

## REPUBLIC OF TAJIKISTAN

### LAW

#### On free economic zones in the Republic of Tajikistan

Present Law determining organizational, legal and economic basis of creation and liquidation of free economic zones on the territory of the Republic of Tajikistan regulates the issues of financing and entrepreneurial activity in free economic zones.

#### Section 1. General provisions

##### Article 1. Basic notions

The following terms are applied for the purposes of the present law:

Free economic zone - a separate (limited) part of the territory of Republic of Tajikistan within which not only special customs and tax regimes but simplified order of entrance and departure of non residents and preference norms of usage of natural resources are used;

Independent budget of free economic zone – is a form of creation and spending of funds of free economic zone used for implementation of its aims and tasks and approved in accordance with the legislation of the Republic of Tajikistan;

Development fund of free economic zone – is a monetary fund used to provide temporary financial assistance to the subjects of entrepreneurial activity registered in free economic zone including the form of preferential insurance;

The order of simplified entrance – entrance into the territory of the country and into free economic zone in order for the foreign and stateless persons to implement entrepreneurial activity, the order of which is determined by the Government of the Republic of Tajikistan;

##### Article 2. Objectives of free zones creation

Free economic zones are created in the Republic of Tajikistan for:

- More effective involving of the economy of the republic and its separate regions into world economic community;
- Providing favorable conditions to attract foreign investments, technology and management experience;
- Developing economic potential of the territory based on integration of foreign investments with material means and monetary funds of domestic enterprises and organizations based on variety of property forms;
- Creating modern manufacturing and social infrastructure;
- Satiety of home market by the products and goods for the purposes of consumption and manufacturing;
- Increase living standard and the level of overemployment.
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Article 3. Legislation of the Republic of Tajikistan in free economic zones

Legislation of the Republic of Tajikistan in free economic zones is based on Constitution of the Republic of Tajikistan and comprises present Law, other normative legal acts of the Republic of Tajikistan and international legal acts adopted by the Republic of Tajikistan.

#### Article 4. Kinds of free economic zones

Free economic zones of various functional types can be created on the territory of the Republic of Tajikistan.

Functional types of free economic zones are determined by the objectives of creation and the direction of investment activity in free economic zones. Manufacturing, scientific-technological, export, import, trade, tourist-recreation, exchange, investment, insurance, bank and other types of activity provided by the legislation of the Republic of Tajikistan can be developed in free economic zones.

Free economic zones may comprise the functions characteristic to some functional types of free economic zones (COMPLEX).

Types, terms and conditions of corresponding regime of functioning of free economic zones are determined by the Provision on free economic zones submitted by the Government of the RT for Majlisi Namoyandagon Majlisi Oli RT approval.

Article 5. Boundaries of free economic zones, the order of their creation and liquidation.

Territorial boundaries of free economic zones are approved by Majlisi namoyandagon Majlisi Oli of the Republic of Tajikistan upon submission by the Government of the Republic of Tajikistan.

Free economic zones are created and liquidated upon the decision of the Government of the Republic of Tajikistan in accordance with state program of creation and development of free economic zones on the territory of the Republic of Tajikistan and present Law.

Free economic zones can be liquidated in the following cases:

- upon termination of free economic zone terms of validity determined by the provision of free economic zone;

- lack of reasonable proposals provided by the an bey the .2xgon. cspe .2xgoniowing caterriwhich.6(on of fr

## Article 6. Subjects of free economic zone

Subjects of free economic zones are subjects of entrepreneurial activity registered in the determined by administration of free economic zone order and implementing their activity on the territory of free economic zone irrespective their organizational legal form stipulated by Civil Code of the Republic of Tajikistan and branches of foreign legal entities accredited in free economic zone in accordance with legislation of the Republic of Tajikistan.

## Article 7. Order of registration of subjects of free economic zone

State registration of subjects of free economic zone is implemented in accordance with legislation of the Republic of Tajikistan. Record of registration of their branches and representative offices is implemented by administration of free economic zone in the order determined by Provision on free economic zone.

Article 8. Guarantees of rights and interests of individuals and legal entities on the territory of free economic zone.

The State ensures observance of rights and legal interests of all individuals and legal entities acting on the territory of free economic zones.

Provision on free economic zones may provide additional guaranties and privileges to investors registered by the administration of free economic zone.

## Section 2. Management over free economic zones

### Article 9. Management bodies of free economic zones.

Managerial functions on the territory of free economic zones are implemented by administration of free economic zone headed by the Head. The order of activity of administration of free economic zone is determined by Resolution on free economic zones.

Head of administration of free economic zone is appointed and dismissed by the Government of the Republic of Tajikistan.

### Article 10. Responsibilities of administration of free economic zone.

Administration of free economic zone implements the following:

- Develops information analytical base, forecasts the models of development of free economic zone;
  - Develops, installs and improves development programs of free economic zone;
  - Protects the interests of manufactures and consumers;
- Provides integrity and effective functioning of free economic zone;
- Creates applicable conditions to attract domestic and foreign investments and other resources;

- Implements control over maintenance of legal regime of free economic zone and make proposals and submit them to the Government of the Republic of Tajikistan on required changes into the regime;

- Implements other activity provided by the present Law and other laws of the Republic of Tajikistan directed on acceleration of efficiency of market relations development.

Decisions of administration of free economic zone adopted within its competence are mandatory for implementation on its territory by all individuals and legal entities registered in the determined order.

### Section 3. Legal regime of free economic zone

#### Article 11. Peculiarities of a legal regime in free economic zone

Special customs, fiscal currency and tax regimes, simplified order of entrance, staying and departure of residents and non residents determined by the Provision on free economic zone, other regimes directed on investment attraction, enterprise development and social economic development of free economic zone are applied in free economic zone.

Customs and tax departments are created in these zones to implement the mentioned regime by authorized state bodies in the determined order.

#### Article 12. Special customs regime

Special customs regime is active in free economic zone, which provides:

- Full or partial abolition of customs duty under import of goods onto free economic zone;

- Simplified order of goods and transport means movement through the borders of free economic zone;

- Cancellation of measures of non-tariff policy.

#### Article 13. Financial and currency regulation in free economic zone

National currency of the Republic of Tajikistan and convertible currency of foreign states are used for mutual settlement in free economic zone in the order determined by the National Bank of the Republic of Tajikistan.

Peculiarities of financial and currency regulation on the territory of free economic zone are used in accordance with the legislation of the Republic of Tajikistan.

#### Article 14. Tax exemptions

Legal entities and individuals registered in the determined order on the territory of free economic zone in accordance with the legislation of the Republic of Tajikistan exempt from taxes fully or partially for the period of their activity in free economic zone.

Tax exemptions provided by the legislation of the Republic of Tajikistan are preserved for income and revenue of the subjects of free economic zone received in the process of activity implemented on the

territory of free economic zone and directed on manufacturing sphere of other regions of the Republic of Tajikistan.

#### Article 15. Regulation of labor relations in free economic zone.

Labor relations in free economic zone are regulated by labor legislation of the Republic of Tajikistan, collective agreements and individual labor contracts.

Collective and individual labor contracts/agreements can not make the situation of employees of the enterprises and organizations worse in comparison with the conditions provided by the legislation of the Republic of Tajikistan as well as international legal acts adopted by the Republic of Tajikistan

#### Article 16. Independent budget of free economic zone.

Free economic zone has its independent budget created for the account of its own income and other payments determined by Majlisi Oli of the Republic of Tajikistan upon its submission to the Government of the Republic of Tajikistan and implemented by registered on its territory legal entities and individuals.

Independent budget of free economic zone is agreed with authorized state financial body.

#### Article 17. Financing required for creation, maintenance and development of free economic zone.

Financing required for creation, maintenance and development of free economic zone including manufacturing, transport and other infrastructure are implemented for the account of independent budget of free economic zone.

Development fund of free economic zone is created on the territory of free economic zone where Council of the fund on free zone development implements the management. Source of organization and maintenance of development fund, structure and authority of the Council of the fund of development of free economic zone are approved by the Government of the Republic of Tajikistan.

The Government of the Republic of Tajikistan determines the amount of salary for the top management of administration.

#### Article 18. Activity of banks and non-banking fiscal organizations

Banks and non-banking fiscal organizations implement their activity in free economic zone in the order determined by the legislation of the Republic of Tajikistan.

Offshore banks can be created on the territory of free economic zone.

#### Article 19. Insurance

Insurance of investments and risks of participants of free economic zone is implemented in accordance with the legislation of the Republic of Tajikistan.

Corresponding insuring companies of the Republic of Tajikistan and foreign insuring companies provide insurance protection.

Section 4. Final provision

Article 20. The order of disputes settlement

Disputes appeared between the participants of free economic zones and state bodies of the Republic of Tajikistan, individuals and legal entities on issues of their activity are considered in the Courts in accordance with the legislation of the Republic of Tajikistan.

Article 21. The order of enacting the present Law

Enact the present Law after its official publication.

President  
Of the Republic of Tajikistan

I. Rakhmonov

Dushanbe, May 17, 2004  
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RESOLUTION OF MAJLICI NAMOYANDAGON MAJLICI OLI OF THE  
REPUBLIC OF TAJIKISTAN

On adoption of the Law of the Republic of Tajikistan "On free economic zones of the Republic of Tajikistan"

Majlici namoyandagon Majlici Oli of the Republic of Tajikistan provides:

1. Adopt Law of the Republic of Tajikistan "On free economic zones of the Republic of Tajikistan".
2. Government of the Republic of Tajikistan should:
  - Submit proposals on putting the current legislation of the Republic of Tajikistan in compliance with the present Law to Majlici namoyandagon Majlici Oli of the Republic of Tajikistan and put its decisions in compliance with the Law of the Republic of Tajikistan "On free economic zones of the Republic of Tajikistan".

Chairman of Majlici namoyandagon Majlici Oli of the Republic of  
Tajikistan

S. Khairulloev

Dushanbe, February 18, 2004

RESOLUTION OF MAJLICI MILLI MAJLICI OLI OF THE  
REPUBLIC OF TAJIKISTAN

On Law of the Republic of Tajikistan “On free economic zones in  
the Republic of Tajikistan”

Reviewing the Law of the Republic of Tajikistan “On free economic  
zones in the Republic of Tajikistan” Majlici milli Majlici Oli of the  
Republic of Tajikistan provides:

Adopt the law of the Republic of Tajikistan “On free economic zones in  
the Republic of Tajikistan”.

Chairman of Majlici milli  
Majlici Oli of the Republic of Tajikistan  
Dushanbe, April 29, 2004

M. Ubaidulloev