well as research, development and experimental-technological (technological) work;

b) works, services for the development of software and databases (software and information products of computer technology), their adaptation and modification, maintenance of such programs and databases, as well as services in electronic form;

c) services for the provision of personnel in case the personnel works at the buyer's place of business.

The provisions of this paragraph shall also apply:

- when transferring, granting, assigning patents, licenses, other documents certifying the rights to industrial property objects protected by the state, trademarks, trade names, service marks, copyrights, related rights or other similar rights;

- when renting, leasing and providing for use on other grounds of movable property, with the exception of renting, leasing and providing for use on other grounds of vehicles;

- when services are rendered by a person who engages on its own behalf for the main participant in the agreement (contract) or on behalf of the main participant in the

agreement (contract) another person to perform the work, services provided for in this clause;

5) works are performed, services are provided by the taxpayer of the Kyrgyz Republic, with the exception of works and services provided for in paragraphs 1-4 of this article.

The provisions of this paragraph shall also apply to the rental, leasing and provision for use on other grounds of vehicles;

6) the place of supply of electronic services in accordance with subparagraph "b" of paragraph 4 of this article is the territory of the Kyrgyz Republic, if one of the following conditions is met:

a) an organization or an individual entrepreneur purchasing electronic services operates on the territory of the Kyrgyz Republic on the basis of state registration; or

b) services are provided to a branch, representative office, permanent establishment of an organization located on the territory of the Kyrgyz Republic, or purchased for such a branch, representative office, permanent establishment and consumed by it; or

c) the location of the permanent executive body (place of management) of the organization, which is not the place of state registration, where business activities are actually carried out or services are consumed, as well as the place of residence of an individual entrepreneur is located on the territory of the Kyrgyz Republic;

7) in relation to an individual who is not an individual entrepreneur and who purchases the services specified in article 32 of this Code, the territory of the Kyrgyz Republic is recognized as the place of delivery if at least one of the following conditions is met:

a) the place of residence of the buyer is the Kyrgyz Republic;

b) the location of the bank in which the account is opened, used by the buyer to pay for services, or the electronic money operator through which the buyer pays for services - in the territory of the Kyrgyz Republic;

c) the buyer's network address used when purchasing services is registered in the Kyrgyz Republic;

d) the international country code of the telephone number used to purchase or pay for services is assigned by the Kyrgyz Republic.

Chapter 38. Exempt supplies and supplies with zero VAT rate

Article 264. Exempt deliveries

A supply is exempt from VAT in accordance with this Code if it is one of the types of supplies specified in articles 265-296 of this Code.

Article 265. Delivery of immovable property

A VAT-exempt supply is the sale of:

1) residential buildings and premises classified as housing stock in accordance with the documents of the state registration authority, or the lease of residential

premises, with the exception of the rental of hotel-type premises, boarding houses, health resorts for recreation and treatment;

2) land plots, as well as the provision of agricultural land plots for rent;

3) enterprises by one VAT taxpayer to another VAT taxpayer.

For the purposes of this Article, an enterprise shall be recognized as the aggregate of assets and liabilities of a taxpayer or its separate subdivision.

Article 266. Supply of agricultural products and products of their processing

1. The supply by an agricultural producer, agricultural cooperative of agricultural products of its own production, as well as products of its processing, is a supply exempt from VAT.

2. The supply of agricultural products and processed products by an agricultural cooperative, received from agricultural producers that are members of the cooperative, is a supply exempt from VAT.

3. Supply of goods, works, services by an agricultural cooperative to members of this cooperative is a supply exempt from VAT.

4. The supply by a trade and logistics center for agricultural purposes of agricultural products and products of their processing received from agricultural producers and agricultural cooperatives is a supply exempt from VAT.

5. A supply exempt from VAT is the supply by a machine-tractor station to an agricultural producer and an agricultural cooperative:

1) works with the use of agricultural machinery;

2) services for the maintenance and repair of agricultural machinery;

3) spare parts for agricultural machinery.

6. The supply of feed for poultry and fish made by a taxpayer to an agricultural producer engaged in breeding poultry and fish is a supply exempt from VAT.

Article 267

The supply to an individual for domestic purposes of services for the use of sewerage, elevators, removal of solid and liquid waste, as well as the supply of hot and cold water, heat energy, electricity and gas, including liquefied gas cylinders, is a supply exempt from VAT.

Article 268

1. The supply of prosthetic and orthopedic products, specialized products for persons with disabilities, including their repair, according to the lists approved by the Cabinet of Ministers, is a supply exempt from VAT.

2. The supply of medicines, including vaccines and medicines for animals, medical devices, as well as raw materials used in the manufacture of medicines according to the lists approved by the Cabinet of Ministers, is a supply exempt from VAT.

Article 269

1. The supply by a specialized organization of a service for technological connection to utility networks of new construction/reconstruction/re-profiling/re-planning

facilities and/or constructed facilities, but not connected to utility networks, is a supply exempt from VAT.

2. The list of specialized organizations specified in this article is approved by the Cabinet of Ministers.

Article 270. Financial services

1. The supply of financial services is a supply exempt from VAT.

2. The supply by banks of property, including land plots, received to pay off the debt of bank borrowers, including under agreements in accordance with Islamic finance, is exempt from VAT within the amount of debt on a loan or under an agreement in accordance with Islamic finance.

3. The supply by banks of residential buildings classified as housing stock in accordance with the documents of the state registration authority, received as a repayment of debts of bank borrowers, including under agreements in accordance with Islamic finance, is exempt from VAT.

4. The supply by banks of refined standard and measured bullions, investment coins made of gold, silver, platinum and palladium is a supply exempt from VAT.

Article 271. Supply of goods related to Islamic finance transactions

A supply exempt from VAT is:

1) delivery by the bank of goods under the agreements of murabaha, salam and istisnaa / parallel istisnaa in accordance with Islamic finance;

2) the transfer and return of goods between the client and the bank under the agreement of Sharika / decreasing Musharaka in accordance with Islamic finance.

Article 272. Supply of goods related to financial services

A supply exempt from VAT is:

1) delivery of goods by the bank:

a) for transfer as fixed assets under a financial lease, under an Ijara Muntahiya Bittamlik agreement in accordance with Islamic finance;

b) under the Murabaha agreement in accordance with Islamic finance;

2) the supply of goods by the supplier in the event that the supply is made in accordance with a financial lease agreement, an Ijara Muntahiya Bittamlik agreement or a Murabaha agreement in accordance with Islamic finance:

a) intended for use as a fixed asset under a finance lease;

b) under a Murabaha agreement in accordance with Islamic finance, if the client is a VAT taxpayer.

Article 273. Insurance services

The supply of insurance, co-insurance and reinsurance services is a supply exempt from VAT. The services of a broker or agent associated with the provision of these services are VAT-exempt supplies.

Article 274. Pension services

The supply of pension provision services, services related to the payment of pensions, and services for the trust management of property of pension funds, with the exception of the lease of property, is a supply exempt from VAT.

Article 275. Transport services

1. Passenger transportation on the territory of the Kyrgyz Republic is a supply exempt from VAT.

2. The international carriage of passengers, baggage and cargo carried out by rail is a supply exempt from VAT.

Article 276. Supply of teaching aids and school supplies, scientific publications in the state language

The supply of textbooks, anthologies, scientific, literary and artistic books, magazines, publications for children in the state language is a supply exempt from VAT.

Article 277

Works on the processing of customer-supplied raw materials imported into the territory of the Kyrgyz Republic and placed under customs procedures for the processing of goods in the customs territory and processing of goods for domestic consumption are a supply exempt from VAT.

Article 278. Warranty repair services

Services for the warranty repair of a fixed asset imported into the territory of the Kyrgyz Republic from the territories of the EAEU member states, including its restoration, replacement of components, are a supply exempt from VAT.

Article 279. Delivery of goods on the territory of a customs warehouse

Delivery of goods on the territory of a customs warehouse is a delivery exempt from VAT.

Article 280

The supply of identification means, as well as services for the issuance and generation of product labeling codes, is a supply exempt from VAT.

Article 281. Supplies of charitable organizations

Deliveries made by charitable organizations for charitable purposes in accordance with the legislation of the Kyrgyz Republic on philanthropy and charitable activities are supplies exempt from VAT.

Article 282

1. The supply of services by preschool educational organizations (kindergartens established on the basis of a private form of ownership) is a supply exempt from VAT.

2. Services rendered by general educational organizations created on the basis of a private form of ownership are services exempt from VAT.

Article 283

1. The supply of goods of own production, works and services carried out by correctional institutions and enterprises of the penitentiary system of the Ministry of Justice of the Kyrgyz Republic is a supply exempt from VAT.

2. The supply of goods by entities operating in the territory of correctional institutions of the penitentiary system, provided that the number of employed convicts serving sentences in correctional institutions is at least 60 percent of the total number of employees in these enterprises, is a supply exempt from VAT.

Article 284. Supply of technologies, equipment and its components that meet the requirements of energy and resource efficiency

1. The supply of technologies, equipment and its components that meet the requirements of energy and resource efficiency, determined by the Cabinet of Ministers, is a supply exempt from VAT.

2. The list of technologies, equipment and its components specified in part 1 of this article is approved by the Cabinet of Ministers.

Article 285. Privatization

The supply of state property in accordance with the legislation on privatization is a supply exempt from VAT.

Article 286

The supply of hemodialysis services by private medical organizations to persons with end-stage chronic renal failure is a supply exempt from VAT.

Article 287. Deliveries made by non-commercial organizations

1. Deliveries made by a non-profit organization are exempt from VAT if they are:

- 1) for social security and protection of disabled citizens, low-income families, orphanages and nursing homes;
- 2) in the field of education, medicine, science, culture and sports.

2. The VAT exemption for supplies provided for by this article applies to supplies by a non-profit organization that does not carry out other supplies, except for those specified in this article, within 12 consecutive calendar months.

Article 288. Delivery free of charge

1. Transfer on a gratuitous basis of objects of social and cultural, sports and recreational, housing and communal purposes, roads, electrical networks, substations, boiler houses and heating networks, gas networks, hydroelectric power plants, thermal power plants, hydraulic structures, water intake structures, mining - mine equipment, civil defense facilities in the ownership of business entities with a state share of more than 50 percent and / or specialized organizations that are the property of the Kyrgyz Republic, or local governments that use and operate these facilities for their intended purpose, is a supply exempt from VAT.

2. Transfer on a gratuitous basis of fixed assets to the ownership of organizations by decision of the Cabinet of Ministers or local governments is a supply exempt from VAT.

3. The transfer to a specialized organization on a gratuitous basis of engineering networks that ensure the vital activity of housing facilities is a supply exempt from VAT, and is carried out on the basis of an act of acceptance of the object into operation.

4. The list of specialized organizations referred to in parts 1 and 3 of this article and the procedure for the acceptance and transfer on a gratuitous basis of the objects specified in part 1 of this article is approved by the Cabinet of Ministers.

Article 289

Supplies of mineral fertilizers, chemical plant protection products, the list of which is determined by the Cabinet of Ministers, are supplies exempt from VAT.

Article 290. Supply of agricultural machinery produced at the enterprises of the Kyrgyz Republic

The supply to a domestic agricultural producer of agricultural machinery manufactured at the enterprises of the Kyrgyz Republic, according to the list approved by the Cabinet of Ministers, is a supply exempt from VAT.

Article 291

The supply of vehicles driven only by an electric motor, produced at the enterprises of the Kyrgyz Republic, is a supply exempt from VAT.

Article 292. Supply and export of metal-containing ores, concentrates, alloys and refined metals

The supply and export of metal-containing ores, concentrates, alloys and refined metals is a supply exempt from VAT.

Article 293

Supplies of goods, works, services carried out by private partners and (or) the project company in the process of implementing public-private partnership agreements subject to approval by the Cabinet of Ministers are supplies exempt from VAT during the period specified in the public-private partnership agreement.

Article 294

The supply by a refueling organization of jet fuel as in-flight supplies for refueling aircraft engaged in international air transport is a supply exempt from VAT.

Article 295

1. The supply of goods or works in accordance with an agreement on a socially significant object is a supply exempt from VAT.

2. For the purposes of this article:

1) an agreement on a socially significant facility is a tripartite agreement on the production and/or construction or acquisition of a socially significant facility between:

a) a grantmaker, on the one hand;

b) the contractor of works or the supplier of goods, on the other hand;

c) a government agency or a government agency or a local government body, from a third party;

2) an agreement on a socially significant object is recognized as valid if:

a) the transfer of work or the supply of goods to a state body or a state institution, or a local government body was carried out no later than 3 years from the date of conclusion of such an agreement during the construction or production of a socially significant facility and no later than one year from the date of import into the territory of the Kyrgyz Republic in case of import a socially significant object or the date of acquisition of such an object in the territory of the Kyrgyz Republic;

b) the contractor of works or the supplier of goods has notified the tax authority at the place of tax registration of the conclusion of an agreement on a socially significant object no later than 30 calendar days following in a row after the date of conclusion of such an agreement.

The requirement to submit a notification applies to changes and additions to the contract on a socially significant object no later than 30 calendar days following in a row the date of making such changes and additions. The form of notification of the conclusion of an agreement on a socially significant object or the introduction of amendments and additions to such an agreement is established by the Cabinet of Ministers;

3) a socially significant object is a product that:

a) designed to meet the needs of the population in the field of health, education, culture, sports and social infrastructure; and

b) produced or built, or purchased at the expense of the grantor; and

c) transferred for further use to a state body or a state institution, or a local self-government body;

4) a grantor is an individual or individuals and / or an organization or organizations that provide a grant for the production and / or construction and / or acquisition of a socially significant object with its subsequent transfer for further use to a state body or state institution, or local government on the basis of a tripartite agreement on a socially significant facility.

Article 296. Other supplies exempt from VAT

A supply exempt from VAT is:

1) the transfer of property to the authorized capital of the organization, as well as the return by the organization of the amount of the contribution to the participant in the form of property;

2) transfer and return of property between a partner and an organization under a Sharika agreement in accordance with Islamic finance;

3) provision of services for conducting religious rites, rituals, ceremonies, as well as services for organizing and conducting pilgrimages;

4) provision of frequency (power) control services in the EAEU, if the place of their delivery is the territory of the Kyrgyz Republic.

Article 297. VAT exemption for imported goods

1. The following goods imported into the territory of the Kyrgyz Republic are exempt from VAT:

1) securities, forms of passports and identity cards of a citizen of the Kyrgyz Republic in the established form;

2) specialized goods for persons with disabilities;

3) teaching aids and school supplies, scientific publications;

4) goods for which exemption from VAT is provided within the framework of customs procedures determined by international treaties and acts regulating customs legal relations that constitute the law of the EAEU, and the legislation of the Kyrgyz Republic in the field of customs;

5) scientific equipment for geological (geophysical, geodetic) expeditions to measure and control the seismic situation;

6) stamps of excise duty, means of identification and currency, except for those used for numismatic purposes;

7) to provide assistance in the aftermath of natural disasters, armed conflicts;

8) as humanitarian aid and/or grants in the manner determined by the Cabinet of Ministers;

9) under an agreement on a socially significant object, in the manner and under the conditions established by part 2 articles 295 of this Code;

10) for official use by diplomatic missions and consular offices of foreign states and international organizations, as well as for personal use by diplomatic agents, including members of their families, in accordance with international treaties;

11) baby food;

12) natural gas;

13) medicines, including vaccines and medicines for animals, medical devices, as well as raw materials used in the manufacture of medicines;

14) specialized goods for the construction and reconstruction of a glass melting furnace and a converter (ferroalloy furnace);

15) banking equipment (ATMs, POS-terminals with cash register function, payment terminals and bank kiosks) - until January 1, 2023;

16) electricity;

17) vehicles driven only by an electric motor, classified in the heading TN VED EAEU 870240 and 870380;

18) equipment for charging with electricity vehicles driven only by an electric motor, classified in the headings TN VED EAEU 8504 40 550 0 and 8504 90 980 0;

19) jet fuel imported by refueling organizations as on-board supplies for refueling aircraft engaged in international air transportation;

20) specialized goods and equipment intended for the construction of power plants based on the use of renewable energy sources;

21) component parts intended for the assembly of tractors and motor vehicles;

22) equipment and its components that meet the requirements of energy and resource efficiency, determined by the Cabinet of Ministers;

23) raw materials intended for the production of vegetable oil, feed for birds and fish - until January 1, 2025;

24) cash registers included in the Register of cash registers;

25) refined standard and measured ingots, investment coins imported by the National Bank - until January 1, 2024.

2. Import of goods specified in paragraphs 2, 3, 11, 13, 14, 20-23 of part 1 of this article is exempt from VAT according to the list approved by the Cabinet of Ministers, in accordance with the Commodity Nomenclature for Foreign Economic Activity of the EAEU (hereinafter - TN VED).

Article 298. VAT exemption for imported breeding farm animals and seed materials, mineral fertilizers and chemical plant protection

1. Breeding farm animals and seed materials, mineral fertilizers and chemical plant protection products imported into the territory of the Kyrgyz Republic are exempt from VAT.

2. Import of goods specified in this article is exempt from VAT according to the list approved by the Cabinet of Ministers, in accordance with the FEACN.

Article 299. VAT exemption for imported weapons, military equipment, military property, special equipment and special means

1. Arms, military equipment, military property, special equipment, special means imported into the territory of the Kyrgyz Republic by state bodies and organizations, whose activities are financed from the state budget of the Kyrgyz Republic, are exempted from VAT in order to ensure the defense capability, national security and law and order of the Kyrgyz Republic .

2. Import of goods specified in this article is exempt from VAT according to the list approved by the Cabinet of Ministers, in accordance with the FEACN.

Article 300

The following items temporarily imported by domestic organizations into the customs territory of the EAEU in the Kyrgyz Republic are exempted from VAT:

1) aircraft with a year of manufacture of not more than 15 years, classified by the codes of the unified TN VED 8802 40 003 5, 8802 40 003 6 and 8802 40 004 6;

2) engines and spare parts for aircraft provided for by this article, according to the list approved by the Cabinet of Ministers.

Article 301

1. Import into the territory of the Kyrgyz Republic of goods, the value of which is at least 5,000 calculated indicators, imported into the territory of the Kyrgyz Republic by a VAT taxpayer, is exempt from import VAT if the goods are imported as:

1) fixed assets directly for their own production purposes;

2) goods purchased under the Murabaha and Ijara Muntahiya Bittamlik agreements in accordance with Islamic finance.

2. The exemption provided for by paragraph 1 of this article applies to goods and fixed assets classified in the commodity items of the TN VED 8401-8406, 840710, 8410-8414, 8416-8447, 8449-8465, 8471, 8474, 8475, 8477-8480, 8504, 8505, 8514, 8515, 8525, 8526, 8529, 8530, 8601-8606, 8608, 8609, 8701, 8702 (excluding minibuses), 8704, 8705, 8709, 87. 9406 90 310 0.

3. The import of fixed assets provided for by part 2 of this article, carried out for its own production purposes, is exempt from paying VAT, regardless of the status of an economic entity as a VAT taxpayer:

- 1) an agricultural producer;
- 2) an agricultural cooperative, including for the production purposes of members of the cooperative;
- 3) machine and tractor station;
- 4) trade and logistics center for agricultural purposes;
- 5) an economic entity under a financial lease (leasing) agreement;
- 6) jewelry manufacturer.

4. In the event of the alienation of a fixed asset imported in accordance with this article from the territory of a member state of the EAEU before the expiration of a 60-month period from the date of import, such alienation shall be treated as a taxable import. The tax liability for import VAT arises from the date of import of such fixed asset.

5. For the purposes of this article, the transfer of goods is not an alienation:

- 1) under a financial lease agreement;
- 2) under the Murabaha and Ijara Muntahiya Bittamlik agreements in accordance with Islamic finance.

6. The import of a fixed asset provided for by paragraph 2 of this article, carried out by an agricultural cooperative directly for its own production purposes, as well as for the production purposes of members of the cooperative, shall be exempt from paying VAT on imports without taking into account the value limitation provided for by paragraph 1 of this article.

Article 302

1. Works on the processing of customer-supplied raw materials imported into the territory of the Kyrgyz Republic from the territory of another member state of the EAEU with the subsequent export of processed products to the territory of another state are subject to VAT at a zero rate, subject to the conditions and terms for the processing of customer-supplied raw materials provided for by this Code.

2. The list of documents confirming the fact that a taxpayer of the Kyrgyz Republic has performed work on the processing of give-and-take raw materials imported into the territory of the Kyrgyz Republic from the territory of a member state of the EAEU, with the subsequent export of processed products outside the Kyrgyz Republic, as well as the conditions for processing give-and-take raw materials are determined by the Cabinet of Ministers.

Article 303. Export of goods

1. Export of goods, except for the export of metal-containing ores, concentrates, alloys and refined metals, is a supply with a zero VAT rate.

2. When exporting goods to a member state of the EAEU, as well as when exporting products of processing of tolling raw materials, the VAT taxpayer is obliged, within 180 days from the date of shipment of the said goods, to submit to the tax authority simultaneously with VAT tax reporting documents in accordance with the List approved by the Cabinet Ministers.

Article 304. International transportation

1. International carriage of passengers, baggage and cargo, with the exception of carriage by rail, is a delivery with a zero VAT rate.

2. Transportation is considered international if transportation is carried out from the territory of the Kyrgyz Republic to the territory of another state or from the territory of another state to the territory of the Kyrgyz Republic.

3. The list of documents confirming international transportation is approved by the Cabinet of Ministers.

Article 305

1. Services for servicing transit flights of aircraft, as well as services related to international transportation, with the exception of services related to international transportation by rail, are supplies with a zero VAT rate.

2. In this article, the services related to the international carriage of passengers, baggage and cargo are the services:

- 1) for loading, unloading, reloading, loading and unloading;
- 2) forwarding;
- 3) refueling and/or unloading aviation fuel;
- 4) for air navigation, meteorological, ground navigation, airport and ground services;
- 5) maintenance;
- 6) for the supply and delivery of in-flight meals and drinks;
- 7) aircraft cleaning;
- 8) for the sale and booking of tickets for international transportation and for transportation outside the territory of the Kyrgyz Republic.

Article 306

Services related to the supply of electricity to pumping stations that irrigate agricultural land and provide the population with drinking water are supplies with a zero VAT rate.

Chapter 39

Article 307. Tax base

1. The tax base for VAT on a taxable supply is the taxable value of the supply determined in accordance with article 308 of this Code.

2. The tax base for VAT on taxable imports of goods imported from states that are not members of the EAEU is the taxable value of imported goods, determined in accordance with article 310 of this Code.

3. The tax base for VAT on taxable imports of goods imported from the EAEU member states is the taxable value of imported goods, determined in accordance with article 311 of this Code.

Article 308. Taxable value of supplies

1. Except as otherwise provided in this section, the taxable value of a supply is the total amount payable or payable in respect of such supply, excluding VAT and sales tax.

2. In relation to the supply of works or services in the territory of the Kyrgyz Republic, carried out by a foreign organization whose activities do not lead to the establishment of a permanent establishment in the territory of the Kyrgyz Republic, the taxable cost of the supply is the total amount paid or payable, excluding VAT.

3. In cases where payment is made in kind, the taxable value of the supply is the market price of the delivered goods, works, services, net of VAT and sales tax.

4. When goods are supplied free of charge, the taxable value of the supply is the accounting value of the goods.

5. The taxable value cannot be lower than the accounting value, except for the supply of goods, works, services at state regulated prices.

6. The taxable value of the supply also includes:

1) the amount of taxes payable on or in connection with the supply, excluding VAT and sales tax;

2) the amount of subsidies allocated from the budget in connection with the use by the taxpayer of state regulated prices or benefits provided in accordance with the legislation of the Kyrgyz Republic to individual consumers in the sale of goods, works, services.

7. The taxable cost of delivery does not include state duties paid in accordance with the legislation of the Kyrgyz Republic.

8. In this section, book value means:

1) for inventory - the cost of acquisition and production;

2) for fixed assets and intangible assets - acquisition and production costs reduced by the amount of accrued depreciation in accordance with the legislation of the Kyrgyz Republic on accounting.

Article 309

1. If the value of the delivered goods, works, services changes, the value of the taxable supply shall be adjusted accordingly.

2. Adjustment of the value of a taxable supply is made in cases of changes in the terms of the transaction, including:

1) full or partial return of goods;

2) price change;

3) refusal of performed works and/or services;

4) refund of payment for goods, works, services.

Adjustment of the value of a taxable supply, including VAT, is carried out in the tax period in which the cases specified in this part took place.

3. If all or part of the cost of the supply of goods, works, services is a bad debt, then the VAT taxpayer has the right to adjust the cost of the taxable supply by the amount of the bad debt in the tax period in which the debt was recognized as bad debt.

4. In case of receipt of payment for the delivered goods, works, services after the VAT payer uses the right granted to him by part 3 of this article, the cost of the taxable supply is subject to increase by the value of the specified payment in the tax period in which the payment was received.

5. If the obligation of a VAT taxpayer on acquired material resources is recognized as doubtful, the amount of VAT included in this obligation shall be excluded from the offset in the tax period in which the obligation is recognized as doubtful.

If the doubtful obligation is paid in full or in part, then the amount of VAT for the acquired material resources relating to the paid part of the obligation is subject to offset in the tax period in which the payment was made.

6. Adjustment of the amount of VAT for the acquired material resources is made according to the amount of VAT:

1) previously accepted for offset, when the acquired material resources are subsequently used not to create taxable supplies;

2) previously included in the cost of acquired material resources, when they are subsequently used to create taxable supplies, including in connection with changes in tax legislation.

The adjustment provided for by this subparagraph shall apply to material resources that were used to create taxable supplies after the effective date of the said change in tax legislation.

7. When the value of the acquired material resources changes in the cases specified in this article, the VAT for the acquired material resources is adjusted accordingly. The amount of the adjustment is subject to offset or excluded from the offset in the tax period in which the cases referred to in this part took place.

8. The cost of the taxable supply and the amount of VAT for the acquired material resources on invoices recognized as invalid in accordance with this section are not subject to adjustment. This rule does not apply to cases where such an adjustment is made in the direction of increasing the tax liability for VAT.

Article 310

The taxable value of goods imported from states that are not members of the EAEU is the sum of their customs value, customs duties and taxes payable upon import of these goods, excluding VAT.

Article 311

1. Unless otherwise provided by this Code, the taxable value of the import of goods is determined on the basis of the value of the purchased goods, provided for by the terms of the contract.

2. If, under the terms of the contract, the transaction price consists of the cost of the purchased goods, as well as other expenses, and the cost of the purchased goods and / or the cost of other expenses are specified separately, then the taxable value of imports is only the cost of the purchased goods.

3. If, under the terms of the contract, the transaction price consists of the value of the purchased goods, as well as other costs, and the value of the purchased goods and/or the cost of other costs are not specified separately, then the taxable value of imports is the transaction price specified in the contract.

4. The taxable value of imports of goods shall include the amounts of excise tax on imported excisable goods.

5. The taxable value of imports of goods that are products of processing of raw materials to be supplied shall be determined in the amount of the cost of work on the processing of this raw material to be supplied.

Article 312

1. The export of EAEU goods from the territory of a free warehouse to the rest of the territory of the Kyrgyz Republic, including when these goods are alienated in favor of persons who are not owners of free warehouses, is subject to import VAT.

2. Administration of VAT when moving goods through the territory of a free warehouse is carried out in accordance with the legislation of the EAEU and the legislation of the Kyrgyz Republic in the field of customs.

Chapter 40 Procedure for calculation, payment and refund of VAT

Article 313. Tax period

The tax period for calculating VAT is:

- 1) for taxable supplies - one calendar month;
- 2) for supplies to a foreign organization specified in part 4 article 28 of this Code - a calendar quarter.

Article 314. Procedure for calculating VAT

1. VAT is calculated in accordance with the procedure established by Part 1 article 43 of this Code.

2. The amount of VAT payable to the budget in respect of taxable supplies is determined as the difference between the amount of VAT calculated on all taxable supplies made by a VAT taxpayer in a tax period and the amount of VAT on acquired material resources subject to offset in the same tax period .

3. When a foreign organization, specified in part 4, provides article 28 of this Code, electronic services, the place of supply of which is the territory of the Kyrgyz Republic, the moment of determining the tax base is the last day of the tax period in which payment (partial payment) for the service was received.

Article 315. Procedure for offsetting VAT

1. Unless otherwise provided by this section, a VAT taxpayer shall be granted the right to offset the amount of VAT paid or payable for the acquired material resources used to create taxable supplies. If the purchased material resources are used by the VAT taxpayer partly to create taxable supplies, and partly for exempt and non-taxable supplies, the VAT amount for the acquired material resources is taken into account, determined based on the share of their use in taxable supplies.

2. For the purposes of this section, acquired material resources are fixed assets, goods, raw materials, materials, fuel, components, as well as work performed and services rendered, received or imported by a VAT taxpayer for the purpose of making deliveries.

3. The right to the offset provided for by part 1 of this article arises for a VAT taxpayer, provided that:

1) a VAT taxpayer:

a) goods, works and services were actually purchased from a VAT taxpayer; and

b) an invoice has been received, drawn up in accordance with the procedure established by this Code; and/or

c) cash and sales receipts have been received, which reflect: the name and TIN of the taxpayer of the VAT supplier; name, quantity and cost of goods with the allocation of the amount of VAT;

2) when importing goods from the territories of states that are not member states of the EAEU, a VAT taxpayer:

a) customs clearance of goods has been carried out in accordance with the customs legislation of the EAEU and / or the legislation of the Kyrgyz Republic in the field of customs; and

b) VAT on imports has been paid to the budget for imported goods;

3) when importing goods from the territories of the EAEU member states by a VAT taxpayer:

a) submitted tax reporting on indirect taxes; and

b) VAT on imports has been paid to the budget for imported goods;

4) a VAT taxpayer - a tax agent upon acquisition from a foreign organization whose activities do not lead to the establishment of a permanent establishment in the territory of the Kyrgyz Republic, works and / or services, the place of supply of which is recognized as the territory of the Kyrgyz Republic, VAT is paid to the budget and an invoice is issued in your address.

4. If the actual amount of acquired material resources differs from the amount indicated in the acquisition documents, and this difference is within the limits of natural wastage, the taxpayer is entitled to a credit for the amount indicated in the acquisition documents. Otherwise, the amount subject to offset is adjusted for the actual amount of acquired material resources.

Sectoral attrition rates and attrition rates for individual entities are developed by authorized state bodies and approved by the Cabinet of Ministers.

5. The right to set off is granted to the taxpayer in respect of the acquired material resources used to create taxable supplies, taking into account manufacturing defects and technological losses.

The norms of manufacturing defects and technological losses are established by the taxpayer in the tax policy.

6. A VAT taxpayer performing construction and installation works has the right to offset the amount of VAT paid for the acquired material resources used for production purposes to create taxable supplies.

7. Foreign organization specified in part 4 article 28 of this Code, the right to set off the amount of VAT paid or payable for the acquired material resources used to create taxable supplies is not granted.

Article 316. VAT for acquired material resources not subject to offset

1. VAT for acquired material resources is not subject to offset in respect of material resources acquired:

- 1) not for the creation of taxable supplies;
- 2) for geological prospecting and geological exploration during the term of the relevant license;
- 3) for the purpose of organizing leisure, entertainment, with the exception of VAT acquired by the taxpayer for the implementation of entrepreneurial activities in the field of entertainment and leisure.

2. VAT for acquired material resources is not subject to offset:

- 1) if such VAT is accepted for offset in violation of the provisions of this Code;
- 2) for lost material resources exceeding the norms of natural loss;
- 3) on an invalid invoice;
- 4) on an invoice that does not contain all the details provided for in the established form of an invoice.

3. VAT on acquired material resources, which is not subject to offset, is included in the accounting value of material resources, except for the cases specified in clauses 1 and 4 of part 2 of this article.

4. Not subject to VAT offset for acquired material resources if the VAT taxpayer applies the regime established article 324 of this Code.

Article 317

1. When a VAT taxpayer makes taxable and exempt supplies, if the value of exempt supplies for the tax period does not exceed 5 percent of the total cost of supplies, the amount of VAT paid for the acquired material resources is subject to offset in full.

2. Unless otherwise provided by this article, with the exception of the cases provided for by paragraph 1 of this article, VAT on acquired material resources subject to offset shall be calculated in the following order:

- 1) the amount of VAT for the acquired material resources intended for the creation of taxable supplies is subject to offset;

2) the amount of VAT for the acquired material resources intended for the creation of exempt deliveries is not subject to offset;

3) the remaining undistributed part of VAT is subject to offset in the following amount:

the amount of unallocated VAT $\times A / A + B$ = the amount to be offset, where:

A - taxable value of supplies for the tax period;

B - the cost of exempt deliveries made during the tax period.

3. When a bank, as a tax agent, purchases works or services, the place of supply of which is the territory of the Kyrgyz Republic, from a foreign organization whose activities do not lead to the establishment of a permanent establishment in the territory of the Kyrgyz Republic, the amount of VAT for the acquired material resources is subject to offset in full for each supply provided that VAT has been paid.

4. VAT credited in accordance with point 1 of part 2 of this article, upon the acquisition of material resources that are subsequently not used for the production of taxable supplies, shall be adjusted in the period in which these material resources were used to create exempt supplies and / or supplies, not subject to VAT.

Article 318

1. The tax base for lottery activities is the difference between the proceeds from the sale of lottery tickets and the amount of the paid prize fund attributable to this proceeds.

2. VAT paid for purchased material resources intended for the formation of the prize fund is not subject to offset.

Article 319

1. Tax reporting for VAT is submitted to the tax authority at the place of current tax accounting:

1) no later than the 25th day of the month following the reporting tax period - by a VAT taxpayer not administered by a functional subdivision of the authorized tax authority;

2) no later than the last day of the month following the reporting tax period - by a VAT taxpayer administered by a functional subdivision of the authorized tax authority.

2. VAT is paid no later than the 25th day of the month following the reporting tax period.

3. If the tax agent has not withheld or withheld incompletely the tax obligation provided for by this section, then the tax agent shall be obliged to fulfill this tax obligation and responsible for its failure to fulfill it in accordance with this Code.

Article 320. Submission of tax reporting and payment of VAT when importing goods

1. When importing goods into the territory of the Kyrgyz Republic from the territories of the EAEU member states, the taxpayer is obliged to submit to the tax authority at the place of current tax accounting tax reporting on indirect taxes no later than the 20th day of the month following the month in which the goods were imported.

Simultaneously with the tax reporting specified in this part, the taxpayer shall submit documents to the tax authority in accordance with the list approved by the Cabinet of Ministers.

2. VAT on imported goods is paid at the place of the current tax registration of the taxpayer no later than the 20th day of the month following the month in which the goods were imported.

The amount of indirect taxes calculated for payment according to tax reporting on indirect taxes must correspond to the amount of indirect taxes calculated in the application (applications) for the import of goods and payment of indirect taxes.

3. The form and procedure for filling out an application for the import of goods and payment of indirect taxes and tax reporting on indirect taxes on imported goods are approved by the Cabinet of Ministers.

4. Confirmation by the tax authority of the fact of payment of VAT on goods imported from the territories of the EAEU member states is carried out by putting an appropriate mark in the application for the import of goods and payment of indirect taxes or in another manner prescribed by the Cabinet of Ministers.

5. In case of non-payment or incomplete payment of VAT on imported goods, as well as inconsistency of documents submitted by the taxpayer with the requirements established by the tax legislation of the Kyrgyz Republic, the tax service body shall decide on a reasoned refusal to confirm the fact of payment of VAT on imports.

6. Payment of VAT on imports from goods imported from the territories of states that are not member states of the EAEU is carried out in the manner and terms established by the customs legislation of the EAEU and the legislation of the Kyrgyz Republic in the field of customs affairs, unless otherwise provided by this Code.

7. In the event that goods previously imported into the territory of the Kyrgyz Republic are used for purposes other than those in connection with which, in accordance with the legislation of the Kyrgyz Republic, exemption from VAT on imports is granted, VAT on the import of such goods shall be payable within the time limits established by this articles.

Article 321

1. A taxpayer shall not be subject to making amendments and additions to VAT tax returns based on facts based on invoices recognized as invalid in accordance with this section.

2. The norm of part 1 of this article does not apply to cases where changes and additions are made in the direction of increasing the tax liability for VAT.

3. In the event of the return of goods imported into the territory of the Kyrgyz Republic from the territories of the EAEU member states due to inadequate quality and / or incompleteness before the expiration of the tax period in which such goods were imported, the reflection of information on such goods in tax reporting on indirect taxes for imported goods, as well as in the application for the import of goods and payment of indirect taxes is not made.

4. When returning the goods specified in paragraph 3 of this article after the expiration of the tax period in which such goods were imported, information on such

goods shall be reflected in the revised tax reporting on indirect taxes on imported goods, as well as in the application for the importation of goods and payment indirect taxes.

5. For the purposes of this article, the list of documents confirming the return of goods imported into the territory of the Kyrgyz Republic from the territories of the EAEU member states is approved by the Cabinet of Ministers.

Article 322. Procedure for payment of VAT by individual VAT taxpayers

1. Unless otherwise provided by this section, the following types of activities are subject to VAT in accordance with this article:

1) industrial processing of agricultural products from raw materials of domestic production;

2) production of jewelry from domestically produced precious metals and scrap - until January 1, 2027.

2. In this article:

1) industrial processing of agricultural raw materials means a set or combination of successively performed various technological operations for the production (manufacture) of food products at a specific production facility, as well as technological operations associated with the production of finished products from agricultural raw materials that have undergone primary processing;

2) food products are products classified as food production in accordance with the State Classifier of Economic Activities, approved by the Cabinet of Ministers;

3) agricultural raw materials are products classified as agriculture in accordance with the State Classifier of Economic Activities, approved by the Cabinet of Ministers;

4) products of primary processing are domestic agricultural products that have undergone technological processing operations to preserve their quality and ensure long-term storage, used as raw materials in the subsequent (industrial) processing of products or sold without further industrial processing to consumers;

5) the production of jewelry is understood as a set of technological operations for the manufacture of jewelry, decorative and other products from precious metals and precious, semi-precious, synthetic stones or without them.

3. The amount of VAT payable to the budget by a VAT taxpayer for the activities specified in part 1 of this article and calculated in accordance with part 2 article 314 of this Code, is reduced by 80 percent, provided that the taxpayer maintains separate accounting.

Article 323

1. A simple partnership means an agreement on joint activities, as well as a partnership agreement concluded in accordance with Islamic finance.

2. Taxable supplies arising within the framework of the activities of a simple partnership are recognized as taxable supplies of a taxpayer who is entrusted with the obligation to keep records in accordance with a simple partnership agreement.

3. The taxpayer who is entrusted with the obligation to keep records in accordance with the simple partnership agreement has the right to offset VAT for the acquired material resources for the activities of a simple partnership.

Article 324

1. A taxpayer carrying out taxable imports of goods has the right to apply the regime of imputed VAT calculation on imports of goods in the manner prescribed by this article.

For the purposes of this article, the conditional charge of VAT on imports means the procedure for paying VAT, according to which the taxpayer is obliged to pay the amount of VAT accrued on the import of goods into the territory of the Kyrgyz Republic to a deposit account opened in the treasury system, subject to the subsequent export of these goods from the territory of the Kyrgyz Republic. Republic.

2. If the export of goods is confirmed within 180 days from the date of registration of imported goods, the amount of VAT on imports paid by the taxpayer to the deposit account is returned to the taxpayer's account upon his application in accordance with the Procedure and conditions for applying the regime of imputed VAT accrual on imports, established by the Cabinet of Ministers.

3. In case of non-confirmation of the export of goods within the established period, the amount of VAT on imports paid to the deposit account is transferred to the budget.

Article 325

1. Taxable supplies arising within the framework of trust management of property are recognized as taxable supplies of the trustee.

2. The trustee has the right to offset VAT for acquired material resources within the framework of trust management of property.

Article 326. Reimbursement of excess VAT

1. The amount of excess VAT is the positive difference between the amount of VAT on acquired material resources subject to offset and the amount of VAT accrued on taxable supplies of a VAT taxpayer.

2. Reimbursement of the amount of excess VAT is the attribution of the amount of excess VAT of a VAT taxpayer for a certain tax period to the accrued fine, tax sanctions, VAT of the next tax periods, as well as VAT on imports of this VAT taxpayer.

3. Reimbursement of excess VAT to a VAT taxpayer shall be made in the following order:

1) on account of the payment of his fines and tax sanctions for VAT without the application of the VAT taxpayer;

2) on account of his tax liability for VAT of the next tax period without the application of the VAT taxpayer;

3) on account of VAT on the import of goods based on the application of the VAT taxpayer.

Article 327

1. The return of excess VAT to a VAT taxpayer shall be the attribution of the excess VAT to the payment of other taxes, as well as the payment of the excess from the budget to the account of the VAT taxpayer.

2. The refund of excess VAT to a VAT taxpayer is made on the basis of his application.

The absence of a taxpayer's statement on the use of the amount of excess VAT is considered as its attribution to the payment of penalties and tax sanctions for VAT, VAT of the next tax period.

3. The refund of excess VAT to a VAT taxpayer shall be made in the following order:

- 1) in payment of his tax debt on other types of taxes;
- 2) on account of payment of VAT on the import of goods;
- 3) payment of the amount of excess VAT to his account.

4. The amount of excess VAT to the account of the VAT taxpayer is subject to refund only if there is no tax debt on other types of taxes, including the liability for VAT on the import of goods.

5. The VAT excess amount shall be refunded to the VAT taxpayer on the basis of the results of the analysis of the risk factors for the unjustified formation of the VAT excess amounts.

The risk factors for the unjustified formation of excess VAT amounts include:

1) the period of activity of a VAT taxpayer by the date of filing an application for a VAT refund is less than 24 calendar months;

2) the implementation of export deliveries by the VAT taxpayer for less than 12 calendar months by the date of filing an application for a VAT refund;

3) existence of facts of untimely submission of tax reporting;

4) the cost of supplies taxed at a zero rate for the last 12 calendar months is less than 40 million soms;

5) the cost of own fixed assets is less than 15 million soms;

6) based on the results of the last two tax audits, the amount of additionally assessed taxes exceeds 10 percent of the total amount of tax liabilities for the audited period;

7) lack of information in electronic form from the tax authorities of the EAEU Member States on the paid amounts of indirect tax in the information system;

8) discrepancy between the indicators of the taxpayer and the indicators of the supplier, revealed by the results of the analysis of the tax reporting data for VAT and / or data of the information system of electronic invoices;

9) the amount of taxes paid for the previous 3 years is less than the amount of VAT excess to be reimbursed and refunded.

Article 328

1. If a VAT taxpayer makes supplies at a zero rate and the total value of these supplies is at least 50 percent of the total volume of taxable supplies for a period equal

to 6 consecutive months, then such an entity shall be entitled to a simplified procedure for refunding the amount of excess VAT.

2. When accepting an application of a VAT taxpayer that meets the condition specified in paragraph 1 of this article, the tax authority, based on risk factors for the unjustified formation of excess VAT amounts, is obliged, within 5 working days following the day of receipt of the application, to make a decision on the return and / or reimbursement VAT or on conducting a desk audit of the validity and amount of excess VAT.

3. The VAT excess amount shall be refunded within 5 business days following the day the tax authority makes a decision to refund the VAT excess amount, adopted in accordance with Part 2 of this Article.

4. The refund of the amount of excess VAT to the VAT taxpayer, at the request of which a decision was made to conduct a desk audit in accordance with part 2 of this article, shall be carried out in the manner prescribed by article 329 of this Code.

5. The decision on reimbursement and/or return of the amount of excess VAT to the taxpayer shall be taken by the tax authority at the place of the current tax registration of the VAT taxpayer.

Article 329

1. Upon receipt by the tax authority of an application for reimbursement, refund of excess VAT amounts submitted by a VAT taxpayer, within a period of not more than 10 working days, a decision is made to conduct a desk audit of the validity and amount of the VAT excess amount, based on the results of the desk audit, a decision is made:

- 1) on confirmation of the excess VAT amount, indicating the confirmed amount; or
- 2) on partial confirmation of the excess VAT amount, indicating the confirmed amount; or
- 3) on non-confirmation of the excess VAT amount, indicating the unconfirmed amount.

2. To a taxpayer who does not meet the requirements of part 1 articles 328, refund and / or refund of the amount of excess VAT is carried out within 20 working days following the day the tax authority makes a decision on the refund and / or refund of the amount of excess VAT.

3. In the event that the fact of reimbursement and return of the amount of excess VAT in violation of the tax legislation of the Kyrgyz Republic is established, the earlier decision is annulled, and the reimbursed and returned amounts are subject to recovery with the accrual of penalties.

Penalties are accrued in the amount of 0.09 percent starting from the date of transfer to the bank account of the taxpayer when the amounts of excess VAT are returned to the bank account.

4. Reimbursement and refund of the amount of excess VAT is carried out at the expense of the expenditure part of the republican budget.

From January 1, 2025, the reimbursement and refund of the amount of excess VAT is carried out at the expense of the revenue side of the republican budget.

When executing the revenue part of the budget, the following amounts of excess VAT are taken into account as tax revenues:

1) reimbursed in accordance with article 326 of this Code;

2) returned in accordance with article 327 of this Code, in terms of the amounts reimbursed against the payment of VAT on imports, calculated in accordance with the customs legislation of the EAEU and the legislation of the Kyrgyz Republic in the field of customs affairs.

5. Consideration of an application for reimbursement and / or refund of the amount of excess VAT to a VAT taxpayer is not carried out and a decision is made to refuse consideration if, as of the date of filing the application, a criminal case has been initiated against this taxpayer related to his tax obligations.

6. An application for reimbursement and / or refund of the amount of excess VAT to a VAT taxpayer is not considered if, as of the date of filing the application, this taxpayer filed a complaint with the authorized tax authority against the decision of the tax authority based on the results of a tax audit on issues related to VAT.

7. Upon the expiration of the limitation period, the amount of excess VAT is debited from the personal account of the taxpayer in favor of the budget.

8. The procedure for reimbursement and refund of excess VAT amounts is established by the Cabinet of Ministers.

Article 330. VAT refund in accordance with the international obligations of the Kyrgyz Republic

1. If international treaties that have entered into force in accordance with the legislation of the Kyrgyz Republic provide for a refund or exemption from VAT, then the supply of goods, works and services is subject to VAT with its subsequent refund:

1) for official use by diplomatic missions and consular offices of foreign states, international organizations or their representative offices operating in the Kyrgyz Republic, as well as other organizations that are granted privileges and immunities in accordance with international treaties of the Kyrgyz Republic;

2) for personal use by accredited employees, including members of their families living with them, diplomatic missions and consular offices of foreign states, international organizations or their representative offices operating in the Kyrgyz Republic, as well as other organizations that are granted privileges and immunities in accordance with international treaties of the Kyrgyz Republic.

2. The conditions established by part 1 of this article in relation to diplomatic missions and consular offices of foreign states in the Kyrgyz Republic, as well as their employees, including members of their families living with them, enjoying appropriate privileges and immunities, are implemented by the Kyrgyz Republic, taking into account the principles of reciprocity and parity basis.

The principle of reciprocity and parity is implemented according to the information provided by the authorized body in the field of foreign affairs of the Kyrgyz Republic.

3. Refund of VAT to diplomatic and equated representations and other entities is made at the expense of funds provided in the republican budget of the Kyrgyz Republic.

4. The procedure and conditions for the return of VAT, provided for in parts 1 and 2 of this article, are established by the Cabinet of Ministers.

SECTION X. EXCISE TAX

Chapter 41

Article 331. Taxpayer of excise tax

1. A taxpayer of excise tax (hereinafter in this section - excise) is an entity that produces, including on a give-and-take basis, excisable goods in the territory of the Kyrgyz Republic and / or imports excisable goods into the territory of the Kyrgyz Republic, unless otherwise provided by this section of this Code.

2. In case of exemption of the entities specified in paragraph 1 of this article from the payment of excise tax in terms of the production of excisable goods on a give-and-take basis, the owner of the give-and-take raw materials shall be the taxpayer of the excise tax.

Article 332

Determination of taxpayers of excise tax when importing excisable goods into the EAEU is carried out according to the rules established by this Code in relation to entities carrying out taxable imports from the EAEU Member States in accordance with Section IX of this Code.

Article 333. Object of taxation

The object of excise taxation is the production in the territory of the Kyrgyz Republic and / or import into the territory of the Kyrgyz Republic of excisable goods provided for in part 1 articles 334 of this Code.

Article 334. List of excisable goods

1. Excisable goods are:

1) undenatured ethyl alcohol with an alcohol concentration of 80 percent or more, ethyl alcohol and other alcoholic tinctures, denatured, of any concentration, classified in the heading of the TN VED 2207;

2) malt beer, natural grape wines, including fortified ones; grape must, other than that specified in the heading TN VED 2009, vermouth and other grape natural wines with the addition of vegetable or aromatic substances, other fermented drinks (for example, cider, perry or pear cider, honey drink); mixtures of fermented drinks and mixtures of fermented drinks and non-alcoholic drinks, low-alcohol drinks, not elsewhere specified or included, undenatured ethyl alcohol with an alcohol concentration of less than 80% by volume; alcoholic tinctures, liqueurs and other alcoholic beverages classified in the headings of the TN VED 2203, 2204, 2205, 2206, 2208;

3) tonic (energy) non-alcoholic drinks, classified in the heading TN VED 2202;

4) tobacco products, such as cigars, cigars with cut ends, cigarillos (thin cigars) and cigarettes made from tobacco or its substitutes, classified in heading HS 2402;

5) other products containing tobacco, such as other manufactured tobacco and manufactured tobacco substitutes; tobacco "homogenised" or "reconstituted"; tobacco extracts and essences, classified in the heading TN VED 2403;

6) heated tobacco and products with heated tobacco, classified in heading TN VED 2404;

7) nicotine-containing liquids for use in electronic cigarettes, disposable electronic nicotine delivery systems with nicotine liquid in one housing, classified in TN VED heading 2404;

8) electronic cigarettes and similar individual electric vaping devices (electronic nicotine delivery systems) classified in HS Commodity Subheading 8543 40 000 0;

9) crude oil and crude oil products obtained from bituminous rocks, oil and oil products obtained from bituminous rocks, except for crude ones; products, not elsewhere specified or included, containing 70% by weight or more of oil or oil products derived from bituminous rocks, these oil products being the main constituents of the products; waste oil products classified in TN VED headings 2707, 2709, 2710, 3811.

2. The goods referred to in this article may be marked with an identification means or an excise duty stamp.

Article 335. Tax base

1. The tax base for excise is:

1) the physical volume of the excisable goods to be marked with an identification means or an excise duty stamp; and/or

2) the physical volume of the sold excisable goods that are not subject to identification means or an excise duty stamp; and/or

3) the physical volume of imported excisable goods that are not subject to identification means or an excise duty stamp.

For the purposes of this part, sold excisable goods are understood to be excisable goods in which the ownership right has been transferred to the buyer.

2. The norms of this Article shall apply irrespective of whether the goods are produced from own raw materials or supplied by the customer.

3. Adjustment of the size of the tax base for the import of excisable goods from the EAEU member states is carried out in accordance with article 321 of this Code.

Article 336. Basic excise rates

1. Basic excise rates are set in the following amounts:

Excisable goods	TN VED code	Unit of measure (tax base)	Basic tax rates
Undenatured ethyl alcohol, ethyl alcohol and other alcoholic tinctures, denatured, of any concentration, except for those sold to producers or imported by manufacturers for the production of vodka, alcoholic beverages, fortified drinks,	2207	liter	350 soms

fortified juices, balm, wine, if they have a license for the right to produce them , and special consumers within the limits			
Vodka	220860	liter	300 soms
Liquor and vodka products	220830; 220870; 220890	liter	300 soms
Fortified drinks, fortified juices and balms	220840; 220850	liter	300 soms
Guilt	2204 except 220410 and 220430, 2205, 2206	liter	100 soms
Cognacs (except brandy alcohol)	2208201200- 2208202900, 2208206200- 2208208900	liter	200 soms
Sparkling wines, including sparkling wine and champagne	2204; 2205; 2206	liter	140 soms
Beer packaged and bulk	2203	liter	30 soms
Wine materials	220430	liter	35 soms
Low alcohol drinks	220890	liter	200 soms
Tonic (energy) soft drinks	2202	liter	100 soms
Tobacco products:			
Filtered cigarettes, non-filtered cigarettes and cigarettes	2402	1000 pieces	2250 soms
Cigarillos	2402	1000 pieces	2250 soms
cigars	2402	1 piece	200 soms
Pipe tobacco, smoking, chewing, sucking, snuffing, hookah tobacco (excluding tobacco used as a raw material for the production of tobacco products)	2403	kilogram	800 soms
Products with heated tobacco (heated tobacco stick (stick), heated capsule with tobacco) cylindrical shape: from January 1, 2022 to December 31, 2022 inclusive from January 1, 2023 to December 31, 2023 inclusive from January 1, 2024	2404	1000 pieces	1800 soms 2000 soms 2250

			soms
Heated loose tobacco: from January 1, 2022 to December 31, 2022 inclusive from January 1, 2023 to December 31, 2023 inclusive from January 1, 2024 to December 31, 2024 inclusive from January 1, 2025 to December 31, 2025 inclusive from January 1, 2026	2404	kilogram	3000 soms 4000 soms 5000 soms 6000 soms 7000 soms
Nicotine liquid in cartridges, reservoirs and other containers for use in electronic cigarettes	2404	milliliter	3 soms
Disposable electronic nicotine delivery systems with nicotine liquid in one housing	2404	1 piece	100 soms
Electronic cigarettes and similar individual electric vaporizers (electronic nicotine delivery systems)	8543 40 000 0	1 piece	100 soms
Oil products:			
oils and other products of high-temperature distillation of coal tar; similar products in which the mass of aromatic constituents exceeds the mass of non-aromatic constituents: benzene for use as a fuel	2707 10 100 0	ton	5000 soms
natural gas condensate:			
other	2709 00 100 1; 2709 00 100 9	ton	5000 soms
crude oil and crude petroleum products derived from bituminous materials	2709 00 900 1-2709 00 900 9	ton	0 soms
motor gasolines, special, light and medium distillates, with the exception of those classified in the heading TN VED 2710 19 290, other gasolines and distillates	2710 12 110- 2710 12 900; 2710 19 110 0-2710 19 150 0; 2710 19 250 0	ton	10000 soms
other petroleum products (biofuel, ecological fuel, mixture of light distillates)	2710 20 900 0	ton	5000 soms
jet fuel	2710 19 210 0	ton	2000 soms
diesel fuel, gas oils, heavy distillates, middle distillates classified in the heading TN VED 2710 19 290	2710 19 290 0; 2710 19 310 0-2710 19 480 0; 2710 20 110 0-2710 20	ton	2000 soms

	190 0		
fuel oil	2710 19 510- 2710 19 680 9; 2710 20 310 1-2710 20 390 9	ton	2000 soms
lubricating oils; other oils	2710 19 710 0-2710 19 980 0	ton	2000 soms
other antiknock agents based on lead compounds, used for the same purposes as petroleum products	3811 11 900 0; 3811 19 000 0	ton	5000 soms
lubricating oil additives containing petroleum or petroleum products derived from bituminous rocks	3811 21 000 0	ton	5000 soms

2. The excise rate may be changed by the Cabinet of Ministers within the limits of the established base rate.

3. Special consumers of ethyl alcohol are persons using ethyl alcohol for medical, veterinary purposes and for the production of disinfectants, perfumes and cosmetics within the limits approved by the authorized tax authority.

4. The list of special consumers specified in part 3 of this article is approved by the Cabinet of Ministers.

Article 337. Tax period

The excise tax period for excisable goods produced or imported from the territories of the EAEU member states is a calendar month.

Article 338. Calculation procedure

Excise tax is calculated in accordance with the procedure established by Part 1 article 43 of this Code.

Article 339. Deadline for payment and submission of tax returns

1. The excise is paid within the following terms:

1) for manufactured and/or imported excisable goods subject to identification means or excise stamp - before or on the day of acquisition of identification means or excise stamps;

2) for excisable goods imported from the territories of states that are not members of the EAEU, which are not subject to identification means or an excise duty stamp - on the day determined by the international treaties and acts regulating customs legal relations constituting the law of the EAEU, and / or the legislation of the Kyrgyz Republic in the field of customs for the payment of customs duties;

3) for excisable goods produced in the territory of the Kyrgyz Republic and/or imported from the territories of the member states of the EAEU, not subject to identification means or excise tax stamp - no later than the 20th day of the month following the reporting tax period.

2. An excise taxpayer on produced and/or imported excisable goods from the territories of the EAEU member states is obliged to submit monthly tax reports on excise and/or indirect taxes to the tax authority at the place of current tax accounting no later than the 20th day of the month following the reporting tax period .

Relevant documents must be attached to tax reporting on indirect taxes in the form and in the manner established by article 320 of this Code.

3. In case of import of excisable goods from the territories of the EAEU member states, payment of the excise tax on imports is made at the place of tax registration of the excise taxpayer.

4. Confirmation by the tax authorities of the fact of payment of excise duty on excisable goods imported from the territories of the EAEU Member States is carried out by affixing an appropriate mark by the tax authority in the application for the import of goods and payment of indirect taxes.

In case of non-payment or incomplete payment of excise duty on imported goods, as well as non-compliance of documents submitted by the taxpayer with the requirements established by the tax legislation of the Kyrgyz Republic, the tax service body shall decide on a reasoned refusal to confirm the fact of payment of excise duty on imports.

Section 340. Administration of Excise Tax

Unless otherwise provided by this article, the administration of the excise tax on the export and import of goods in mutual trade of the EAEU member states is carried out by the tax authorities.

The administration of excise tax on goods placed under the customs procedures of a free customs zone or a free warehouse is carried out by the customs authorities.

Chapter 42

Article 341. Special rules

one. Article 342 of this Code shall apply to excisable goods produced from give-and-take raw materials and subject to shipment for export.

2. A taxpayer engaged in the production of excisable goods from customer-supplied raw materials must:

1) within 3 days from the date of conclusion of an agreement or contract for the provision of services for the processing of customer-supplied raw materials, notify the tax authority at the place of current tax accounting about this transaction, attaching a copy of the relevant agreement or contract;

2) deposit to the deposit account of the tax authority at the place of current tax accounting the amount of excise (deposit) calculated on the volume of excisable goods subject to production under the terms of the specified agreement or contract, before shipment of the finished excisable goods to the owner of raw materials supplied by the customer and / or for export on behalf of owner of tolling raw materials.

3. The term for processing customer-supplied raw materials, which is excisable, exported from the territory of the Kyrgyz Republic to the territory of an EAEU member state, as well as imported into the territory of the Kyrgyz Republic from the territories of

the EAEU member states, is determined in accordance with the terms of the contract (agreement) for the processing of customer-supplied raw materials and cannot exceed two years from the date of acceptance for accounting and / or shipment of customer-supplied raw materials.

Article 342

1. The amount of excise (deposit) paid by a taxpayer producing excisable goods from give-and-take raw materials to the deposit account of a tax authority shall be refunded to its bank account no later than 20 days from the date of submission to the tax authority of the relevant application, as well as the following documents:

- 1) tax reporting on excise duty;
- 2) copies of the agreement between the owner of raw materials supplied by the customer and a third party for the supply of excisable goods for export;
- 3) copies of an invoice or other document for the shipment of finished excisable goods, including for export;
- 4) payment documents confirming the fact of payment for services for the processing of customer-supplied raw materials;
- 5) payment documents confirming the fact of payment for the exported excisable goods;
- 6) customs declaration for the export of excisable goods;
- 7) the customs declaration of the country of destination or other document confirming importation into the country of destination, such as:
 - a) tirkarnet;
 - b) international waybill;
 - c) waybill issued for international railway traffic;
- 8) a certificate from the tax authority at the place of current tax accounting of the owner of raw materials supplied by the customer that he has no tax debts.

2. If after 90 days from the date of shipment of the finished excisable goods to the owner of the raw materials to be supplied and/or for export on behalf of the owner of the raw materials to be supplied, the taxpayer who produced the excisable goods from the raw materials to be supplied did not submit or submitted incompletely the documents specified in Part 1 of this Article, the amount of the excise (deposit) shall be credited to the budget revenue and shall not be refunded.

3. In case of non-confirmation of the fact of export of excisable goods, the amount of excise (deposit) paid to the deposit account of the tax authority shall be credited to the budget revenue and shall not be refunded.

4. The amount of excise (deposit) paid to a deposit account is not refundable if the owner of raw materials supplied by the customer has a tax debt within the limits of such debt.

Article 343

1. If, after the acquisition of means of identification or excise stamps, the excise rates have changed towards a decrease or increase, the amount of excise tax paid

upon the acquisition of means of identification or excise duty stamps shall not be subject to recalculation.

2. Peculiarities of payment of excise duty when exporting excisable goods outside the territory of the Kyrgyz Republic are specified in article 347 of this Code.

3. Peculiarities of payment of excise duty when moving goods across the customs border of the EAEU are determined by the international treaties and acts regulating customs legal relations that constitute the law of the EAEU, and by the legislation of the Kyrgyz Republic in the field of customs.

Article 344. Deduction of the amount of excise

1. An excise taxpayer shall have the right to reduce the amount of excise by the amount of excise paid upon acquisition in the territory of the Kyrgyz Republic or upon importation of excisable goods into the territory of the Kyrgyz Republic, if these goods are used as the main raw material for the production of excisable goods.

2. In accordance with Part 1 of this Article, the deduction shall be made for the amount of excise duty on the quantity of excisable raw materials actually used for the tax period for the production of excisable goods, determined on the basis of the norms for the output of excisable goods from excisable raw materials provided for in the tax policy of the taxpayer.

3. The norms of this article shall also apply to the transfer of excisable goods made from give-and-take excisable raw materials used as raw materials, subject to confirmation of the payment of excise by the owner of give-and-take excisable raw materials.

Article 345. Excisable goods subject to labeling

1. Produced in the territory of the Kyrgyz Republic and imported into the territory of the Kyrgyz Republic alcoholic beverages, tonic (energy) soft drinks and tobacco products, the list of which is specified in paragraphs 2, 3, 4, 6, 7 and 8 of part 1 articles 334 of this Code, with the exception of grape must (TN VED code 220430), are subject to labeling.

2. Marking is the application/attachment to an excisable product or its packaging of an identification tool or an excise duty stamp of an approved sample, confirming that the excise tax has been paid to the budget revenue, unless otherwise provided by this section.

3. Alcoholic beverages and tobacco products are not subject to labeling:

1) whose export outside the territory of the Kyrgyz Republic was carried out in accordance with the customs procedure for export;

2) import (shipment) of which is carried out by individuals to the territory of the Kyrgyz Republic within the limits approved by the Cabinet of Ministers.

4. The form, implementation period, procedure for issuing and using means of identification or excise duty stamps, as well as the procedure for applying and administering a deposit payment for the import of alcoholic labeled products and the amount of the deposit payment are established by the Cabinet of Ministers.

Article 346. Damage, loss of excisable goods and excise duty stamps

1. In case of damage and loss of produced excisable goods, the excise duty shall be paid in full and/or not refundable, except in cases arising as a result of force majeure.

2. In case of loss of excise stamps, the excise paid before or at the time of acquisition of excise stamps shall not be subject to refund, except for cases arising as a result of force majeure.

3. In case of damage to excise stamps, excise shall not be paid in the event that the damaged excise duty stamps are accepted by an authorized bank on the basis of an act of write-off for destruction. Instead of damaged stamps, new excise stamps are issued without re-payment of excise duty, subject to payment of the face value of the stamps.

4. Calculation of excise tax on lost excise stamps intended to designate alcoholic products is carried out based on the established rates applied to the maximum allowable volume of containers, in accordance with the capacity indicated on the excise duty stamp.

Article 347. Exemption from excises

1. Excises are not levied on excisable goods imported by individuals in accordance with the norms approved by the Cabinet of Ministers.

2. The following imported goods are exempt from excise duty:

1) goods necessary for the operation of vehicles engaged in the international transportation of goods, baggage and passengers, while en route and at intermediate stops;

2) goods transported across the customs border of the EAEU, released under the customs procedures established by the customs legislation of the EAEU and / or the legislation of the Kyrgyz Republic in the field of customs, with the exception of the customs procedure for the release of goods for domestic consumption;

3) confiscated, ownerless valuables, as well as valuables that have passed by right of inheritance to the state.

3. Unless otherwise provided by this article, exported excisable goods are not subject to excises, provided that the taxpayer confirms the export of such goods.

To confirm the validity of the exemption from payment of excises, the taxpayer submits to the tax authority at the place of current tax accounting, simultaneously with the tax reporting on excise, the documents provided for in Part 2 article 303 of this Code.

In this case, the taxpayer has the right to submit such documents to the tax authority within 180 calendar days from the date of shipment of excisable goods.

In case of confirmation of the export of excisable goods after the expiry of the period established by this part, the paid amounts of excises are subject to offset and / or return in accordance with article 93 of this Code. At the same time, the paid amount of the penalty accrued in connection with the non-confirmation of the sale of excisable goods for export is not refundable.

In the event of non-confirmation, non-submission or incomplete submission of the documents specified in this part, or non-confirmation of their reliability in the course of

subsequent tax control, excise tax on such excisable goods is calculated in the manner established by this section for the sale of excisable goods on the territory of the Kyrgyz Republic.

SECTION XI. TAXES FOR THE USE OF SUBSOIL

Chapter 43

Article 348. Types of taxes for the use of subsoil

Subsoil use taxes include:

- 1) bonuses - one-time payments for the right to use subsoil for the purpose of prospecting, exploration and development of mineral deposits;
- 2) royalties - current payments for the use of subsoil for the purpose of developing mineral deposits and / or withdrawing (extracting from the subsoil) groundwater.

Article 349. Exemption from payment of taxes for the use of subsoil

1. The following are exempt from paying taxes for the use of subsoil:

- 1) the owner of a land plot or a land user engaged in the extraction of sand, clay, sand and gravel mixture and the extraction of groundwater, not related to the implementation of entrepreneurial activities, on a land plot owned by him or being in his use;
- 2) an entity that has received subsoil plots for the formation of specially protected natural areas of special ecological, environmental, scientific, historical and cultural significance;
- 3) an entity processing waste from mining, processing, coke-chemical and metallurgical production;
- 4) an entity performing geological, geophysical and other work on the study of subsoil, carried out at the expense of the republican budget, research work, including earthquake forecasting, engineering and geological surveys and geoecological studies, as well as other work carried out without violations the integrity of the subsoil;
- 5) a specialized organization of water supply for the selection of groundwater;
- 6) organization for the selection of groundwater in terms of water supply to settlements.

2. The taxpayer of the bonus, who has been listed on the stock exchanges for the object of taxation specified in part 2, is exempt from paying the bonus. article 351 of this Code.

Chapter 44

Article 350. Bonus taxpayer

The taxpayer of the bonus is a domestic organization, a foreign organization operating in the Kyrgyz Republic through a permanent establishment, as well as an individual entrepreneur with the right to use subsoil.

Article 351. Object of taxation

1. The object of taxation of the bonus is the right to use subsoil for the purpose of:

- 1) development of a mineral deposit, including the extraction (extraction from the subsoil) of groundwater;
- 2) mineral exploration;
- 3) search for minerals;
- 4) collection of mineralogical, paleontological collections for commercial purposes;
- 5) collection of stone material for decorative purposes and use as ornamental stones and building materials.

2. The objects of taxation of the bonus are also:

1) transfer of the right to use subsoil to another person as a result of foreclosure on the pledge;

2) transfer of the right to use subsoil to another person in the manner prescribed by the legislation of the Kyrgyz Republic on subsoil, except for cases of transfer of the right to use subsoil as a result of inheritance, reorganization of a legal entity that did not entail a change in the composition of participants (shareholders) and / or shares (shares) authorized capital;

3) a change in the share (shares) of ownership in the authorized capital of a legal entity that has the right to use subsoil, with the exception of legal entities listed on stock exchanges, and the transfer of ownership shares as a result of universal succession provided for by civil law;

4) a subsequent increase in the amount of mineral reserves available at the time of granting the right to use subsoil, as a result of additional exploration, recalculation of reserves or due to other reasons;

5) increase in the size of the subsoil plot provided to the subsoil user;

6) granting the right to use new minerals not declared at the time of the initial acquisition of the right to use subsoil.

The cases specified in this part shall apply to the types of subsoil use rights specified in part 1 of this article.

Article 352. Tax base

The tax base for calculating the bonus is:

1) when developing a mineral deposit (with the exception of groundwater extraction) - the amount of mineral reserves recorded by the State Balance of Mineral Reserves of the Kyrgyz Republic;

2) when withdrawing groundwater - the declared volume of water to be withdrawn;

3) in the case of exploration and prospecting for minerals - the size of the licensed area;

4) when collecting mineralogical, paleontological collections for commercial purposes and stone material for decorative purposes and use as ornamental stones and building materials - the size of the licensed area;

5) upon transfer, transfer of subsoil use rights - the amount of mineral reserves remaining undeveloped at the specified moment according to the subsoil user's reports (for development rights), or the size of the licensed area;

6) when changing the share of ownership in the authorized capital of the right holder - the amount of mineral reserves remaining undeveloped at the specified moment according to the reports of the subsoil user (for development rights), or the size of the licensed area, in proportion to the change in this share;

7) in case of an increase in the amount of mineral reserves - the amount of increased mineral reserves, recorded by the State Commission on Mineral Reserves of the Kyrgyz Republic.

Article 353. Bonus rate

The bonus rate is set by the Cabinet of Ministers for types of minerals according to the classification table, depending on the amount of mineral reserves to be developed, as well as the size of the licensed area for prospecting and exploration of minerals and the collection of mineralogical, paleontological collections for commercial purposes and stone material for decorative purposes and use as ornamental stones and building materials.

Article 354. Calculation procedure

The procedure for calculating the bonus is established by the Cabinet of Ministers.

Article 355

1. In the cases provided for in paragraph 1 article 351 of this Code, the taxpayer of the bonus submits to the tax authority the appropriate calculation, agreed with the authorized state body for the implementation of state policy on subsoil use, and pays the bonus at the place of registration no later than 30 days from the date of issue of the document confirming the right to use subsoil.

2. In the cases provided for in paragraph 2 article 351 of this Code, the taxpayer of the bonus submits to the tax authority the appropriate calculation, agreed with the authorized state body for the implementation of state policy on subsoil use, and pays the bonus at the place of registration no later than the last day of the month following the month in which:

1) the authorized state body for the implementation of the state policy on subsoil use made a decision to transfer the right to use subsoil as a result of foreclosure on pledge or transfer of such a right;

2) a change in the share of ownership in the authorized capital of a legal entity - a subsoil user has been registered;

3) The State Commission for Mineral Reserves of the Kyrgyz Republic took into account the increase in mineral reserves;

4) the authorized state body for the implementation of the state policy on subsoil use made a decision to increase the size of the licensed area or to grant the right to use subsoil for new, previously undeclared types of minerals.

Chapter 45

Article 356. Taxpayer of royalties

A royalty taxpayer is a domestic organization, a foreign organization operating in the Kyrgyz Republic through a permanent establishment, an individual entrepreneur carrying out:

- 1) development of mineral deposits;
- 2) selection (extraction from the bowels) of groundwater;
- 3) associated extraction of oil and gas in the process of experimental tests in the search and exploration of hydrocarbon deposits;
- 4) one-time extraction of minerals for the purpose of pilot testing and / or prevention or elimination of emergency situations.

Article 357. Object of taxation

The object of royalty taxation is the right to use the subsoil for the purpose of extracting minerals from the subsoil or actions to extract minerals from the subsoil.

Article 358. Tax base

1. The tax base of royalties are:

- 1) the proceeds received from the sale of minerals - in the case of their sale, or the cost of minerals before their processing, with the exception of gold, silver and platinum;
- 2) the volume of water taken from the bowels according to the water meter;
- 3) the value of the chemically pure metal contained in the metal-bearing ore or concentrate of the exchange-traded metal sold in the tax period.

If the cost of a chemically pure metal contained in a metal-bearing ore or concentrate of an exchange metal is lower than the proceeds received from the sale of metal-bearing ores and concentrates of exchange metals, then the revenue received from the sale of metal-bearing ores and concentrates of exchange metals is used as the royalty tax base.

2. The cost of chemically pure metal, determined in accordance with the procedure established by the Cabinet of Ministers, is calculated based on the value of the exchange metal and the metal content in the metal-bearing ore or concentrate of the exchange metal.

The value of an exchange-traded metal is determined as the arithmetic mean between the sum of the daily average metal price quotation on the days for which price quotations are published on the London Metal Exchange during the tax period and the number of days in the tax period for which metal price quotations are published.

3. For the purposes of this chapter, exchange metal means metal whose value is quoted on the London Metal Exchange.

Article 359. Royalty rate

1. The royalty rate is established on the volume of water withdrawn in physical terms, with the exception of specialized water supply organizations, in the following amounts:

Mineral resource	Unit of measure (tax base)	Rate (in percent or soms)
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Mineral and fresh water for bottling as drinking water	cubic meters	200 soms
Mineral and thermal waters for balneotherapy	cubic meters	0.05 soms
Thermal waters for heating	cubic meters	0.12 soms
Fresh water drinking	cubic meters	0.15 soms
Fresh water technical	cubic meters	0.10 soms
Fresh water for agricultural production	cubic meters	0.01 soms

2. The royalty rate is set:

- 1) for gold, silver and platinum, as well as metal-containing ores and concentrates of gold, silver and platinum - 5 percent;
- 2) for metals, metal-containing ores and metal concentrates, except for gold, silver and platinum - 3 percent;
- 3) for specialized water supply organizations - 5 percent;
- 4) for gypsum - 6 percent;
- 5) for natural stones for the production of facing materials - 12 percent;
- 6) for hard coal, brown coal - 1 percent.

3. The royalty rate for minerals, not provided for by parts 1 and 2 of this article, is set at 3 percent of the tax base calculated in accordance with paragraph 1 of part 1 articles 358 of this Code.

Article 360. Tax period

The tax period for royalties is a calendar month.

Article 361. Calculation procedure

Royalty is calculated in accordance with the procedure established by part 1 article 43 of this Code.

Article 362

1. The taxpayer shall pay royalties at the place of registration on a monthly basis no later than the 20th day of the month following the reporting month.

2. Payment of royalties by a small business entity that is a taxpayer of royalties is made at the place of registration on a quarterly basis no later than the 20th day of the month following the reporting quarter.

3. Tax reporting shall be submitted by the royalty taxpayer at the place of registration on a monthly basis no later than the 20th day of the month following the reporting month, unless otherwise provided by this article.

4. Tax reporting of a small or medium-sized business entity that is a royalty taxpayer shall be submitted at the place of registration on a quarterly basis no later than the 20th day of the month following the reporting quarter.

5. In the absence of accounting registration, payment of royalties and submission of tax reporting shall be carried out at the place of current tax accounting.

6. The owner of a land plot or a land user engaged in the extraction of sand, clay and sand and gravel, not related to the implementation of entrepreneurial activities, on a land plot owned by him or being in his use, does not submit tax reporting.

SECTION XII. SALES TAX

Chapter 46

Article 363

The taxpayer of sales tax is a domestic organization, a foreign organization operating in the Kyrgyz Republic through a permanent establishment, as well as an individual entrepreneur (hereinafter in this section - the taxpayer).

Section 364. Sales Tax Exemption

1. The sale of goods, performance of work, provision of services are exempt from sales tax:

1) agricultural producer and/or machine and tractor station;

2) an agricultural cooperative;

3) a society of disabled people, an organization and an individual entrepreneur, in which disabled people (except for persons with disabilities of the 3rd group of a general disease) make up at least 50 percent of the total number of employees, and their wages amount to at least 50 percent of the total wage fund. The list of these companies, organizations and individual entrepreneurs is determined by the Cabinet of Ministers;

4) preschool educational organizations (kindergartens established on the basis of private ownership);

5) industrial enterprises, the activities of which are related to preferential types of industrial activities subject to preferential taxation, established article 183 of this Code (with the exception of mining and processing enterprises, as well as enterprises producing excisable goods);

6) taxpayers registered and operating in preferential border settlements;

7) private medical institutions of cardiac surgery;

8) for the provision of religious rites, rituals, ceremonies, as well as services for the organization and bringing of the pilgrimage.

2. Sale of goods, performance of work, provision of services by a non-profit organization shall be exempt from sales tax, provided that the payment does not exceed the costs of the sale of these goods, performance of these works, provision of these services:

1) for the social security and protection of children or low-income elderly citizens;

2) in the field of education, medicine, science, culture and sports.

3. Sales tax is exempt from sales of:

1) electricity, heat energy and natural gas to an individual for domestic purposes;

2) bank:

a) refined standard and measured ingots, investment coins made of gold and/or silver;

b) fixed assets or goods under financial lease agreements and agreements in accordance with Islamic finance, with the exception of interest income under these agreements.

Chapter 47

Article 365. Object of taxation

1. The object of taxation of sales tax is the sale of goods, the performance of work, the provision of services.

2. Not subject to sales tax:

1) transfer of property from the owner:

a) to a trustee on the basis of a trust management agreement;

b) the subject, which, in accordance with the agreement of a simple partnership, is entrusted with the duty to manage the affairs of this partnership;

2) transfer of property to the owner upon termination of the contract of trust management or simple partnership;

3) transfer of fixed assets under a financial lease (leasing) agreement;

4) export of goods, works, services;

5) sale of goods, works, services outside the territory of the Kyrgyz Republic;

6) sale of an enterprise or its separate subdivision by one VAT taxpayer to another VAT taxpayer or to an entity that becomes such at the moment of transfer.

Article 366. Tax base

1. Unless otherwise provided by this article, the tax base is the proceeds from the sale of goods, works, services, excluding VAT and sales tax.

2. When transferring property for rent, the tax base is the rent without VAT and sales tax.

3. For an organization engaged in the metallurgical processing of ore, the tax base is the difference between the value of sold products, excluding VAT, received after the metallurgical processing, and the cost of purchased ore before processing.

4. The tax base for lottery activities is the difference, excluding VAT, between the proceeds from the sale of lottery tickets and the amount of the paid prize fund attributable to this proceeds.

5. For a bank, the tax base is the proceeds from the sale of fixed assets, goods, interest income, with the exception of interest income received under a financial lease (leasing) agreement from the sale of fixed assets, income from the performance of work, the provision of services, including income from foreign exchange transactions for minus foreign exchange losses.

6. When selling shares, shares in an organization, currency, fixed assets / goods in accordance with Islamic finance, the tax base is the proceeds from their sale minus the acquisition cost.

7. Unless otherwise provided by this part, when selling debt securities, the tax base of a taxpayer is the proceeds from the sale of debt securities minus the acquisition cost.

When selling debt securities, the tax base of an entity of public interest is the proceeds from the sale of debt securities, excluding the coupon, minus the acquisition cost, taking into account the amortization of the discount and/or premium as of the date of sale.

8. For an insurance organization, the tax base is the proceeds from the sale of goods, works, excluding VAT and sales tax, services, excluding sales tax, less the amount of insurance premiums due to the reinsurer under the reinsurance contract.

For accumulative types of insurance, the tax base is the amount of insurance premiums received minus the amount of insurance payment, excluding sales tax.

9. When purchasing gold and/or silver in any form for refining and further sale, the tax base is the difference between the value of the sold refined gold and/or silver and the value of the acquired gold and/or silver in any form.

Article 367. Adjustment of proceeds

1. Proceeds from the sale of goods, works, services are subject to adjustment in the following cases:

- 1) full or partial return of goods;
- 2) changes in the terms of the transaction;
- 3) full or partial failure to fulfill the terms of the transaction.

2. Adjustment of revenue changes the size of the tax base of the tax period in which the return of goods occurred or the terms of the transaction changed.

Article 368. Tax rate

1. Unless otherwise provided by this article, the sales tax rate shall be established:

- 1) when selling goods, works, services subject to VAT, paid in cash:
 - a) in the amount of 1 percent - for trading activities and the production sector;
 - b) in the amount of 2 percent - for activities not provided for by subparagraph "a" of this paragraph;
- 2) when selling goods, works, services exempt from VAT, paid in cash:
 - a) in the amount of 2 percent - for trading activities and the production sector;
 - b) in the amount of 3 percent - for activities not provided for by subparagraph "a" of this paragraph.

2. The sales tax rate for the sale of goods, works, services subject to VAT and / or exempt from VAT, paid in non-cash form is set at 0 percent until January 1, 2023.

From January 1, 2023, the sales tax rates established in part 1 of this Article shall apply.

3. The sales tax rate is set at 2 percent for the bank, 2 percent - for the activities of developers in the sale of residential and non-residential premises, and 5 percent - for activities in the field of cellular communications.

4. In this article:

1) a developer is a taxpayer who has a land plot on the right of temporary use, lease or ownership, who has received an official permit for the construction of a real estate object (apartment buildings and other buildings);

2) activity in the field of cellular communications means the provision of mobile radiotelephone communications or satellite communications services listed in the license issued by the authorized state body for communications to the licensee providing these services.

Article 369. Tax period

The sales tax tax period is a calendar month.

Article 370

Sales tax is calculated in accordance with the procedure established by Part 1 article 43 of this Code.

Article 371

1. Sales tax is paid by the taxpayer at the place of registration on a monthly basis, no later than the 20th day of the month following the reporting month, unless otherwise provided by this article.

2. Sales tax is paid by a small business entity that is a taxpayer of sales tax at the place of registration on a quarterly basis, no later than the 20th day of the month following the reporting quarter.

3. Tax reporting shall be submitted by the taxpayer at the place of registration on a monthly basis, no later than the 20th day of the month following the reporting month, unless otherwise provided by this article.

4. Tax reporting is submitted by a small or medium-sized business entity that is a taxpayer of sales tax at the place of registration on a quarterly basis, no later than the 20th day of the month following the reporting quarter.

5. In the absence of accounting registration, sales tax is paid at the place of current tax accounting.

SECTION XIII. PROPERTY TAX

Chapter 48

Article 372. Concepts and terms used in this section

In this section, the following concepts and terms are used:

1) building - a kind of ground construction structure with premises, created as a result of construction activities for the purpose of performing certain consumer functions, such as living, production, economic or other activities of people, location of production, storage of products or keeping animals. The building may also have operated premises in the underground part. A structure that does not have an aboveground part is not a building;

2) non-residential building - a building intended for use for other purposes than residence, for organizing production, trade, public catering, provision of services, management and other activities;

3) non-residential premises - premises provided for in the original project or received the status of such as a result of the re-profiling of residential premises in the manner prescribed by law, intended for use for purposes other than residence, for the organization of production, trade, public catering, provision of services, management and other activities;

4) object of property - a building, premises, structure, vehicle, including aircraft and watercraft, a land plot or part of such property owned/used by a taxpayer, as well as transferred to a user on the basis of a lease agreement, financial lease;

5) premises - a part of the space of the building allocated for separate use;

6) title document - a document issued by an authorized state body that registers the right of ownership to an object of property:

a) for buildings, premises - the technical passport of the real estate unit;

b) for vehicles - vehicle registration certificate, vehicle passport;

c) for a land plot - a state act on the right of private property, a state act on the right to unlimited (without specifying a term) use of a land plot, a certificate for the right of temporary use, a certificate of the right of private ownership of a land share;

7) structure - the result of construction, which is a three-dimensional, planar or linear object, having ground, above-ground and / or underground parts, consisting of load-bearing, and in some cases, enclosing building structures and designed to perform production processes of various types, move people and cargo, as well as temporary stay of people for maintenance or repair of this facility. Structures also include temporary premises made of metal and other structures, such as kiosks, containers, designed and / or used for business activities.

Article 373

1. Taxpayers of property tax are:

1) an organization, an individual entrepreneur or an individual in relation to an object of property registered or used in the territory of the Kyrgyz Republic:

a) belonging to him by right of ownership, unless otherwise provided by this article;

b) a land plot in use on the right of temporary land use;

c) acquired under a financial lease or mortgage lending agreement;

d) a facility in use;

2) a participant in the state housing program in respect of a residential building or premises acquired under a lease-with-purchase agreement;

3) a state and municipal enterprise in respect of property transferred to it on the basis of the right of economic management;

4) the taxpayer specified in part 2 of Article 47 of this Code, in terms of property leased to them, as well as used for recreation, leisure and entertainment.

2. For an object of property that is in common ownership or use by several entities, each of these entities shall be a taxpayer of property tax in the shares established by a document of title or determined by agreement of the parties.

3. If there is no registration of rights to property, a document of title to an object of property, it is impossible to establish the owner of the property, the basis for recognizing the property tax as a taxpayer is the actual possession and / or use of such property.

4. For a residential building or premises, as well as a land plot allotted for their construction, owned by the authorized body in the field of mortgage lending, the property taxpayer is each of the entities for the use of which they are transferred in accordance with a lease agreement with subsequent redemption under the state housing program.

Article 374

1. When providing for use (lease) objects of property that are in state and municipal ownership, as well as objects of property owned or used by entities exempt from taxation, the lessor shall be the taxpayer of property tax.

2. In the cases specified in part 1 of this article, property tax is levied:

1) by the lessor from the lessee within the framework of the lease agreement for the object of property with the allocation in the contract of the amount of tax that is paid by the lessor to the budget;

2) at rates and with the application of coefficients established by this section for property items.

Article 375. Object of taxation

1. The object of property tax taxation are the rights:

1) ownership of property objects registered or subject to registration in the Kyrgyz Republic;

2) economic management of property objects registered or subject to registration in the Kyrgyz Republic;

3) temporary land use on lands that are in state or municipal ownership;

4) operational management in terms of property used for recreation, leisure and entertainment;

5) use of state and / or municipal property arising from a lease agreement;

6) the use of property exempt from taxation in accordance with this section arising from a lease agreement.

2. In certain cases provided for by this Code, the object of taxation is the actual possession and use of an object of property.

3. The list of property that is not an object of taxation is approved by the Cabinet of Ministers.

Article 376. Tax base

1. The tax base of the property tax is:

1) for a building, premises, structure and land plot - the area of the building, premises, structure and land plot in square meters;

2) for a vehicle, including aircraft and watercraft:

a) running on an internal combustion engine - the working volume of the engine in cubic centimeters or the book value in soms;

b) not having an internal combustion engine, - book value in soms;

c) without an internal combustion engine and book value - the value in soms, determined in accordance with the procedure established by the Cabinet of Ministers.

2. Unless otherwise established by this chapter, the tax base for property tax is determined on the basis of a document of title to an object of property.

Article 377

1. For an object of property that is in common ownership or use by several entities, the tax base for calculating the amount of property tax payable by each of the entities is determined in proportion to the share of ownership or use of the property established by a document of title or determined by an agreement of owners/users.

2. For the building, premises, structure or land specified in clauses 5 and 6 of part 1 article 375 of this Code, transferred for temporary use on the basis of a lease agreement, the tax base is determined by the lease agreement. In the specified lease agreement, the area of the object of property or part of it transferred for rent is determined in accordance with the data of the right certifying document for the property object.

3. In the absence of a title document for a building, premises, structure or land plot, the tax base is determined according to physical measurements carried out by a commission composed of representatives of the relevant tax service body, the authorized state body for registration of rights to real estate and the local self-government body.

4. The tax authority shall notify the actual user of the land plot of the date and time of the physical measurement of a building, premises or land plot at least 3 calendar days before the date of the measurement.

5. In the absence of the actual user of the building, premises, structure or land plot subject to measurement, at the appointed time, provided that he is notified in the manner prescribed article 97 of this Code, the physical measurement of such an object of property is carried out in its absence, along the external contour of the building, premises, structure or land plot, or according to the information and documentation of authorized state bodies.

6. In the event that the buildings, premises, structures and / or land plots of the taxpayer or part of them are a single complex consisting of buildings, premises and structures of administrative, industrial, auxiliary, social and other functional purposes, used exclusively for a certain type of activity of the taxpayer, as well as servicing its employees, in order to calculate the property tax on buildings, premises and land plots, a single coefficient of the functional purpose of the specified complex or land plot is applied, corresponding to this type of activity.

7. In the event that the buildings, premises, structures and/or land plots of the taxpayer or parts thereof are transferred to another taxpayer for temporary use or are used by the taxpayer for various types of activities corresponding to different functional purposes of the property according to the classification specified in part 1 articles 389 or part 6 articles 404 of this Code, in order to calculate the property tax on buildings, premises, structures and land plots or their parts, the largest of the coefficients of functional purpose, corresponding to:

- 1) the functional purpose of the property in accordance with the title document;
- 2) the actual use of the property.

Article 378. Tax period

The tax period for property tax is a calendar year.

Article 379. Tax rate

The property tax rate is set at the following rates:

- 1) for residential buildings and premises - 0.35 percent;
- 2) for non-residential buildings, structures and premises - 0.8 percent;
- 3) for land plots, except for agricultural land - 1 percent;
- 4) for agricultural land - 0.01 percent;
- 5) for vehicles, including aircraft and watercraft:
 - a) working on an internal combustion engine - 1 percent;
 - b) who do not have an internal combustion engine - 0.5 percent.

Article 380. Formula for calculating property tax

The calculation of the amount of property tax is made according to the formula:

$$H = NB \times NS \times C,$$

where:

H - the amount of property tax;

NB - tax base;

HC - the tax value of a unit of an object of property;

C is the tax rate.

Chapter 49

Article 381. Calculation procedure

1. Unless otherwise provided by this article, the calculation of the property tax shall be carried out by the taxpayer independently in accordance with the procedure established by this section.

2. The obligation to calculate the amount of property tax on a land adjacent to a house, home garden or garden plot not used for entrepreneurial activities shall be assigned to the tax authority at the location of the land plot.

3. Notification of the tax authority on the accrual of the amount of property tax for the current tax period on the adjoining land, household plot or horticultural plot shall be handed over to the taxpayer no later than 30 calendar days before the tax payment deadline established by this Code.

4. In the notification of the tax authority on the calculation of the amount of property tax on the adjoining land, household or garden plot, the following shall be indicated:

- 1) details of the tax authority;
- 2) details of the taxpayer;
- 3) the basis for calculating the tax;
- 4) the size of the tax base and the amount of the calculated tax;
- 5) the fixed term for payment of the tax.

5. If a taxpayer has not received a notification from a tax authority within the period provided for by paragraph 3 of this article, the taxpayer shall independently calculate and pay the amount of property tax.

Article 382. Place of tax payment

Property tax is paid locally:

- 1) location of a building, premises, structure and land;
- 2) registration or temporary registration of a vehicle - in the relevant authorized state body.

When registering a property within the city of Bishkek, property tax may be paid at the place of the taxpayer's current tax registration.

Article 383

1. Tax liability for property tax arises:

1) in the tax period of acquisition of the object of taxation - from the first day of the month following the month in which the right of ownership / use of this object of property arose;

2) in subsequent tax periods - from the first day of the first month of the tax period.

2. Unless otherwise provided by this article, for a new construction facility or a part of it, a tax liability for property tax arises from the first day of the month following the month in which the facility was accepted for operation or the facility began to be used, depending on whether Which of these events happened first?

3. For the object of reconstruction or its part, a new tax liability for property tax at the new taxable value and / or tax base arises from the first day of the month following the month in which the object or part of it was accepted for operation or the use of the object began, depending on which of these events occurred first.

4. In case of termination of use of a building, premises or part of it due to the reconstruction of this object for the period of reconstruction work, property tax is not charged from the first day of the month following the month in which the reconstruction work was started, until the first day of the month following the month in which the facility was put into service or started to be used, whichever occurs first.

5. If a multi-apartment residential building, which is an object of new construction, is put into operation, but not all apartments or premises are sold, then the tax liability for property tax arises for the owner / user for each apartment or premises separately from the first day of the month following month of sale or start of use of such an apartment or premises, depending on which of these events occurred earlier.

6. If a multi-apartment residential building that is an object of new construction is not put into operation, but the apartments or premises are sold or used, then the tax liability for property tax arises for the owner / user for each apartment or premises separately from the first day of the month following after the month of sale or start of use of such an apartment or premises, depending on which of these events occurred earlier.

7. When transferring ownership of an object of property, the amount of tax payable for the actual period of possession and/or use of an object of property by the taxpayer transferring these rights must be paid to the budget before or on the date of state registration of rights. At the same time, the initial owner of the property object shall pay the amount of tax calculated from January 1 of the current year until the beginning of the month following the month in which he transfers the ownership of the property object.

8. The subsequent owner of an object of property shall pay the amount of tax calculated for the period from the beginning of the month following the month in which he acquired the right of ownership to the object of property. The date of occurrence of the tax liability for the property tax of the subsequent owner of the property is the first day of the month following the month of acquisition of ownership of the property.

9. During state registration of rights to an object of property, the annual amount of tax may be paid to the budget of one of the parties as agreed. In the future, the amount of tax paid during the state registration of rights to an object of property shall not be paid again.

10. In case of non-payment of property tax before or on the date of state registration of property rights to an object of property in accordance with the requirements of this article, the obligation to pay property tax for the full tax period in which the transfer of rights was made shall be borne by the subsequent taxpayer.

Article 384. Submission of reports

1. Unless otherwise established by this article, a taxpayer of property tax, with the exception of property tax on a house, homestead or horticultural land plot, is obliged to submit an information calculation within the time limits established for the submission of a single tax declaration.

2. The obligation to calculate the amount of tax from individuals on a land adjacent to a house, homestead and garden plot, with the exception of tax on land used for entrepreneurial activities, shall be assigned to the tax authority at the location of the land plot.

Notification of the body of the tax service on the accrual of the amount of tax for the tax period shall be handed over to the taxpayer no later than the established deadline for paying the tax. The notice shall indicate the deadline for payment of the tax established by this part.

Non-receipt of the notification is not grounds for non-fulfillment by the taxpayer of the tax obligation.

3. The form of the information calculation and the procedure for its completion and submission are approved by the authorized tax authority.

4. The Cabinet of Ministers may determine a different reporting procedure based on the interaction of authorized state bodies.

Article 385. Access to information on property tax

1. Each taxpayer has the right of free access to tax calculation information, which includes:

- 1) the basic tax value of a unit of all types of property;
- 2) the size of the established coefficients for calculating the amount of tax;
- 3) breakdown of the territory of the settlement into value zones, indicating the values of the zonal coefficient for each value zone;
- 4) the size of the area of the property that is not subject to property tax;
- 5) tax rates.

2. The information specified in paragraph 1 of this article shall be posted for familiarization of the taxpayer in places of open access in the tax authorities of all levels, as well as on the open website of the authorized tax authority.

Chapter 50

Article 386. Basic tax value for buildings, structures and premises

1. The base tax value of one square meter of the area of a building, structure or premises is established depending on the material of the walls and the year the property was put into operation in the following amounts:

wall material	Lifetime	Base tax value, soms
Brick	Up to 5 years	15000
	5-15 years old	14000
	15-30 years old	13000
	30-45 years old	12000
	over 45 years	10000
Wood	Up to 5 years	13000
	5-15 years old	12000
	15-30 years old	11000
	30-45 years old	10000
	over 45 years	8000
Prefabricated or monolithic concrete and reinforced concrete, concrete blocks, sand block, foam block, foam concrete, glass, sandwich panel	Up to 5 years	14000
	5-15 years old	13000
	15-30 years old	12000
	30-45 years old	11000
	over 45 years	10000

Raw clay (adobe, guvalak, sokmo)	Up to 5 years	10000
	5-15 years old	9000
	15-30 years old	8000
	30-45 years old	6000
	over 45 years	5000
cinder block, polystyrene building block	Up to 5 years	9000
	5-5 years	8000
	15-30 years old	7000
	30-45 years old	6000
	over 45 years	5000
Metal	Regardless of the service life	10000
Other materials and materials for temporary premises	Regardless of the service life	8000

2. To determine the base tax value of one square meter of a building, structure or premises, the wall material that prevails in the walls of the building, structure or premises shall be taken as the basis. The procedure for determining the predominant wall material is established by the Cabinet of Ministers.

Article 387. Regional coefficient for buildings, structures and premises

The regional coefficient KR for buildings, structures and premises characterizes the ratio of the average tax value of a building, structure and premises in the administrative districts of the republic to the average tax value of a building, structure and premises in the city of Bishkek and is set in the following amounts:

Name of regions and districts	Kr value	Name of regions and districts	Kr value
Batken region		Bakai-Ata district	0.2
Batken region	0.2	Kara-Buura district	0.2
Leilek region	0.2	Naryn region	
Kadamjai district	0.2	Naryn city	0.3
Kyzyl-Kiya city	0.1	Ak-Tala region	0.1
city of Sulukta	0.1	At-Bashi district	0.1
Jalal-Abad region		Jumgal region	0.1
Aksy district	0.2	Kochkor region	0.2
Ala-Buka district	0.2	Naryn region	0.2
Bazar-Korgon district	0.2	Osh region	
Nooken region	0.2	Alai region	0.2
Suzak district	0.3	Aravan region	0.3
Toguz-Toro district	0.1	Kara-Kulja district	0.2
Toktogul district	0.1	Kara-Suu region	0.6
Chatkal region	0.1	Nookat region	0.3
city of Jalal-Abad	0.8	Uzgen region	0.3

city of Mailuu-Suu	0.1	Chon-Alai region	0.1
city of Kara-Kul	0.1	Osh city	0.9
city of Tash-Kumyr	0.1	Chui area	
Issyk-Kul region		Alamudun district	0.8
Ak-Suu region	0.3	Zhaiyl district	0.4
Jeti-Oguz region	0.3	Issyk-Ata district	0.4
Issyk-Kul region	0.3	Keminsky district	0.3
Ton district	0.2	Moskovsky district	0.4
Tyup region	0.2	Panfilovsky district	0.2
Karakol city	0.6	Sokuluk region	0.7
city of Balykchy	0.3	Chui district	0.4
Talas region		Tokmok city	0.6
Manas region	0.1	city of Kara-Balta	0.6
Talas region	0.2		
Talas city	0.4	Bishkek city	1.0

Article 388. Zonal coefficient for buildings, structures and premises

1. The zonal coefficient K_z for buildings, structures and premises characterizes the change in the tax value of a building, structure and premises depending on its location in a populated area - an administrative district relative to the average tax value of a building, structure and premises in a populated area, equal to 1.0. The zonal coefficient K_z for buildings, structures and premises is set equal to 1.0, except for the cities of Bishkek, Osh and Jalal-Abad.

2. The boundaries of cost zones in the cities of Bishkek, Osh and Jalal-Abad, as well as the zonal coefficient K_z for buildings, structures and premises in the amount of 0.3 to 2.0 are established by local keneshes.

3. In the event of a change in the size of the zonal coefficient K_z and / or the boundaries of cost zones, they are approved no later than October 1 of the current tax period and are effective from the 1st day of the first month of the subsequent tax period.

If by October 1 of the current tax period the size of the zonal coefficient K_z and/or the boundaries of the value zones are not approved, the size of the zonal coefficient K_z and/or the boundaries of the value zones of the current tax period shall apply in the next tax period.

Article 389

1. The coefficient of functional purpose K_n characterizes the change in the tax value of a non-residential building, structure or premises depending on its functional purpose and is set in the following amounts:

Functional purpose of the object	Functionality factor
Hotels, pawnshops, exchange offices	1.6
Residential buildings and premises located on the territory of health resorts	1.5
Gas stations	1.6

Mini-markets, markets, shopping and market centers, complexes	1.0
Public catering, trade, service industries	0.8
Railway stations and bus stations, bus stations, freight stations of railway transport	0.7
Administrative, office buildings, business centers, banks, as well as permanent buildings or premises of non-profit organizations	0.6
Transport enterprises, car service enterprises, communications and energy	0.5
Defense-sports-technical organizations	0.3
Agricultural production buildings	0.3
Sanatoriums, boarding houses, rest houses	0.8
Enterprises of industry, construction	0.2

2. The coefficient of functional purpose K_n for a non-residential building, structure or premises, for which it is not established by this article, is taken equal to 1.0.

3. The functional purpose of a non-residential building, structure or premises is determined based on the purpose of the property item specified in the title document, taking into account the provisions of parts 6 and 7 of articles 377 of this Code.

Article 390. Formula for calculating the tax value of one square meter of a residential building and premises

Calculation of the tax value of one square meter of a residential building or premises is carried out according to the formula:

$$NS = BNS \times K_r \times K_z,$$

where:

HC - the tax value of one square meter of a residential building or premises;

BTS - the base tax value of one square meter of a residential building or premises;

K_r - regional coefficient;

K_z - zonal coefficient.

Article 391. Calculation of property tax on a residential building, structure and premises

1. The procedure for calculating property tax in accordance with this article shall apply to a building or premises belonging to the housing stock, with the exception of a residential building or premises, or part thereof, used for business purposes, as well as a residential building or premises located on the territory of a resort - health-improving subject.

2. The tax base for calculating property tax on a residential building or premises is determined on the basis of data on the size of the total area of the property according to

internal measurements, indicated in the technical passport of the taxpayer's real estate unit, issued by the authorized state body that registers the rights to real estate.

3. To calculate the tax value of a unit square meter of a residential building or premises, the base tax value, the regional coefficient K_r and the zonal coefficient K_z are determined in the amount established by Articles 387 and 388 of this Code.

4. The amount of property tax on a residential building or premises is determined according to the formula provided for in article 380 of this Code.

Article 392. Features of determining the tax base for a residential building and premises

1. If a taxpayer has more than one item of property relating to residential buildings and premises, the tax base for one of such items of property at the choice of the taxpayer is determined taking into account the benefits established by part 1 article 409 of this Code.

2. The tax base for calculating property tax on a building or premises specified in part 1 of this article is determined as a positive difference between the tax base determined in accordance with articles 376 and 377 of this Code, and the size of the area exempted from taxation in accordance with part 1 article 409 of this Code.

3. If the difference resulting from the calculation of the tax base provided for by Part 2 of this article has a negative value, the amount of tax on a residential building or premises shall be recognized as equal to zero, and the negative difference shall not be subject to offset when calculating the property tax on other buildings or premises.

Article 393

Property tax on a residential building or premises is paid no later than September 1 of the current tax period.

Article 394

Calculation of the tax value of one square meter of a non-residential building, structure or premises is carried out according to the formula:

$$NS = BNS \times K_r \times K_z \times K_n,$$

where:

HC - the tax value of one square meter of a building, structure or premises;

BTS - the base tax value of one square meter of a non-residential building, structure or premises;

K_r - regional coefficient;

K_z - zonal coefficient;

K_n - coefficient of functional purpose.

Article 395. Calculation of property tax on non-residential building, structure and premises

1. The procedure for calculating property tax in accordance with this article shall apply to a non-residential building, structure or premises, a residential building or premises or part thereof used for business purposes, as well as to a residential building, structure or premises located on the territory of a health resort subject.

2. For the calculation of property tax for non-residential buildings, structures and premises, the tax base is determined on the basis of data on the size of the total area according to the internal measurement of institutional, administrative, commercial, warehouse, industrial, cultural, service and other premises specified in the technical passport unit of immovable property of the taxpayer, issued by the state body that registers the rights to immovable property used and / or allocated, and / or intended for use in business activities.

For the purposes of this chapter, the tax base for a residential building, structure or premises, or part thereof, used for business purposes, as well as for a residential building or premises located on the territory of a health resort establishment, shall be determined in the manner prescribed by article 376 and part 2 of articles 392 of this Code.

3. To calculate the tax value of one square meter of a non-residential building, structure or premises of the National Assembly, the base tax cost of the BTS, the regional coefficient K_r , the zonal coefficient K_z and the coefficient of functional purpose K_n are determined in the amount established by this chapter.

4. The amount of property tax on a non-residential building, structure or premises or part thereof is determined according to the formula provided for in article 380 of this Code.

Article 396

Property tax on a non-residential building, structure and premises is paid quarterly no later than the 20th day of the third month of the current quarter, in equal installments during the current tax period.

Chapter 51

Article 397

Calculation of the tax value of one square meter of house adjoining, homestead and horticultural land is made according to the formula:

$$NS \approx BNS \times K_z,$$

where:

HC - the tax value of one square meter of land;

BTS - the base tax value of one square meter of land;

K_z - zonal coefficient.

Article 398

1. For the calculation of the property tax on a house adjoining, homestead or horticultural land plot, the tax base is determined as the area of the land plot specified in the title document.

2. The base tax value of one square meter of the area of a house adjoining, backyard or horticultural land plot is established for tax purposes depending on the location of the land plot in the following amounts:

Settlements	Base tax value (som/sq.m)
1) Cities of Bishkek, Osh	150
2) The cities of Tokmok, Kara-Balta, Jalal-Abad, Karakol, Talas, Cholpon-Ata	100
3) Cities not provided for by paragraphs 1 and 2 of this part, as well as settlements, with the exception of rural settlements	fifty
4) Rural settlements	ten

3. To calculate the tax cost of the taxation of one square meter of a house, household or garden plot of land, the zonal coefficient K_z is determined in the manner prescribed in article 404 of this Code.

4. If a house adjoining, homestead or garden plot or part of it is used for business purposes, the property tax on this land plot or part of it is calculated in accordance with chapter 53 of this Code.

5. The amount of property tax on a house adjoining, homestead or horticultural land plot or part thereof is determined according to the formula provided for in article 380 of this Code.

Article 399

The amount of property tax on a house adjoining, homestead or horticultural land plot is paid no later than September 1 of the current tax period.

Chapter 52

Article 400. Formula for calculating the tax value of one square meter of agricultural land

Calculation of the tax value of one square meter of agricultural land is carried out according to the formula:

$$NS \cdot BNS \cdot K_i,$$

where:

HC - the tax value of one square meter of agricultural land;

BTS - basic tax value of one square meter of agricultural land;

K_i - coefficient of inflation.

Article 401. Calculation of property tax on agricultural land

1. For the calculation of property tax on land plots related to agricultural land, the tax base is determined as the area of the land plot specified in the title document.

2. The base tax value of the VAT of one square meter of a land plot related to agricultural land is established, unless otherwise provided by this article, depending on the purpose of the plot in the following amounts:

Name of regions and districts	Base tax value (KGS/sq.m)				
	Irrigated arable land	Rainfed arable land	perennial plantations	hayfields	Pastures, fallows
one	2	3	four	5	6
Batken region					
Batken region	268	41.3	149	-	7.7
Leilek region	268	41.3	149	24.3	7.7
Kadamjai district	275	41.3	150	24.3	12.7
Jalal-Abad region					
Aksy district	306	56.7	193	15.9	13.6
Ala-Buka district	306	41.3	204	22.5	9.9
Bazar-Korgon district	414	41.3	220	30.9	15.4
Nooken region	453	41.3	193	24.4	15.4
Suzak district	414	41.3	220	30.9	15.4
Toguz-Toro district	223	62.3	-	33	12.9
Toktogul district	239	62.3	201	30.4	12.9
Chatkal region	194	62.3	-	26.5	12.9
Issyk-Kul region					
Ak-Suu region	373	87.5	173	30.4	10.6
Jeti-Oguz region	305	74.9	168	23.8	7.7
Issyk-Kul region	280	68.6	155	23.8	7.7
Ton district	236	39.2	119	20.4	7.1
Tyup region	379	87.5	174	29.1	fifteen
Naryn region					
Ak-Tala region	205	37	-	25.1	4.5
At-Bashi district	191	54.3	-	21.7	4.5
Jumgal region	196	37	-	25.1	4.5
Kochkor region	215	37	-	25.1	4.5
Naryn region	196	54.3	-	21.1	5.3
Osh region					
Alai region	232	62.3	-	27.7	5.3
Aravan region	436	41.3	226	15.2	12.7
Kara-Kulja district	232	62.3	117	27.7	5.3
Kara-Suu region	453	41.3	246	27.9	12
Nookat region	413	62.3	233	27.8	12.7

Uzgen region	413	62.3	235	33.7	13.9
Chon-Alai region	183	-	-	21.1	5.5
Talas region					
Bakai-Ata district	318	52.5	164	-	7.4
Kara-Buura district	350	36.4	165	11.2	4.8
Manas region	331	36.4	166	11.2	4.8
Talas region	297	52.5	164	eleven	4.8
Chui area					
Alamudun district	400	56.5	209	23.1	10.8
Zhaiyl district					
a) Chui zone	329	67.9	213	20.4	10.8
b) Suusamyr zone	189	34.5	-	11.3	ten
Issyk-Ata district	400	74.2	213	29.7	10.8
Keminsky district	354	80.5	211	29.7	10.8
Moskovsky district	392	67.2	215	29.7	7.8
Panfilovsky district	362	67.2	215	23.1	7.8
Sokuluk region	407	67.2	211	13.9	7.8
Chui district	400	74.9	211	32.4	10.8

3. The base tax value of one square meter of land belonging to agricultural land, the location of which is located on the territory of a city or settlement, is determined in the amount of the basic tax value provided for by paragraph 2 of this article, applicable to the administrative region in which such a city or locality.

4. The base tax value of one square meter of a water body is determined in the amount of the base tax value provided for by paragraph 2 of this article, applied to the irrigated arable land of the administrative region in which the water body is located.

5. The base tax value of one square meter of land irrigated by pumping stations is determined in the amount of the basic tax value provided for by paragraph 2 of this article for rainfed arable land of the corresponding administrative region.

6. The base tax value of one square meter of a forest fund land leased for agricultural purposes is equated to the basic tax value of one square meter of agricultural land of the corresponding administrative region, established by part 2 of this article.

For the purposes of this part, the categories of forest fund lands are equated to the following categories of agricultural land, respectively:

Farmland	Lands of the Forest Fund
Irrigated arable land	Plantations, nurseries
Rainfed arable land	Non-closed forest cultures, clearings, burnt areas, sparse areas, clearings, wastelands
perennial plantations	Lands covered with forest vegetation
hayfields	non-forest lands

7. The inflation coefficient K_i used in the current tax period to calculate the tax on property, on a land plot related to agricultural land, is determined as the product of inflation coefficients for previous tax periods, starting from the tax period in which this Code entered into force.

The inflation rate applied in the current tax period is approved by the authorized tax authority on the basis of official national statistics no later than October 1 of the previous tax period.

8. In cases where the inflation rate for the current tax period has not been established, it is taken equal to the rate that was in force in the previous tax period.

9. The amount of property tax on a land plot related to agricultural land, or part of it, is determined according to the formula provided for in article 380 of this Code.

Article 402

The property tax on a land plot related to agricultural land is paid from the amount of tax for the tax period calculated in accordance with this chapter, within the following terms of the current tax period:

- 1) no later than April 25 - in the amount of 20 percent;
- 2) no later than August 25 - in the amount of 25 percent;
- 3) no later than November 25 - in the amount of 55 percent.

Chapter 53

Article 403

Calculation of the tax value of one square meter of land of settlements and non-agricultural land is carried out according to the formula:

$$NS = BNS \times K_z \times K_n \times K_i,$$

where:

HC - the tax value of one square meter of land of settlements and non-agricultural land;

BTS - the basic tax cost of one square meter of land of settlements and non-agricultural land;

K_z - zonal coefficient;

K_n - coefficient of the functional purpose of the property;

K_i - coefficient of inflation.

Article 404

1. For the calculation of the property tax on the lands of settlements and non-agricultural lands, the tax base is determined as the area of the land plot indicated in the title document.

2. The base tax value of the VAT of one square meter of the area of a land plot related to the lands of settlements and non-agricultural lands is established for tax purposes depending on the location of such a land plot in the amount of:

Name of regions	The base tax value for the lands of settlements with a population in thousand people. (soms/sq.m)							
	up to 5	5 to 10	10 to 20	from 20 to 50	from 50 to 100	from 100 to 200	from 200 to 500	500 and above
Batken region	90	140	150	170	170			
Jalal-Abad region	120	160	180	200	210	240		
Issyk-Kul region	120	160	180	200	210			
Naryn region	100	140	160	170	180			
Osh region	130	160	180	200	230	240	260	
Talas region	110	150	170	190				
Chui region and Bishkek city	120	160	180	200	230	240		290

3. The coefficient of tax value for a land plot of a settlement or non-agricultural purpose, located outside the boundaries of the settlements provided for by paragraph 2 of this article, is determined in the amount of the coefficient of tax value applied to a land plot located in a settlement with a population of 5,100 to 10,000 people, located in the respective administrative region.

4. The boundaries of value zones, as well as the zonal coefficient K_z for lands of a settlement and non-agricultural purposes in the amount of 0.3 to 2.0 are established by local keneshes.

5. In the event of a change in the size of the zonal coefficient K_z and / or the boundaries of cost zones, they are approved no later than October 1 of the current tax period and are effective from the 1st day of the first month of the subsequent tax period.

If before October 1 of the current tax period the size of the zonal coefficient K_z and/or the boundaries of the value zones are not approved, the size of the zonal coefficient K_z and/or the boundaries of the value zones of the current tax period shall apply in the next tax period.

6. The coefficient of functional purpose K_n is established depending on the purpose of the land plot, determined upon its provision, specified in the title document:

Functional purpose of the land plot	Functionality factor
For shops, kiosks, stalls, pavilions and other trade facilities, depending on the area:	
1) up to 10 sq.m	22.5
2) from 10 to 20 sq.m	16.5
3) from 20 to 35 sq.m	10.5
4) from 35 to 50 sq.m	7.5
5) from 50 and above sq.m	6.0

For mini-markets, markets, shopping complexes, with the exception of markets intended for the sale of animals, poultry, feed for farm animals	7.5
Under the markets intended for trade in animals, poultry, feed for farm animals	4.5
Under buildings and premises intended for catering	3
Under buildings and premises for hotel activities	7
Under the buildings of banks, pawnshops, exchange offices	5
Under buildings and premises of round-the-clock/night entertainment establishments	7
Under the buildings of business centers, stock exchanges, with offices	2.5
Under the buildings and structures of gas stations	ten
Under the buildings and structures of oil depots	1.5
For paid parking / parking of cars and trucks, buildings, premises and structures of a car service	4.5
Under constructions of advertising	fifty
Under buildings, premises and structures intended for the sphere of recreation and entertainment, the provision of health services, the provision of individual services, with the exception of those specified in this part	1.5
Under buildings, premises and structures of industry, transport, construction, communications and energy, territories of free economic zones, with the exception of those specified in this part	0.5
Under buildings, premises and structures of mining enterprises, cargo stations of road and rail transport, transport and logistics centers, sanitary protection zones of railway and air transport enterprises	0.3
Under buildings, premises and structures of institutions of science, education, healthcare, culture, physical culture and sports, sports institutions	0.3
For agricultural production buildings, premises and structures: garages, repair shops, grain stocks, grain cleaning complexes, vegetable and potato storage facilities, construction and utility yards and other agricultural facilities	0.2
For the development of deposits, quarries, mines, cuts, ash dumps	0.05
Under overhead communication lines and power transmission, defense-sports-technical organizations	0.01
For geological exploration, design and survey, exploration and research work	0.005
For administrative buildings for activities not specified in this part	1.0
For buildings and structures owned by an agricultural cooperative and a trade and logistics center for agricultural purposes on the basis of ownership and used for the purpose of their main activities	0.1

The coefficient of functional purpose for a land plot of settlements and non-agricultural purposes, for which the coefficient is not established by this article, is taken equal to 1.0.

7. In the event that buildings or premises are located on the land plot, to which different coefficients of functional purpose K_n are applied, the share of the land plot attributable to each of these buildings or premises is determined in proportion to their built-up areas.

8. The inflation coefficient K_i used in the current tax period to calculate the property tax on a land plot related to the lands of settlements and non-agricultural lands is determined as the product of inflation coefficients for previous tax periods, starting from the tax period in which this Code entered into force. by virtue of.

The inflation rate applied in the current tax period is approved by the authorized tax authority on the basis of official national statistics no later than October 1 of the previous tax period.

If the inflation rate for the current tax period is not set, it is taken equal to the rate that was in effect in the previous tax period.

9. The amount of property tax on a land plot related to the lands of settlements and non-agricultural lands, or part of it, is determined according to the formula provided for in article 380 of this Code.

10. Property tax on land plots for non-agricultural purposes, including those located in settlements, is paid quarterly no later than the 20th day of the first month of the current quarter, in equal installments during the current tax period.

Chapter 54

Article 405

1. Calculation of the tax value of one cubic centimeter of the engine volume of a vehicle running on an internal combustion engine is made according to the formula:

$$NS = \frac{HC}{BTS} \times K_k,$$

where:

HC - the tax value of one cubic centimeter of the engine volume of a vehicle running on an internal combustion engine;

BTS - the base tax value of one cubic centimeter of the engine volume of a vehicle running on an internal combustion engine;

K_k - correction factor.

2. The base tax value of one cubic centimeter of the engine volume of a vehicle powered by an internal combustion engine is established for tax purposes depending on the type of vehicle and the period of operation of the vehicle in the following amounts:

Kind of transport	Terms of operation, including the year of manufacture by the	Basic tax cost, KGS per 1 cc of engine working volume
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	manufacturer	
Passenger cars, vans and pickup trucks based on passenger cars	up to 5 years	90
	5 to 10 years	75
	10 to 15 years old	60
	over 15 years	45
Trucks, buses, minibuses	up to 5 years	75
	5 to 10 years	60
	10 to 15 years old	45
	over 15 years	thirty
Self-propelled machines and/or mechanisms: tractors, harvesters, road-building machines	up to 15 years	thirty
	over 15 years	fifteen
of which: self-propelled machines and/or mechanisms (tractors and combines) used in agricultural production	up to 15 years	ten
	over 15 years	5
Motorcycles, scooters, mopeds, snowmobiles and motor boats, boats, ships, motor ships	up to 10 years	fifteen
	over 10 years	9
Yachts and jet skis	up to 5 years	eighteen
	over 5 years	12

3. For the calculation of property tax on a vehicle running on an internal combustion engine, the tax base for property tax is determined on the basis of data on the working volume of the engine specified in the technical passport of the vehicle.

Property tax on a vehicle running on an internal combustion engine, not provided for in paragraph 2 of this article, is calculated in the manner prescribed article 406 of this Code.

4. The correction factor Kk is set depending on the engine power of a car, van and pickup truck based on a car in the following dimensions:

Engine volume, cc	Terms of operation, including the year of manufacture by the manufacturer	
	up to 5 years	over 5 years
from 3000 to 4500	2.5	one
from 4500 and above	3.0	one

5. The amount of property tax on a vehicle running on an internal combustion engine is determined according to the formula provided for in article 380 of this Code.

Article 406

1. For a vehicle that does not have an internal combustion engine, the property tax tax base is determined as the accounting value of the vehicle at the beginning of the tax period.

2. The amount of property tax on a vehicle that does not have an internal combustion engine is calculated as the product of the tax base and the tax rate established by paragraph 5articles 379of this Code.

Article 407

1. For a vehicle that does not have an internal combustion engine and book value, the tax base for property tax is determined in accordance with the procedure established by the Cabinet of Ministers.

2. The amount of property tax on a vehicle that does not have an internal combustion engine and book value is calculated as the product of the tax base and the tax rate established by paragraph 5articles 379of this Code.

Article 408. Deadline for payment of tax

Property tax on a vehicle is paid no later than September 1 of the current year.

Chapter 55

Article 409

1. Not subject to taxation:

1) the area of only one object of a residential building or premises belonging to the owner of this object, not exceeding the following size:

The area of the object of a residential building or premises, not subject to property tax, depending on the population in settlements, sq.m								
thousand people	up to 5	5 to 10	10 to 20	from 20 to 50	from 50 to 100	from 100 to 200	from 200 to 500	500 and above
Residential house, country house, sq.m	360	330	300	270	240	210	180	150
Apartment, sq.m	290	260	230	200	170	140	110	80

2) buildings, premises and vehicles of diplomatic missions, consular offices of foreign countries and representative offices of international organizations in accordance with international treaties that have entered into force in accordance with the legislation of the Kyrgyz Republic;

3) buildings of a society of disabled people, organizations and individual entrepreneurs, in which disabled people (except for persons with disabilities of the 3rd group of a general disease) make up at least 50 percent of the total number of employees, and their wages amount to at least 50 percent of the total wage fund. The list of these organizations, institutions and enterprises is determined by the Cabinet of Ministers;

4) buildings and premises of non-profit organizations operating in the field of science, education, healthcare, culture, sports, social security of disabled citizens, low-income and low-income families, as well as charitable organizations;

5) a motorized wheelchair and/or a manual car owned by a disabled person;

6) vehicles driven only by an electric motor.

2. The following shall be exempt from paying tax in the amount of 50 percent of the amount of property tax payable:

1) one residential building or one premises, one vehicle owned by a person awarded the highest degree of distinction of the Kyrgyz Republic "Kyrgyz Respublikasynyn Baatry", a Hero of the Soviet Union and a Hero of Socialist Labor, a mother-heroine, a person awarded the Order of Glory and Labor Glory three degrees, a participant and / or disabled person of the Great Patriotic War, a participant in the Batken events, a serviceman who took part in the war in Afghanistan and other countries under interstate agreements, or a disabled soldier who became disabled due to injury, concussion or injury received during the defense USSR, the Kyrgyz Republic or in the performance of other duties of military service, or as a result of an illness associated with being at the front, a disabled person, a widow or widower of a disabled veteran of the Great Patriotic War, as well as a disabled person of groups I and II;

2) buildings, premises and structures owned or temporarily used by the agricultural cooperative, used for the purpose of the main activity of the agricultural cooperative;

3) buildings, premises and structures that meet the energy and resource efficiency requirements determined by the Cabinet of Ministers.

3. The benefits provided for by paragraph 2 of this article are provided:

1) if the right to a benefit arises before August 1 of the current tax period - for the current tax period;

2) if the right to a benefit arises after August 1 of the current tax period - for the tax periods following the current tax period.

4. The taxpayer has the right to reduce the amount of tax on a building or premises by the amount of tax paid or payable for a land plot located directly under such a building or premises, within the amount of property tax calculated in relation to this property.

5. Pledged property accepted into the ownership of the bank shall be exempt from property tax for the period from the first day of the month following the month in which the property was transferred into the ownership of the bank until the first day of the month following the month in which the object of property began to be used by the bank for business purposes or was realized, depending on which of these events came first.

Article 410. Exemption from taxation of land plots

Unless otherwise provided by this section, the following are exempt from taxation:

1) land:

a) reserves, reserves, natural, national and dendrological parks, botanical and zoological gardens, nature reserves, natural monuments, objects of historical and cultural purpose, unallocated reserve lands, lands occupied by a tracking strip along the state border;

b) common use of settlements, occupied by protective forest plantations, water and forest funds;

c) means of communication, land strips along the roads of republican and local significance, with the exception of those provided for agricultural use;

d) product pipelines and communication lines, with the exception of those provided for agricultural use;

e) under reservoirs and flood zones, power lines used for the generation or transmission of electricity, with the exception of those provided for agricultural use;

2) land of cemeteries;

3) cattle passes and cattle stopping areas;

4) disturbed lands (degraded, with violations of the soil cover and other quality indicators of the land), requiring reclamation, received for agricultural needs by local governments, organizations, as well as individuals for a period established by local keneshes.

Article 411

1. Unless otherwise provided by this section, the following shall be exempted from paying property tax on a house adjoining, homestead and garden plot:

1) participants in the Great Patriotic War, military personnel who took part in the war in Afghanistan and other countries under interstate agreements, participants in the liquidation of the accident at the Chernobyl nuclear power plant, as well as disabled people from childhood, disabled people of groups I and II;

2) family members of military personnel and law enforcement officers who died or went missing in the line of duty, including children before they reach the age of majority;

3) an individual - a citizen of the Kyrgyz Republic who has reached retirement age;

4) an individual who has 4 or more minor children.

2. The following land plots are exempted from property tax:

1) societies of the disabled, organizations and individual entrepreneurs, in which disabled people (except for persons with disabilities of the 3rd group of a general disease) make up at least 50 percent of the total number of employees, and their wages amount to at least 50 percent of the total wage fund. The list of these organizations, institutions and enterprises is determined by the Cabinet of Ministers;

2) lands of trade union sanatoriums, rest houses, boarding houses included in the sanitary protection zones;

3) lands of liturgical objects of religious organizations registered in accordance with the procedure established by the legislation of the Kyrgyz Republic.

For the purposes of this part, liturgical objects are objects of immovable property of religious institutions used directly for the performance of rites, prayers for the purpose of joint confession and dissemination of faith;

4) lands of preschool educational organizations established on the basis of private ownership.

Article 412. Rights of local self-government bodies

Local keneshes have the right in the territory under their jurisdiction:

1) provide:

a) full or partial exemption from tax on property, buildings and premises for a period of up to 3 years in cases where the taxpayer has suffered material losses due to force majeure;

b) full or partial exemption from paying property tax on agricultural land for up to 3 years in cases where the land user has suffered material losses due to force majeure;

c) full exemption from property tax on buildings, structures and premises and / or property tax on lands of settlements and non-agricultural lands for enterprises whose activities relate to preferential types of industrial activities subject to preferential taxation established by article 183 of this Code;

d) full exemption from property tax on land and non-residential buildings, structures and premises for taxpayers registered and operating in preferential border settlements.

2) increase the base tax value for land plots related to agricultural land, taking into account the soil bonitet score, as well as for unused agricultural land, except in cases of force majeure, for subsequent tax periods no later than October 1 of the current tax period.

SECTION XIV. SPECIAL TAX REGIME

Chapter 56

Article 413. General provisions

1. Individual taxes may be paid by acquiring a patent.

A patent at the choice of the taxpayer is issued in the form of a document on paper or in electronic format (electronic patent). A paper patent and an electronic patent have equal legal significance.

Patent forms on paper are strictly accountable documents.

The Cabinet of Ministers determines the timeframe for the transition of the mandatory registration of a patent in the form of a document on paper to an electronic patent.

2. The patent certifies:

- 1) the right of the taxpayer to carry out the type of activity specified in the patent;
- 2) payment of taxes on the type of activity specified in the patent;
- 3) receipt of income during the tax period in which the patent was valid.

3. A patent may be acquired by a taxpayer at the tax authority at the place of business activity, provided that the taxpayer has a tax or accounting registration.

4. The amount of tax based on a patent may be paid by a taxpayer:

- 1) in a bank institution, including through a system of remote or remote banking services, including Internet or mobile banking;
- 2) through a payment terminal or POS terminal, electronic money.

5. A receipt from a bank, a payment terminal, a POS terminal or information about the payment of the amount of tax based on a patent, sent to the authorized tax authority

through peripheral devices, is the basis for issuing a patent to a taxpayer or for extending the validity of a previously issued patent.

6. Conducting activities without a patent is recognized as conducting activities without registration and/or tax evasion.

7. A patent is valid only in the territory where it was issued (district, city without district division or the city of Bishkek), with the exception of a patent for certain types of activities determined by the authorized tax authority. The transfer of a patent or its copy for the purpose of carrying out entrepreneurial activity to another person is prohibited.

8. In case of loss of a patent issued on paper, a duplicate is issued by the tax authority. In this case, for the remaining tax period, the taxpayer is issued a new patent marked "to replace the lost one".

9. A patent for the implementation of certain types of activities does not replace licenses and other special permits for the right to conduct them in accordance with the requirements established by the legislation of the Kyrgyz Republic.

10. Activities carried out by a taxpayer on the basis of a patent are not subject to an on-site tax audit for the period of validity of the patent, except for a counter audit. Other forms of tax control are carried out in accordance with this Code.

11. The form of a patent and the procedure for its issuance are established by the authorized tax authority.

Article 414. Procedure for determining the amount of tax

1. The base amount of tax based on a patent by type of activity is established by the Cabinet of Ministers on the proposal of the authorized tax authority.

2. Within the limits of the basic amount of tax, the authorized tax body has the right to adjust the amount of tax depending on seasonality, profitability, type and place of business.

3. Calculation and determination of the base tax amount and its adjustment are made on the basis of chronometric examinations, except for the case of force majeure circumstances.

4. If a taxpayer combines two or more types of activity subject to taxation on the basis of a patent, the tax amount shall be established separately for each type of economic activity.

Article 415

1. A chronometric survey is carried out by the tax authorities together with representatives of local governments and an industry business association accredited by the authorized tax authority in order to determine the average profitability for certain types of activities and regions, necessary for the application of a special tax regime based on a patent. The procedure for conducting a chronometric examination is determined by the Cabinet of Ministers.

2. A chronometric examination is carried out no more than once a year, and for types of activities of a seasonal nature - no more than three times a year and cannot exceed 15 calendar days for each chronometric examination.

3. A chronometric examination may be carried out both with the knowledge and without the knowledge of the taxpayer. The basis for conducting a chronometric examination is an order issued in accordance with the requirements established by this Code.

4. When conducting a chronometric examination with the knowledge of the taxpayer, the taxpayer shall be presented with the original prescription for review and shall be given a copy thereof. In the original prescription, the taxpayer puts a mark on familiarization with the prescription and receipt of its copy.

5. When conducting a chronometric examination without the knowledge of the taxpayer, the original prescription shall be presented to the taxpayer for familiarization and a copy shall be handed in after the conduct of this examination, with the simultaneous delivery of the relevant examination report.

6. The results of the timing survey do not entail a change in the tax obligations of a particular person whose activities are subject to the survey, and are used solely to determine the amount of tax based on a patent for a particular type of activity.

7. Access during timing examinations is provided in accordance with this Code.

Article 416. Taxpayer

1. A taxpayer of tax based on a patent is:

1) an individual engaged in individual labor activity or individual entrepreneurial activity in accordance with the list approved by the Cabinet of Ministers;

2) an organization carrying out the activities of an exchange bureau.

2. An individual engaged in individual entrepreneurial activity and paying tax on the basis of a patent shall pay the taxes established by this Code, with the exception of the following types of taxes:

1) income tax;

2) sales tax.

A self-employed individual pays patent-based tax in lieu of income tax.

An organization operating as an exchange bureau and paying tax on the basis of a patent shall pay the taxes established by this Code, with the exception of the following types of taxes:

1) income tax;

2) sales tax;

3) VAT on taxable supplies.

3. A taxpayer paying tax on the basis of a patent, instead of calculating and paying income tax on the wages of employees, has the right to acquire a patent for each employee in the amount of 7 calculation indices per month.

When paying employees for one-time work, services under a civil law agreement (contract, employment) as part of their activities, the calculation, deduction and transfer of income tax to the budget are carried out in accordance with the requirements of this Code.

4. Do not have the right to apply the tax payment regime on the basis of a patent:

1) an individual whose total revenue for the last 12 months exceeds 8,000,000 soms;

2) an individual importing goods, with the exception of the subject of clothing and textile production.

5. In cases of non-compliance with the conditions established by clause 1 of part 4 of this article, the taxpayer, within the period in which the non-compliance is established, is obliged to submit to the tax authority an application for switching to a different procedure for calculating and paying taxes from the first day of the month following the month, on which found a mismatch.

In cases of non-compliance with the conditions established by clause 2 of part 4 of this article, the general regime for calculating taxes is applied to the taxpayer for the relevant period.

6. The tax authority has the right to revoke a patent, revoke or suspend its validity in cases where:

- 1) the taxpayer carries out a type of activity not specified in the patent;
- 2) the taxpayer operates under a patent issued to another taxpayer;
- 3) there are other violations provided for by the legislation of the Kyrgyz Republic.

Article 417 Procedure and deadline for tax payment

1. The tax is paid before the commencement of activities by acquiring a patent.

2. A patent can be purchased for 15, 30, 90, 180 and 365 consecutive days. When acquiring a patent for 90 calendar days, the amount of tax is reduced by 5 percent, for 180 calendar days - by 10 percent, for 365 calendar days - by 15 percent.

3. The amount of tax is fixed and is not subject to recalculation after the acquisition of a patent, and the amount of tax paid is not refundable after the acquisition of a patent, except for the recalculation of the amount of tax based on a patent, the validity of which falls within the period of force majeure, in the manner determined by the authorized tax authority. body.

4. A taxpayer engaged in other types of activities that are not subject to taxation on the basis of a patent is obliged to keep separate records, submit reports and pay taxes on these types of activities in the manner prescribed by this Code. At the same time, expenses incurred on activities based on a patent are not subject to deduction from the total annual income on other types of activities that are not subject to taxation on a patent basis.

5. A taxpayer operating on the basis of a patent is not exempted from submitting a single tax declaration in respect of the activity provided for by a patent, in accordance with the requirements of this Code, which indicates the income actually received from activities based on a patent without their mandatory confirmation and recalculation of the amount of tax paid unless otherwise provided by this chapter.

Chapter 57

Article 418. General provisions

1. The simplified taxation system provides for the right to pay by small and medium-sized businesses, the entity applying the regime established article 324 of this Code, as well as subjects of the clothing and textile industries, a single tax in respect of activities subject to taxation in accordance with this chapter, instead of:

- 1) income tax;
- 2) sales tax;
- 3) VAT on taxable supplies.

2. An entity applying the simplified taxation system (hereinafter referred to in this chapter as a taxpayer) is obliged to:

- 1) apply CMC in the manner prescribed by this Code;
- 2) pay taxes not specified in part 1 of this article in accordance with this Code;
- 3) apply invoices in the manner prescribed by this Code.

3. Unless otherwise established by this chapter, a taxpayer shall not be released from the duties of tax agents in the cases established by this Code.

4. The taxpayer is obliged to pay taxes not specified in part 1 of this article in accordance with this Code.

Article 419. Taxpayer

1. The taxpayer is:

- 1) a small and medium-sized business entity whose revenue for the last 12 consecutive months does not exceed 30,000,000 soms;
- 2) a newly registered taxpayer who intends to apply the simplified taxation system;
- 3) the subject applying the regime established article 324 of this Code;
- 4) the subject of the clothing and textile industries without restrictions on the amount of revenue.

2. The simplified system of taxation based on the single tax does not apply to:

- 1) for entities paying tax on the basis of a patent;
- 2) to entities providing financial and insurance services;
- 3) for investment funds;
- 4) professional participants of the securities market;
- 5) for taxpayers of excise tax.

Article 420

1. The taxpayer, with the exception of the entity applying the regime established article 324 of this Code, has the right to independently choose the system of taxation in the manner prescribed by this Code.

2. A newly registered taxpayer who intends to apply the simplified taxation system must submit an application to the tax authority as a single tax payer at the place of tax registration within 5 working days from the day following the day of tax registration.

3. A taxpayer who intends to apply the simplified taxation system and pays taxes:

- 1) on the basis of the general tax regime, submits an application to the tax authority at the place of current tax accounting before December 1 of the current year.

Payment of a single tax based on a simplified taxation system is carried out by a taxpayer from January 1 of the next calendar year;

2) on the basis of other special tax regimes, submits an application to the tax authority at the place of current tax accounting. The payment of a single tax based on the simplified taxation system is carried out by the taxpayer from the 1st day of the month following the month in which the application was submitted.

4. In cases of non-compliance with the conditions established article 419 of this Code, in order to apply the simplified taxation system, the taxpayer, before the end of the month following the month in which the discrepancy is established, must submit to the tax authority at the place of current tax accounting an application for switching to the general tax regime. Payment of taxes on the basis of the general tax regime of taxation is carried out by the taxpayer from the 1st day of the month following the month in which the application was submitted.

5. In case of voluntary withdrawal from the simplified taxation system, a taxpayer who intends to pay taxes:

1) on the basis of the general tax regime, is obliged to submit an application to the tax authority at the place of current tax registration before December 1 of the current year. Payment of taxes on the basis of the general tax regime is carried out by the taxpayer from January 1 of the next calendar year;

2) on the basis of other special tax regimes, submits an application to the tax authority at the place of current tax accounting. Payment of taxes for other special tax regimes is carried out by the taxpayer from the 1st day of the month following the month in which the application was submitted.

6. A taxpayer who, in accordance with part 5 of this article, has been deregistered as a single tax payer, has the right to switch back to the simplified taxation system no earlier than 1 year after deregistration.

Article 421. Object of taxation

The object of taxation of the tax is entrepreneurial activity carried out by the taxpayer.

Article 422. Tax base

1. Unless otherwise provided by this article, the taxation base is the proceeds from the sale of goods, works, services.

2. For entities applying the regime established article 324 of this Code, the tax base is the value of the goods.

Article 423. Tax rates

1. Unless otherwise provided by this article, the taxpayer shall pay tax at rates depending on the types of activity in the following amounts:

1) for the processing of agricultural products, for the production sector, for trade:

a) 4 percent - in cash;

b) 2 percent - in non-cash form;

2) for other types of activities:

- a) 6 percent - in cash;
- b) 4 percent - in non-cash form.

2. The subject applying the regime established article 324 of this Code shall pay a tax in the amount of 3 percent.

3. The subject of clothing and / or textile production pays a tax in the amount of 0.25 percent during the period until January 1, 2027.

4. A taxpayer providing public catering services, saunas, billiards and baths, with the exception of municipal baths, shall pay a tax in the amount of 8 percent.

5. The taxpayer, with the exception of the entity applying the regime established article 324 of this Code, carrying out several types of activities, calculates and pays tax separately for each type of activity at the rates established for these types of activities.

6. An individual entrepreneur who sells goods, works, services to the population, with the exception of the taxpayers specified in paragraph 4 of this article, pays tax at the following rates:

- 1) in 2022 - 0 percent;
- 2) in 2023 - 1 percent;
- 3) in 2024 - 2 percent;
- 4) from 2025 at the rates established by part 1 of this article.

7. The rates established by part 6 of this article are applied in cases where:

1) an individual entrepreneur is newly registered or switched from another tax regime to a simplified taxation system during the specified periods;

2) the amount of revenue does not exceed 8,000,000 soms for the last 12 consecutive months;

3) the requirement for the mandatory use of CMC is fulfilled in the manner prescribed by this Code.

Article 424. Tax period

The tax period is:

1) for small and medium-sized businesses, as well as subjects of the clothing and textile industries - one quarter;

2) for entities applying the regime established article 324 of this Code - a calendar month.

Article 425. Procedure for calculating tax

The taxpayer calculates the tax independently in accordance with the procedure established by article 43 of this Code.

Article 426. Submission of tax reporting. Procedure and deadline for tax payment

1. Unless otherwise provided by this article, a single tax report shall be submitted at the place of current tax accounting no later than the 20th day of the month following:

1) for the reporting month, - by the entity applying the regime established article 324 of this Code;

2) for the reporting tax period, - by other taxpayers.

2. The single tax is payable at the place of current tax accounting no later than the 20th day of the month following:

1) for the tax period - by a small business entity and an individual entrepreneur specified in Part 7 articles 423 of this Code;

2) for the reporting month, - by a medium-sized business entity and an entity applying the regime established article 324 of this Code.

3. Individual entrepreneur specified in part 6 articles 423 of this Code, is exempt from submitting a single tax report for tax periods from 2022 to 2024.

The calculation of the tax liability for the single tax of such an individual entrepreneur for the tax periods provided for by this part is carried out by the tax authority on the basis of data from the automated information system of the authorized tax authority.

The procedure for notifying a taxpayer of the accrued amount of a tax liability shall be established by the authorized tax authority.

4. An individual entrepreneur, specified in part 3 of this article, during the tax periods provided for in part 3 of this article, instead of calculating and paying income tax on the wages of employees, is obliged to acquire a patent for each employee in accordance with this Code.

5. A taxpayer of a single tax is obliged to submit a single tax declaration within the time limits established article 106 of this Code.

Chapter 58. Tax Regime in Free Economic Zones

Article 427. General provisions

1. The tax regime provided for by this chapter applies only to the activities of subjects of free economic zones (hereinafter referred to as FEZs) operating in accordance with the requirements of the legislation of the Kyrgyz Republic on free economic zones in the Kyrgyz Republic, with the exception of entities operating on mining, production and sale of excisable goods, except for enterprises engaged in the production and sale of tobacco products subject to excise and VAT when imported into the rest of the territory of the Kyrgyz Republic, registered before 2000.

2. In relation to the activities of FEZ entities in the rest of the territory of the Kyrgyz Republic, the general tax regime is applied.

Article 428

FEZ subject - a legal entity registered (re-registered) by the authorized state body and passed registration in the FEZ General Directorate, as well as branches (representative offices) previously registered in the FEZ General Directorate, before entry into force of the law of the Kyrgyz Republic "On free economic zones in the Kyrgyz Republic" January 11, 2014 No. 6.

Article 429. Tax registration

A FEZ subject is obliged to undergo tax registration in the manner prescribed by this Code.

Article 430

1. Unless otherwise provided by this chapter and law of the Kyrgyz Republic "On free economic zones in the Kyrgyz Republic", the activity of the subject of the FEZ that meets the requirements of part 1 articles 427 of this Code shall be exempt from all types of taxes.

2. Supply of goods, works and services intended for use in production from the territory of the Kyrgyz Republic by an entity that is not a FEZ subject to a FEZ subject is subject to VAT at the rate established by part 2 articles 254 of this Code.

3. Activities of the FEZ subject that do not meet the requirements articles 427 of this Code and law of the Kyrgyz Republic "On free economic zones in the Kyrgyz Republic" is subject to taxation in accordance with the general tax regime.

When exporting goods from the territory of the FEZ for delivery to the rest of the territory of the Kyrgyz Republic, including when they are alienated in favor of persons who are not subjects of the FEZ, the goods are subject to VAT in accordance with this Code.

4. The administration of taxes levied on the movement of goods across the border of the FEZ is carried out in accordance with the legislation of the EAEU, the legislation of the Kyrgyz Republic in the field of customs and the legislation on the FEZ of the Kyrgyz Republic.

5. The export of goods produced in the territory of the FEZ for the purpose of delivery to the territory of the EAEU member states, with the exception of the territory of the Kyrgyz Republic, is exempt from VAT.

In case of non-confirmation of the import of goods into the territory of the EAEU member states and payment of indirect taxes within the time limits and in the manner established by the Treaty on the Eurasian Economic Union, the amount of VAT is payable.

6. Services, works rendered by FEZ entities for consumption in the domestic market of the Kyrgyz Republic are subject to taxes in accordance with the general tax regime. Services, works for consumption in the domestic market of the Kyrgyz Republic are services, works purchased by any organizations and individuals - not subjects of the FEZ, in the territories of the FEZ and in the rest of the territory of the Kyrgyz Republic.

7. Incomes subject to calculation, withholding and payment at the source of payment of income are subject to taxation in accordance with this Code.

8. If a FEZ subject carries out activities on the territory of the FEZ, as well as in the rest of the territory of the Kyrgyz Republic and beyond, then such a FEZ subject is obliged to keep separate records in accordance with this Code.

Article 431. Tax reporting

The FEZ subject submits tax reports to the tax authorities in accordance with this Code.

The FEZ subject is obliged to submit a single tax declaration.

Chapter 59

Article 432. General provisions

The tax regime provided for by this chapter applies only to residents of the High Technology Park engaged in economic or foreign economic activity, subject to compliance with the requirements established by the legislation of the Kyrgyz Republic on the High Technology Park.

Article 433. Tax registration

A resident of the Park of High Technologies is obliged to pass an accounting tax registration as a resident of the Park of High Technologies by submitting an application to the relevant tax authority at the place of registration with the obligatory attachment of a notarized copy of the document confirming registration as a resident of the Park of High Technologies within 5 working days from the date of such registration.

Account registration becomes effective from the first day of the month following the month in which the subject filed an application for registration.

Article 434

1. Unless otherwise provided by this chapter, the activities of a resident of the Park of High Technologies that meet the requirements articles 432 of this Code, for a period determined in accordance with the legislation of the Kyrgyz Republic on the High Technology Park, is exempt from paying the following taxes:

- 1) income tax;
- 2) sales tax;
- 3) VAT.

The period of validity of the taxation of a resident of the Park of High Technologies in accordance with this chapter in any case cannot exceed the period of validity of the regime of the Park of High Technologies.

2. A resident of the High Technology Park is obliged to pay taxes not specified in part 1 of this article in accordance with this Code.

3. When depriving the status of a resident of the Park of High Technologies, taxation is carried out on a general basis in accordance with this Code from the moment of deprivation of this status, unless otherwise provided by the legislation of the Kyrgyz Republic.

Article 435. Tax reporting

The resident of the Park of High Technologies submits tax reports to the tax authorities in accordance with this Code.

Chapter 60

Article 436. General provisions

1. In this chapter, mining is understood as the activity of carrying out, with the help of software and hardware, computational operations that ensure the operation of the registry of transaction blocks (blockchain) by entering into the distributed registry

(according to predetermined rules and principles) information about transactions performed between users, requiring security continuous power supply. Mining can be accompanied by the creation of a virtual asset that comes into the possession of the person carrying out the mining, as a reward for confirming the completion of operations in the distributed ledger.

2. The mining tax provides for the obligation to pay this tax in respect of activities subject to taxation under this chapter, in return for:

- 1) income tax;
- 2) VAT on taxable supplies;
- 3) sales tax.

3. Organizations and individual entrepreneurs paying tax on mining (hereinafter referred to in this chapter as taxpayers) are required to pay taxes not specified in part 2 of this article in accordance with this Code.

4. The taxpayer is not released from the duties of a tax agent in the cases established by this Code.

5. Taxpayers engaged in other types of activities are required to keep separate records, submit reports and pay taxes on these types of activities in the manner prescribed by this Code. At the same time, mining expenses are not deductible from the total annual income from other activities.

6. The taxpayer is obliged to submit an application to the tax authority as a payer of this mining tax at the place of current tax accounting.

Article 437. Object of taxation

The object of taxation of the tax on mining is mining.

Article 438. Tax base

Unless otherwise provided by this article, the base of taxation for mining is the accrued amounts for electricity consumed during mining, including VAT and sales tax.

When using own electricity, the taxation base is the sum of the product of the volume of electricity consumed and the tariff set for electricity for mining.

Article 439. Tax rates

The tax rate is set at 10 percent.

Article 440. Tax period

The tax period for mining tax is one calendar month.

Article 441. Procedure for calculating tax

The taxpayer calculates the tax independently in accordance with the procedure established by article 43 of this Code.

Article 442. Submission of tax reporting. Procedure and deadline for tax payment

1. The taxpayer is obliged to submit:

1) mining tax report no later than the 20th day of the month following the reporting tax period;

2) a single tax declaration within the time limits established article 106 of this Code.

2. The taxpayer is obliged to pay tax on a monthly basis, no later than the 20th day of the month following the reporting month.

Chapter 61

Article 443. General provisions

1. The provisions of this chapter shall apply to the activities of organizations and individual entrepreneurs referred to in point 13 of part 2 article 28 and paragraph 8 article 32 of this Code (hereinafter - the taxpayer).

2. Taxpayers paying tax on activities in the field of electronic commerce are required to settle all transactions on this activity through a specially opened bank account, including through an electronic wallet and other virtual payment instruments linked to such an account.

3. Tax on activities in the field of electronic commerce provides for the payment of tax in respect of activities in the field of electronic commerce in return for:

1) income tax;

2) VAT on taxable supplies;

3) sales tax.

4. Taxpayers paying tax in the field of electronic commerce pay taxes not specified in part 3 of this article in accordance with this Code.

5. Taxpayers engaged in activities in the field of electronic commerce that do not meet the requirements of this article shall pay taxes in accordance with the generally established procedure.

Article 444. Object of taxation

The object of taxation of the tax on activities in the field of electronic commerce is entrepreneurial activity carried out by the taxpayer in the field of electronic commerce.

Article 445. Tax base

For a trading platform operator - a participant in electronic commerce, the tax base for activities in the field of electronic commerce is:

1) proceeds from the provision of services in electronic form;

2) proceeds from the sale of goods.

If the goods sold are not the property of the trading platform operator, then the tax base specified in paragraph 1 of this article cannot be lower than the difference between the proceeds received from the buyer for the goods sold and the funds paid to/received by the owner for the goods sold and services.

Article 446. Tax rates

1. The tax rate for activities in the field of electronic commerce is set at 2 percent.

2. A taxpayer carrying out several types of activities shall calculate and pay tax separately for each type of activity at the rates established for these types of activities.

Article 447. Tax period

The tax period for e-commerce activity tax is one quarter.

Article 448. Procedure for calculating tax

The taxpayer calculates the tax independently in accordance with the procedure established by article 43 of this Code.

Article 449. Submission of tax reporting. Procedure and deadline for tax payment

1. The taxpayer is obliged to submit:

- 1) a quarterly tax report no later than the 20th day of the month following the reporting quarter;
- 2) a single tax return within the time period established by article 106 of this Code.

2. The taxpayer is obliged to pay tax on a quarterly basis, no later than the 20th day of the month following the reporting quarter.

Chapter 62

*(Chapter as amended by the Law of the Kyrgyz Republic
dated June 30, 2022 No. 51)*

Article 450. General provisions

1. The tax regime provided for by this chapter applies only to the activities of entities that carry out activities in accordance with the requirements of the legislation of the Kyrgyz Republic on gambling activities (hereinafter referred to as the taxpayer).

2. The tax on gambling activities provides for the obligation to pay tax in respect of gambling activities subject to taxation under this Chapter, in return for:

- 1) income tax;
- 2) VAT on taxable supplies;
- 3) sales tax.

3. A taxpayer paying tax on gambling activities shall pay taxes not specified in part 2 of this article in accordance with this Code.

4. The taxpayer is not released from the duties of tax agents in the cases established by this Code.

5. A taxpayer engaged in other types of activities is obliged to keep separate records, submit reports and pay taxes on these types of activities in the manner prescribed by this Code. At the same time, expenses incurred in connection with the implementation of gambling activities are not subject to deduction from the total annual income from other types of activities.

6. The taxpayer is obliged to submit an application to the tax authority as a payer of tax on gambling activities at the place of tax registration.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 451. Object of taxation

The object of taxation of the tax on gambling activities is activities related to the organization, conduct of gambling and the provision of access to them in casinos, slot machines, computer simulators, interactive establishments, electronic (virtual) casinos, bookmakers, sweepstakes, regardless of location server location.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 452. Tax base

1. Unless otherwise provided by this article, the gambling tax base is 1 gaming equipment.

2. For a totalizator and a bookmaker's office, the tax base for gambling activity is 1 betting point (cash desk).

3. The taxation base for organizing, conducting gambling and providing access to them in an online casino and electronic (virtual) casino, regardless of the location of the server, is the difference between the taxpayer's revenue and the winnings paid to the participant.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 453. Tax rates

The taxpayer pays tax on gambling activities in the following amounts:

1) for 1 gaming table (1 fleet) casino:

- in 2022 - 750,000 soms;
- in 2023 - 1,000,000 soms;
- from 2024 - 1,250,000 soms;

2) for 1 slot machine in the hall of slot machines and computer simulators:

- in 2022 - 50,000 soms;
- in 2023 - 75,000 soms;
- from 2024 - 100,000 soms;

3) for 1 point of acceptance of bets (cash desk) of a bookmaker's office and totalizator:

- in 2022 - 200,000 soms;
- in 2023 - 350,000 soms;
- from 2024 - 500,000 soms;

4) for online casinos and electronic (virtual) casinos, the tax rate is set at 8 percent.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 454. Tax period

The tax period for tax on gambling activity is one calendar month.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 455. Procedure for calculating tax

Calculation of tax on gambling activities is carried out in accordance with the procedure established by part 1 of Article 43 of this Code.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

Article 456. Submission of tax reporting. Procedure and deadline for tax payment

1. The taxpayer is obliged to submit:

1) tax report - before the expiration of the term for payment of tax or on the day of its payment;

2) a single tax declaration - within the period established by Article 106 of this Code.

2. The taxpayer is obliged to pay the tax on a monthly basis before the beginning of the reporting month.

(As amended by the Law of the Kyrgyz Republic dated June 30, 2022 No. 51)

**The president
Kyrgyz Republic**

S.N. Japarov

Adopted by the Jogorku Kenesh of the
Kyrgyz Republic

December 22, 2021