



GRATA
INTERNATIONAL

BUSINESS RELOCATION TO THE CIS COUNTRIES AND GEORGIA



Introduction

In a period of unprecedented geopolitical turbulence and associated financial and logistical challenges, many entrepreneurs are considering relocating their businesses to more politically and economically stable jurisdictions. An alternative to the countries of the European Union and offshore countries can be rapidly developing member states – Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

These states are distinguished by their geographical proximity to Russia, well-established economic and cultural ties, relatively low cost and ease of establishing a business, tax incentives and special preferential regimes, in particular, for IT businesses.

The articles in this collection, prepared by experts from the international law firm GRATA International, highlight the most pressing issues for investors when deciding whether to relocate an existing and/or establish a new business:

- optimal organizational forms of doing business;
- procedure for establishing a company;
- taxes;
- labor and migration issues;
- opening accounts and currency regulation.

We will be happy to answer your additional questions and provide practical assistance in organizing a business in any of the jurisdictions discussed in this collection of articles.

Sincerely,
Team GRATA International

GRATA International is a dynamically developing international law firm which provides services for projects in the countries of the former Soviet Union and Eastern Europe: full coverage of the entire region with network of offices, highly qualified team of professionals suited for cross-border projects. Firm's reputation and expertise are confirmed by testimonials from transnational clients and leading international ratings.

A wide network of office operating under one system and platform delivers great convenience for our clients. Any office can act as a "one-stop-shop" for its clients and provide them with access to services in other cities and countries. If necessary, inter-office teams with relevant experience are assembled to provide solutions to complex tasks. Service quality is assured by a clear system of organisation of this process.

GRATA International is present in the following jurisdictions: Armenia (Yerevan), Azerbaijan (Baku), Belarus (Minsk), Georgia (Tbilisi), Kazakhstan (Aktau, Almaty, Atyrau, Nur-Sultan, and other cities), Kyrgyzstan (Bishkek), Moldova (Chisinau), Mongolia (Ulaanbaatar), Russia (Moscow, St. Petersburg, Rostov-on-Don, Samara), Tajikistan (Dushanbe), Turkey (Istanbul), Ukraine (Kyiv) and Uzbekistan (Tashkent).

In addition to its offices, GRATA International has representatives in the UK (London), Germany (Frankfurt), the USA (New York), China (Beijing), UAE (Dubai), Malaysia (Kuala Lumpur), Switzerland (Zurich) and Turkmenistan (Ashgabat).

GRATA International is regularly acclaimed by leading international rankings: Chambers Global, ChambersAsia-Pacific, Legal 500, IFLR1000, WWL, AsialawProfiles, and is featured in Deals of the Year Awards by China Business Law Journal.

Key industry sectors:

- Banking & Finance
- Construction & Infrastructure
- Industry & Trade
- Mining
- Oil & Gas
- Pharmaceuticals & Healthcare
- Technology, Media & Telecommunications
- Transport



250+

professionals



21

countries of presence



6000

clients



11000+

projects

BUSINESS RELOCATION TO ARMENIA



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BENEFITS OF RELOCATION OF BUSINESS TO ARMENIA:

Strategic geographical location and ease of travel to Europe and East Asia with direct flights to major destinations

Open-door policy towards foreign investments, providing for full property ownership

Armenia has access to **1.5 billion market with 0% customs duties**

A stable and growing economy with competitive cost for operating business

Well-skilled and cost-efficient multilingual workforce

The five-year grandfather clause, protecting foreign investors against investment-related legislation changes

One of the least tax-burden countries in the world offering flexible taxation scheme for small, medium and large-scale investments

Unimpeded access to any sector with no restriction for personnel recruitment, free and unlimited repatriation of profits, unlimited currency exchange on market rates, and guarantees against nationalization

Well developed **international banking system**

Table of contents

1

Legal forms of business

2

Entry requirements (Visa/work permits)

3

Tax rates and tax administration

VAT and profit tax

Turnover tax

Employee salary taxes

Micro entities taxation

Tax privileges for the certified companies in the sphere of Information technology

4

Currency regulation

5

International banking availability (possibility to open bank account in a local bank etc)

LEGAL FORMS OF BUSINESS

Foreign citizens and entities may become shareholders/participants of Armenian legal entities without need to involve any local resident.

THERE ARE THE FOLLOWING TYPES OF LEGAL (BUSINESS) TRADE ENTITIES WIDELY PRACTICED:

PRIVATE ENTREPRENEURSHIP

Private entrepreneur - is a natural person who has the right to implement activities, independently on his/her behalf and at his own risk, without forming a legal entity, the main purpose of which is to gain profit (income) from using property, selling goods, performing works or delivering services.

Individual entrepreneurs can be the citizens of the Republic of Armenia and foreign citizens with capability, as well as those persons without citizenship, whose right of being engaged in entrepreneurial activities is not limited by law.

Individual entrepreneur shall have property by the title, and shall be liable for his obligations with that property.



LIMITED LIABILITY COMPANY

A Company founded by one or several persons with a Charter Capital divided into shares in amounts as determined by the company's charter shall be considered as a Limited Liability Company.

A Company is a commercial organization with the status of a legal person. Limited Liability Companies are the most widely used forms of legal entities.

A Company shall have a separate property in ownership and shall be liable for its obligations with this property.

The participants in a Company shall not be liable for the obligations of the Company and shall bear the risk of losses related with the activity of the Company within the value of their contributions.

The number of Company participants shall not exceed 49, otherwise the company shall be subject to reorganization into Joint Stock Company within one year.



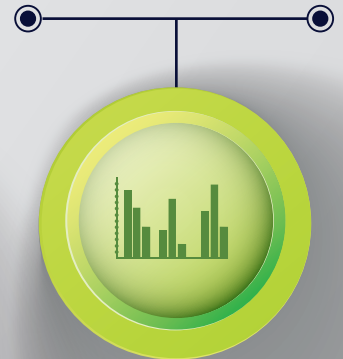
JOINT-STOCK COMPANY

A joint-stock company - is a business company, a commercial organization, the equity of which is split into a certain number of shares certifying the responsible right of shareholders in relation to the Company.

There may be two types of joint-stock companies: open joint-stock company and closed joint-stock company.

Joint-stock company is deemed an open company if its shareholders have the right to alienate their shares without the consent of the other shareholders. Joint-stock company of this type may have an open subscription for and sell shares under the conditions defined by laws and other legal acts. An open joint-stock company may also carry out a closed subscription for its shares. The number of shareholders in an open joint stock company is not limited.

Joint-stock companies shall be liable for their obligations with all the property they own.



ENTRY REQUIREMENTS (VISA/WORK PERMITS)



Citizens of the EU member states, US and UAE, Australia, New Zealand, UK, Singapore, China, EAEU, Brazil, Georgia, Albania, Iran, Serbia, Qatar, Uruguay, Argentina, Ukraine and some other countries citizens with all types of passports are unilaterally exempt from the requirement to obtain a visa to enter the Republic of Armenia.



They can stay in the territory of the Republic of Armenia up to 180 days per year.



Citizens of other countries should obtain an entry visa prior to traveling to Armenia.

TYPES OF RESIDENCE FOR FOREIGN CITIZENS

TEMPORARY



The first one is being granted to **all those holding a work permit, their family members, students, businessmen** investing in Armenian economy, ethnical Armenians and some other categories.

The temporary residence status is being granted for one year term with possible extension for the same term each time.

PERMANENT



Permanent residence status can be applied for by those individuals legally resided in **Armenia for at least three years** prior to filing an application for obtaining permanent residence status.

*There is also a requirement of accommodation and means of subsistence in the Republic of Armenia.

The status can be granted also to close relatives of the Armenian citizens as well as to a foreigner of Armenian origin or to a foreigner carrying out entrepreneurial activities in the Republic of Armenia.



The status is being granted for the period of 5 years with possible extension for the same term each time.

SPECIAL



The special residence status is being granted to **foreigners of Armenian origin**.

Special residence status may also be granted to other foreigners who carry out **economic or cultural activities** in the Republic of Armenia.

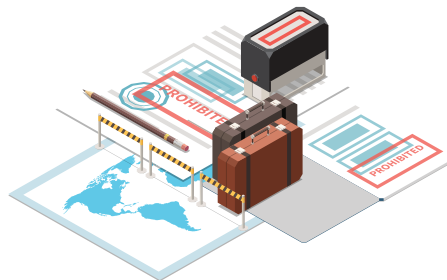
FOREIGNERS shall have the right to freely manage their working skills, choose the type of profession and activities, be engaged in economic activities not prohibited by the legislation of the Republic of Armenia, by complying with the restrictions prescribed by the legislation of the Republic of Armenia.



FOR HIRING A FOREIGN EMPLOYEE, the employer should proceed with the formalities within the electronic platform managed by the migration authority.

THERE ARE SOME EXCEPTIONS FROM HOLDING A WORK PERMIT FOR THOSE WITH RESIDENCE STATUS AS WELL AS FOR INVESTORS AND DIRECTORS OF FOREIGN-OWNED ORGANIZATIONS AND SOME OTHER CATEGORIES OF INDIVIDUALS.

Citizens of the EAEU member states who work in the Republic of Armenia, as well as their family members, are also **EXEMPTED** from the requirement to obtain any work permit for the whole period of their employment contract in accordance to the Treaty on the EAEU.



At the same time, in order to verify the legality of the residence, the persons of this category can register on the Platform and receive a relevant certificate.

The certificate provided to the family members of EAEU citizens member states is issued for the term of the employment contract of the citizen of the EAEU member state registered in the RA, if the contract is concluded for an indefinite period, the certificate is issued for a period of one year.

TAX RATES AND TAX ADMINISTRATION

IN THE REPUBLIC OF ARMENIA TWO TAXATION REGIMES ARE APPLIED:

1

GENERAL REGIME

In the framework of general taxation, the companies pay Value added tax and Profit tax.

2

SPECIAL REGIME

The special taxation regimes are Turnover tax regime and Micro entities regime.

There is a tax privilege stated by the tax legislation for the entities operating in the sphere of Information technologies.

Those entities should be certified in accordance with the law provisions.

Certain requirements should be met in order to receive the certificate.



One of the requirements is the quantity of employees which should not exceed 30 people.

This privilege though, will be in force till 31st of December 2022.



VAT AND PROFIT TAX

If the company's total turnover exceeds the threshold of **115mIn AMD 20% VAT** should be applied to the sales value as well as **18% PROFIT TAX** should be calculated on the Net annual profit of the company.

THE REPORTING PERIOD FOR VAT IS EVERY MONTH AND THE PROFIT TAX SHOULD BE CALCULATED ON AN ANNUAL BASIS.

Corporate profit tax prepayments should be made on a quarterly basis at minimum of the 20% of previous year's profit tax or the 2% of total sales turnover of the previous quarter.

The payments made to the non-residents in form of revenue from services and passive revenues also should be taxes withholding profit tax. The rates depend on service type and country of residence.

TURNOVER TAX

If the company's total turnover does not exceed **the threshold of AMD 115 million** it can operate in the regime of **Turnover tax. 5%** Turnover tax shall be applied to the total sales amount in case of IT services. The reporting period is every quarter.

EMPLOYEE SALARY TAX

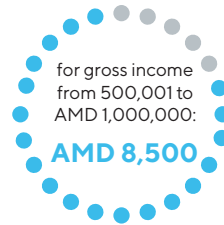
In case of VAT and Turnover tax regimes personal income tax should be paid for each employee.

The flat rate for PIT is 21% calculated on the gross income of the employee (including salaries, vacation and severance payments, bonuses and other benefits). **In 2023 it will be decreased to 20%.**

4.5% for gross income less than AMD 500,000

10% for gross income exceeding AMD 500,000
minus 27,500 AMD

The stamp duty is calculated on gross salary or salary equivalents of the employee at following rates:



MICRO ENTITIES' TAXATION

The companies can be considered subject of Micro entities' tax regime if the company's total annual turnover does not exceed 24mln AMD.

The companies that are considered Micro entities do not pay any taxes except the below taxes:

A

PIT at amount of AMD 5,000 monthly for each employee

B

Taxes and custom payments for the import of goods

C

social security fund contributions and Stamp fees at regular rates

TAX PRIVILEGES FOR THE CERTIFIED COMPANIES IN THE SPHERE OF INFORMATION TECHNOLOGY

The certified companies are exempt from Profit tax.

The Personal Income tax rate is 10% for each employee.

The rest of the taxes (VAT, social security payment, stamp fee) remain at regular rates.

CURRENCY REGULATION

The official currency of the Republic of Armenia is Armenian Dram.



Prices for sale of goods (property), provision of services, payment of salaries and payments equivalent to salary, assessment of property and execution of works and use of property within the Republic of Armenia shall be quoted in dram of the Republic of Armenia.



The general rule is that payments between residents of the Republic of Armenia against the foregoing activities, including interest payments on financial operations, compensation for execution or transfer of rights or privilege and insurance contributions and indemnifications shall be accepted and made in drams of the Republic of Armenia.



PRICES IN CONTRACTS signed between resident legal person or private entrepreneur and nonresident legal person or private entrepreneur, providing for payment through banking transfer may be quoted in foreign currency.



THE CASH EXCHANGE is possible all over the country not only in commercial bank offices but also in so-called exchange points, the activity of which is also being regulated by the Central Bank of Armenia. The CBA publishes the average market exchange rate on its official website on a daily basis.

DO YOU
KNOW
THAT...



There are some restrictions on cash exchange partly due to the current situation in the region.

Among the actual ones are: limit on exchange for more than USD 200 or equivalent in exchange points without passport as well as limit on exchange in exchange points of amounts more than USD 5,000 or equivalent at once.

INTERNATIONAL BANKING AVAILABILITY

(POSSIBILITY TO OPEN BANK ACCOUNT IN A LOCAL BANK ETC)

THE BANKING SYSTEM OF THE REPUBLIC OF ARMENIA INCLUDES:

the Central Bank of the Republic of Armenia, the banks operating in the territory of the Republic of Armenia (including subsidiaries), branches thereof, representations, functional offices (terminals), as well as the branches and representations of foreign banks operating in the territory of the Republic of Armenia.

Among those there are 17 commercial banks in Armenia. There are banks with Russian, UK, Swiss, Lebanese and Iranian capital. Most commercial banks have their mobile applications as well as internet banking.

The regulatory authority is the Central Bank of the Republic of Armenia.

Due to the current situation in the region the regulations are being changed quite often.

For the locally registered PE as well as trade organizations such as limited liability companies, it is possible to open bank accounts as well get online/mobile banking activation. In practice the executive bodies/directors of limited liability companies should also get some status of residence/obtain a public services number (so called - social card) to acquire access to be registered in the tax system and submit mandatory tax reports.

As per the official information shared by most banks it is possible to open a bank account not only for foreign legal entities but also for foreign individuals, and even via online banking tools. However, in practice, the process of opening bank accounts for foreign nationals and foreign legal entities is quite complicated, if not impossible at all.

For opening bank accounts for the foreign citizen PEs, most of the banks also request to present social cards, which can also be obtained by the individual not having permanent in the country. Bank account opening process can take up to 2 weeks for the foregoing non-resident categories of individuals.

Among the commercial banks there are some requesting to fill in online/email applications for further processing with the accounts opening.

The following types of internationally recognized bank system cards are operating and/or issued in Armenia: VISA, MasterCard, UnionPay, JCB, American Express, Mir, Diners Club International.

Most Armenian banks (15) are united under the ArCa National payments system and issue ArCa payment cards.



BUSINESS RELOCATION TO AZERBAIJAN



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BENEFITS OF RELOCATION OF BUSINESS TO AZERBAIJAN:

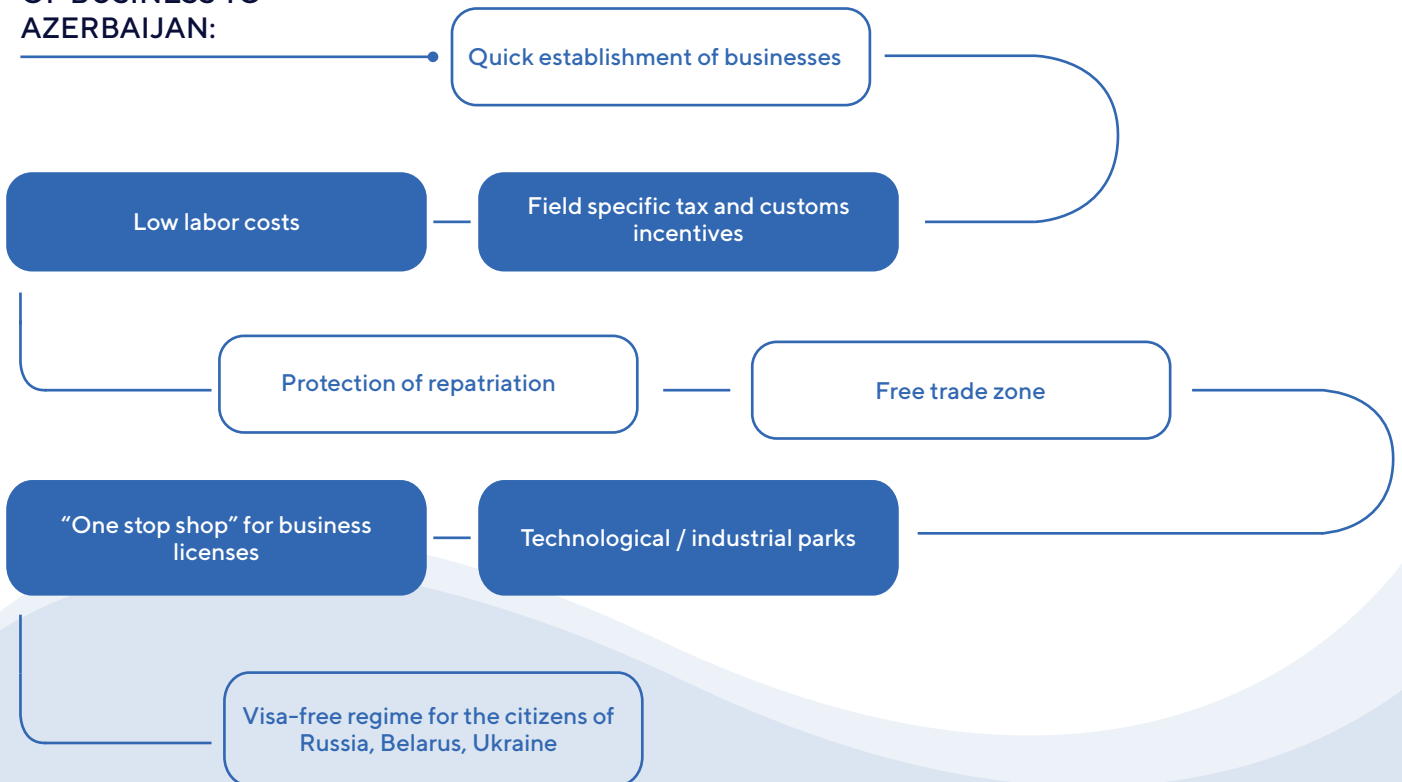


Table of contents

1

Incorporation of a business entity

2

Tax system

Tax incentives
Free trade zone

3

Bank accounts

4

Currency regulation

5

Repatriation of foreign investments

6

Business licenses

7

Labor relations

8

Migration

INCORPORATION OF A BUSINESS ENTITY

The timeframe for setting up a new entity takes up to 4 days after the submission of the necessary documents. State fee for incorporation is AZN 15 for an LLC and AZN 300 for a Branch or Representative Office. The incorporation process consists of following steps:

1. Preparation and issuance of necessary documents abroad;
2. Translation and notarization of documents received from the founders;
3. Preparation of application forms;
4. Submission of the entire package of documents to the tax authority;
5. Registration;
6. Collecting the corporate documents of a new entity;
7. Ordering company seal, electronic signature, login details to the electronic cabinet of the legal entity in the tax system, opening bank accounts.

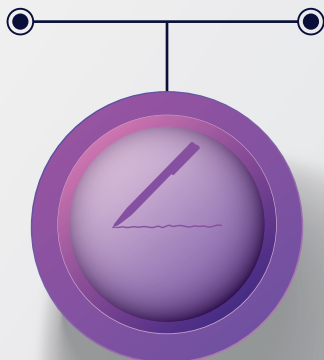
A foreign company needs the following documents for the establishment of a new entity:

1. Corporate documents of the Foreign Company - Extract from the Chamber of Commerce/Registration Certificate, Articles of Association;
2. Power of Attorney issued by the Parent Company to the representatives (GRATA team) for representing and registering the new Company in the Republic of Azerbaijan;
3. Shareholder Resolution to incorporate a new entity in the Republic of Azerbaijan, Charter of the new Company, application forms, receipt approving the payment of the charter capital (there is no threshold defined for the charter capital) - These documents also can be provided by trustees authorized by the Parent Company through a Power of Attorney;
4. Scan copy of the passport of the head/director of the new entity;
5. Power of Attorney issued by the head of the new entity that authorizes the representatives to register him/her as a head of the entity;
6. In case the chosen form of the entity is a branch or representative office - a Power of Attorney issued by the Parent Company in the name of the director of the new entity.

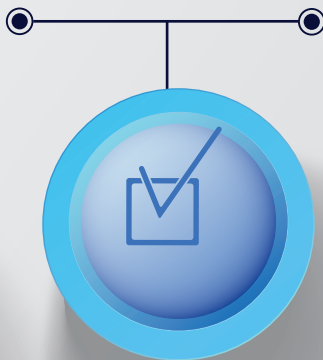
Documents issued by a foreign country shall be legalized/apostilled in order to be recognized in the Republic of Azerbaijan. The documents issued by a state authority such as an extract from the Trade Registry or Registration Certificate only need an apostille. The documents issued by the Parent Company such as the resolution or Power of Attorney shall be notarized and apostilled, the notary must certify both the identity and the authority of the signee(s). For some of CIS countries, notarized copies are sufficient. Meaning that apostille or legalization is not required.

CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN DETERMINES INCORPORATION OF THE COMPANIES BY FOREIGN ENTITIES IN DIFFERENT FORMS, BUT MOST FREQUENTLY CHOSEN FORMS BY FOREIGN COMPANIES ARE FOLLOWINGS:

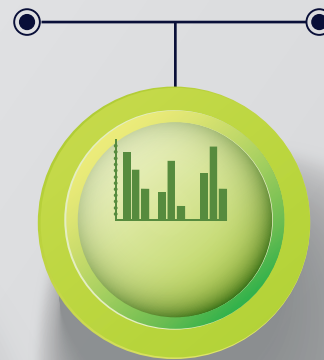
A LIMITED LIABILITY COMPANY



A BRANCH OFFICE



A REPRESENTATIVE OFFICE



TAX SYSTEM

TAX CODE OF THE REPUBLIC OF AZERBAIJAN DATED 11 JULY 2000 ("TAX CODE") PROVIDES TWO TAX REGIMES APPLICABLE TO BUSINESSES.

1

STATUTORY TAX REGIME

This regime is applicable in case a company does not operate in the hydrocarbon activities sphere under PSAs. Depending on the volume of an entity's turnover, the following two types of statutory tax regime are applicable in the Republic of Azerbaijan:

Simplified tax regime (2-8%).

This tax regime applies if an entity's taxable turnover/revenue does not exceed AZN 200,000 during any month (months) of a consecutive 12-months period with no deductions.

The simplified tax regime is also applied to persons engaged in public catering business even if an entity's turnover exceeds AZN 200,000. With effect from 1 January 2020, tax exemptions for some cases are available under this tax regime.



Profit/ VAT tax regime.

This regime applies if an entity's taxable turnover/revenue exceeds AZN 200,000 during any month (months) of a consecutive 12-months period. Deductions are allowed under this regime.

According to Article 108 of the Tax Code, except for non-deductible expenses determined under Chapter 10 of the Tax Code, all expenses in connection with obtaining revenue, as well as mandatory payments required by the laws of Azerbaijan, are deducted from revenues. Enterprise's profit shall be taxed at the rate of 20 percent (Art. 105.1 of Tax Code).



2

SPECIAL TAX REGIME

According to Article 4.5 of the Tax Code, apart from the statutory tax regime, a special tax regime can also be applied on the territory of the Republic of Azerbaijan.



The special tax regime provides a special procedure for the calculation and payment of taxes for a specified period of time.

< 20 PSAs

have been signed and ratified in the Republic of Azerbaijan.

Each PSA has its exclusive tax regime; however, generally, they provide lower withholding tax rates, exemption from VAT, and simplified reporting and accounting procedures.

PSA tax regime applies to each contractor party (signatory to PSAs), operating company and subcontractor (including foreign subcontractor).



TAX INCENTIVES

There are **no specific tax incentives for investors from a particular jurisdiction.**

Exemption from customs duties is available for the import of goods from CIS countries.

3 (three) ad valorem customs tariff rates (0%, 5%, 15%) apply to import/export goods depending on a particular type of goods in the Republic of Azerbaijan.

The legislation provides tax exemptions for startups, too.

PROFITS OF STARTUPS that are legal entities operating as micro or small business entities and carrying out innovative activities are exempted from corporate income tax for 3 years from the date of receipt of the "Startup" certificate.

In legislation, a startup is defined as an entrepreneurial activity that is carried out on the basis of an innovative initiative by persons who have received a "Startup" certificate from the relevant executive body.

For obtaining the "Startup" certificate, the following requirements have to be met by the applicant entity:

✓ the entity has to be a micro or small business entity;

✓ the share of founders that are medium and (or) large business entities in a legal entity shall be less than or equal to 49 percent;

✓ the entity has to be a resident taxpayer.

AND the following requirements have to be met by the product (service) provided by the entity:

✓ the product (service) has to be provided for the purpose of gaining income or profit;

✓ the product (service) has to be based on innovative initiative (new technology or innovation to existing technology);

✓ the product (service) has to be competitive;

✓ a reasonable increase in demand for the product (service) created for the short term (up to 3 years) has to be forecasted;

✓ the product has to be unique (unidentical with other startup products (service)).

PLEASE SEE THE BELOW TABLE REFLECTING TAX INCENTIVES

Corporate Income Tax	<ul style="list-style-type: none"> Profits of startups that are legal entities operating as micro or small business entities and carrying out innovative activities are exempt from corporate income tax for 3 years from the date of receipt of the "Startup" certificate (Article 106.1.23). Micro businesses are taxed with Corporate Income Tax at the rate of 5% (instead of 20%) of their profit (Article 106.1.20).
Personal Income Tax from dividends	<ul style="list-style-type: none"> Dividend income of an individual who is the founder or shareholder of a resident entity keeping records of income and expenses in accordance with Tax Code, not registered for VAT purposes and the volume of transactions of which in any month (months) of a consecutive 12-month period is below AZN 200,000 (Article 102.1.22-1). Salaries of employees (up to AZN 8,000 monthly) working in non-oil-gas and non-public sectors are taxed at a rate of "0" percent.
Property Tax	<ul style="list-style-type: none"> Micro businesses are exempt from paying property tax (except for entities whose fixed assets have a residual value of more than AZN 1,000,000 at the beginning of the year) (Article 199.14).
VAT	<ul style="list-style-type: none"> Import of raw materials and materials determined by the relevant executive authority is exempt from VAT (Article 164.1.35). Turnover from the provision of a part of a residential and non-residential area of the building constructed by entities engaged in building construction activities to the state is exempt from VAT (Article 164.1.47).

Apart from the aforementioned, Azerbaijan has entered into bilateral treaties to avoid double taxation with 55 countries.

FREE TRADE ZONE

In accordance with the Presidential Decree, a free trade zone ("FTZ") is established in Alat.

According to the government agencies, FTZ will start functioning as soon as the relevant legal and infrastructural basis is completed.

Free Zone authorized body, Free Zone administrative enterprises, Free Zone legal entities and their employees, as well as Free Zone residents, are exempt from all taxes in connection with their Free Zone operations. In addition, no customs duties and taxes will be paid in connection with the goods, works and services imported into the Free Zone.

BANK ACCOUNTS

Residents and non-residents can open and maintain bank accounts in local and foreign currency in the Republic of Azerbaijan.

Opening of bank accounts is carried out through submission of the documents (e.g., notarized copy of the Charter of the legal entity, extract from the state register with the most recent changes, duplicate certificate issued by the tax authority, writ of seal and signature) specified in the legislation to the bank by applicants or their authorized representatives. The list of documents varies depending on whether the applicant is a resident or a non-resident, and whether the applicant is an individual, legal entity, branch or representative office of a legal entity. All documents shall be submitted in hard copy and/or certified with enhanced electronic signature.

CURRENCY REGULATION

The currency of the Republic of Azerbaijan is Azerbaijani manat which is currently equal to approximately USD 0,59 and EUR 0,52.

The Central Bank of the Republic of Azerbaijan is the country's main finance control authority administering the overall enforcement of currency regulation in the Republic of Azerbaijan.



The most important rules related to currency control determined are the followings:

- transfer of funds to the Republic of Azerbaijan is not prohibited and/or subject to any restrictions;
- transfer of funds from the Republic of Azerbaijan without opening a bank account and through a bank account but for personal purposes is subject to several restrictions related to transaction amounts;
- transfer of funds from the Republic of Azerbaijan via bank accounts not for personal purposes is carried out with submission of supporting documents determined in the legislation (such as contract, invoice, customs declaration, etc.) and is not subject to any restrictions related to transaction amounts;
- no restrictions are applied on the operations of residents and non-residents in local currency within the territory of Azerbaijan; and
- cash transactions in foreign currency are not allowed within the territory of Azerbaijan.

REPATRIATION OF FOREIGN INVESTMENTS

Azerbaijani legislation allows transfers by non-residents or in their favor for the purpose of repatriation of foreign investments made to the economy of Azerbaijan.

Such transfers are made by submission of the following documents confirming the foreign investments to the bank:



the customs declaration confirming the import of funds constituting the foreign investment to Azerbaijan (if the funds are imported in cash) or extract from the bank account confirming the transfer of funds to Azerbaijan (if the funds are transferred through bank transfer); and



supporting document on investment of these funds.

BUSINESS LICENSES



Licensing of business activities is regulated by the Law of the Republic of Azerbaijan on “Licenses and permits” 176-VQ dated 15 March 2016. This Law contains a list of business activities that might be carried out exclusively on the basis of a license and provides the procedure for obtaining the licenses.

The “one-stop-shop” principle is applied in Azerbaijan for issuing licenses, and the vast majority of licenses are issued by the Ministry of Economy of the Republic of Azerbaijan.

Entities applying for obtaining business licenses submit to the licensing authority an application form accompanied by the following documents:

- if the applicant is a legal entity, a branch or representative office of a foreign legal entity, a copy of the extract from the state register of legal entities;
- a copy of the certificate of registration of the applicant as a taxpayer;
- copy of the document confirming the applicant's right of ownership, use or lease on each of the objects mentioned in the application (if the implementation of the activity for which the license is required is connected with an object); and
- documents confirming the fulfillment of the licensing requirements.

Additional documents may also be needed depending on a particular type of business activities. Licenses are issued for an indefinite period (except for the license for carrying out the activities related to cellular (mobile) communication services).

LABOR RELATIONS

In the Republic of Azerbaijan employment matters are regulated by the Labor Code of the Republic of Azerbaijan dated 1 February 1999, #618-IQ ("Labor Code"), according to which the labor relations arise after the employment contract concluded between the employer and employee is entered into legal force by registering the notice of it in the e-gov.az electronic information system using enhanced electronic signature.

The contents of the employment contract must comply with the requirements of the Labor Code and provide for the salary no lower than the established minimum. From January 1, 2022 the amount of minimum monthly salary is AZN 300 (approximately USD 176).



In practice, during the business relocation process it is often questioned whether the foreign nationals may work for a company located abroad remotely from the territory of Azerbaijan.

THE ANSWER is that having in mind that the Labor Code does not regulate remote work matters and these nationals will not work for a local entity, the requirements of the Labor Code will not be applicable to them and they will not be required to obtain a work permit. Thus, they can enter the country as visitors and work remotely for their employer abroad for the validity period of their visa or for 90 days regarding nationals who fall under visa-free regime. However, it should be noted that the individuals staying in Azerbaijan for more than 182 days within one calendar year are considered as residents for tax purposes and will be subject to certain tax requirements.



Another frequently asked question is related to the transfer of the employees from one entity to another one.

Taking into account that the concept of transfer of the employees is not provided in Azerbaijani legislation, the labor relations between employers and employees shall be subject to re-registration.

MIGRATION

Migration Code of the Republic of Azerbaijan dated 2 July 2013 under No. 713-IVQ ("**Migration Code**"), regulates the issues related to visa, work permit, temporary residence permit and etc.



As a general rule, foreigners, in order to enter the Republic of Azerbaijan, shall first apply for a visa. It can be either a single-entry e-visa applicable to the citizens of certain countries or a multiple entry consulate visa. Upon submitting a visa application, the purpose of a visit must be indicated as work/labor in order to avoid issues when applying for a work permit. However, citizens of certain countries, including Russia, Belarus and Ukraine can enter the country on a visa-free basis.



Upon arriving in the Republic of Azerbaijan, foreigners remaining in the country for more than 15 days must register upon place of stay within the State Migration Service based on the application of the landlord (owner) of the premises in which the foreigner is accommodated.

Foreign citizens wishing to temporarily reside on the territory of the Republic of Azerbaijan and engage in paid labor activities must obtain a work permit in addition to a temporary residence permit. Although, certain categories of foreign citizens, including heads and deputy heads of branches and representative offices of foreign legal entities etc. are exempt from the work permit requirement.



A work permit is issued for a period up to 1 year, or if the employment contract is concluded for less than 1 year, for that period. A temporary residence permit is issued for the period specified by the applicant in the application, given that it does not exceed 1 year. The validity term of both the work and temporary residence permits can be further extended.

BUSINESS RELOCATION TO GEORGIA



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BENEFITS OF RELOCATION OF BUSINESS TO GEORGIA:

Strategic geographical location and ease of travel to Europe and East Asia with direct flights to major destinations

The EU and Georgia signed an Association Agreement on 27 June 2014, which entered into force since 1 July 2016. The agreement introduces a preferential trade regime – the Deep and Comprehensive Free Trade Area (DCFTA). This regime increases market access between the EU and Georgia based on having better matched regulations

Georgian Language is the official language in Georgia. Residents of Georgia, approximately above 40 years, have good command of Russian. English language is quite commonplace across all ages

Flexible legal forms of doing business

Low tax rates and preferences, especially as regards CIT, which aims to bolster corporate growth

A developed and stable banking system, advanced digital banking infrastructure, liberal approach towards foreign capital and foreign currency, internationally-oriented banking regulations

The visa policy of Georgia allows citizens of 98 countries to enter, reside, work and study in Georgia for 1 full year without the necessity to obtain either visa or residence permit

Low cost of labor and utilities

Table of contents

1

Tax rates and tax administration

2

Legal forms of business

3

Currency regulation

4

International banking availability (possibility to open bank account in a local bank etc.)

5

Entry requirements (Visa/work permits)

TAX RATES AND TAX ADMINISTRATION

TAX ADMINISTRATION PROCEDURES ARE CONDUCTED BY LEGAL ENTITY UNDER PUBLIC LAW (LEPL) WITHIN THE MINISTRY OF FINANCE OF GEORGIA – THE REVENUE SERVICE.

Tax system of Georgia is composed of national and local taxes.

National taxes include Personal Income Tax, Corporate Income Tax, Withholding Taxes, VAT, Excise Tax and Import Duty. A Property Tax shall be a local tax.

Apart from these taxes, employed and self-employed persons are obliged to make pension contributions to the funded pension scheme, as a part of the funded pension system.

Corporate Income

Tax rate is flat and amounts to

15% of the object of profit taxation

and is paid by resident enterprises and non-resident enterprises that conduct business in Georgia through a permanent establishment and/or earns income from a Georgian source.

To receive a taxable amount, the object of taxation must be divided by 0.85. The object of profit taxation shall be



The Personal Income

Tax rate is flat and amounts to

20% of taxable income

This tax is paid by a resident natural person and a non-resident natural person earning income from a Georgian source.

Due to the above-mentioned amendments the existing profit tax model was shifted to the so-called “tax on distributed profits” model, very similar to Estonian one. Under the Estonian Taxation Model and after 2017, January 1st under the Georgian Taxation system all businesses, except profit-sharing businesses, should be exempt from income tax. More specifically, if a company reinvest its profits, it will no longer be obliged to pay income tax.

Under the Tax Code of Georgia an income tax/profit tax return shall be filed with a tax authority by 1 April of a year following the reporting year.

DIFFERENT TAXATION RATES APPLY TO THE DIFFERENT WITHHOLDING TAX, IN PARTICULAR:

DIVIDENDS PAID by a resident enterprise to an individual, a non-entrepreneurial (non-commercial) legal entity or a non-resident enterprise shall be taxed at source at the rate of 5% of the amount payable;

INTERESTS PAID by a non-resident's permanent establishment or by a resident, or on their behalf to an individual or to a non-resident having no permanent establishment in Georgia shall be taxed at the source at the rate of 5% of the amount payable;

ROYALTY PAID by a non-resident's permanent establishment or by a resident or on their behalf to a resident individual (other than the individual registered as a VAT payer) shall be taxed at the source at the rate of 20% of the amount payable.

THE PENSION CONTRIBUTION

THE PENSION CONTRIBUTION conducted by employed and self-employed participants' amounts to 6% of the taxable salary of an employed person and/or of the income of a self-employed person. In case of employed participant, The Pension Contribution is divided up between the Employee, the Employer and the State, each contributing 2% of the designated amount.

In case of a self-employed person, The Pension Contribution is divided up between the Self-employed and the State. 4% is contributed by the Self-employed and 2% by the State.

THE VAT RATE IS FLAT AND AMOUNT TO 18%.

Accounting period of the VAT is a calendar month. A taxable person registered as a VAT taxpayer shall submit to a tax authority a VAT declaration not later than the 15th day of the month following the accounting period and shall pay the tax within the same period. A VAT taxable person shall be considered any person who, at any place, independently performs any type of economic activity, irrespective of the purpose and result of the activity. The VAT taxable transactions include, the supply of goods by a taxable person within economic activity in the territory of Georgia, for consideration, the provision of a service by a taxable person within economic activity in the territory of Georgia, for consideration, the import of goods.

A taxable person shall, unless otherwise provided for by this Code, from the day when he/she exceeds the total amount of GEL 100 000 for VAT taxable transactions of supplying goods/providing services carried out during any 12 consecutive calendar months, within not later than 2 business days, apply to a tax authority for registration as a VAT taxpayer. The obligation of a taxable person to calculate and pay the VAT shall arise from the moment of carrying out a taxable transaction, just mentioned (including this transaction), according to which the total amount of taxable transactions has exceeded GEL 100 000.

EXCISE TAX RATE

Excise Tax rate is different depending on the product concerned. The accounting period for excise tax is a calendar month. It shall be subject to payment by the 15th day of the month following the accounting period of performing an excisable transaction, except otherwise provided by the Tax Code of Georgia.

IMPORT TAX RATE

Import Tax rate is different depending on the product concerned. It may amount to 5%, 12% or fixed tax and its exact amount depends on the quantity and type of imported product or service.

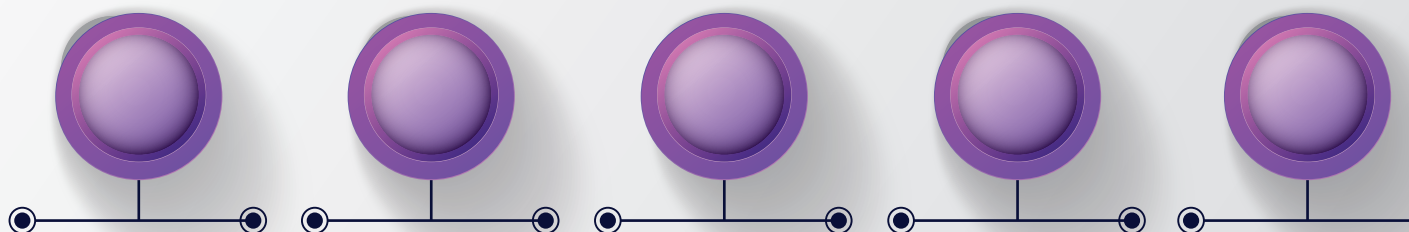
PROPERTY TAX RATE

The property tax rate is no more than 1% of the value of the property. In all specific cases, the amount of property tax rate depends on the status of the property owner (whether it is a natural person or a legal person), as well as the type of property and the amount of income. The tax period for property tax shall be a calendar year. An enterprise/organisation shall file a property tax return with the tax authority by no later than 1 April of a calendar year, and pay the property tax within the same time frame.

LEGAL FORMS OF BUSINESS

As per the Law of Georgia on Entrepreneurs, operational after January 1st 2022, six forms of doing business are stipulated, one of which possesses no legal personality and is conducted by the individual. Legal designation thereof is an individual entrepreneur. It exercises his/her rights and fulfils his/her obligations in business relations as a natural person. It is personally liable to a creditor with all his/her assets for the obligations arising from his/her business activities, unless otherwise provided for by an agreement between the individual entrepreneur and the creditor.

Other five forms of doing business include, General Partnership, Limited Partnership, Limited Liability Company, Joint-Stock Company and Cooperative, all of which possesses independent legal identity and acts as independent legal person.



PARTNERS OF GENERAL PARTNERSHIP

Partners of General Partnership are personally liable to creditors, without limitation, for the obligations of the company as joint and several debtors.

LIMITED PARTNERSHIP

Limited Partnership is composed of General Partner/Partners and Limited Partner/Partners. The liability of the Limited Partner to the creditors of the Limited Partnership is limited to a guarantee amount, whereas General Partner/Partners are personally liable to the creditors of Limited Partnership, without limitation, as joint and several debtors.

LIMITED LIABILITY COMPANY

Limited Liability Company, is a company, the capital of which is divided into shares and the partners' liability for the obligations of which is limited. This Form is mainly used for the businesses without necessity of acquiring public funding and which chiefly operate outside of the domain of regulated financial markets.

JOINT-STOCK COMPANY

Joint-Stock Company is a company whose capital is divided into shares and shareholders of which are not liable for the obligations thereof. This is a legal counterpart of the U.S. Corporation, mainly operating on the regulated financial markets and observing stringent disclosure and compliance requirements.

COOPERATIVE

Cooperative is a company based on the labor activity of its members or incorporated to support the economic or social activities of its members, the objective of which is to satisfy the needs of its members, and the primary goal of which is not to make profit.

CURRENCY REGULATION

The Lari (GEL) is the only legal tender in Georgia.



Since 1998, the GEL has maintained a floating currency. There is no informal or parallel exchange rates in Georgia. Foreign businesses may convert GEL into hard currency at the market exchange rate and freely transfer the proceeds abroad without limitation. One may hold foreign exchange in bank notes or on deposit in designated bank accounts. There are no limitations on these accounts' operations.



INTERNATIONAL BANKING AVAILABILITY

(POSSIBILITY TO OPEN BANK ACCOUNT IN A LOCAL BANK ETC.)

National Bank of Georgia and commercial banks use SWIFT to process international payments and messages.

There are no restrictions on the number of bank accounts individuals and enterprises may hold with Georgian banks. Banking is one of the fastest growing sectors in the Georgian economy. The cost of lending remains high but may decline as Georgia's banking sector develops.



Credit from commercial banks is available to foreign investors as well as domestic clients, although interest rates are high. Banks continue offering business, consumer, and mortgage loans.

As of July 1, 2021, Georgia's banking sector consists of 15 commercial banks, including 14 foreign-controlled banks, with 154 commercial bank branches and 830 service centers throughout the country.

Two Georgian banks are listed on the London Stock Exchange: TBC Bank (listed in 2014), and the Bank of Georgia (2006).



Foreign investors are allowed to open bank account in the local banks.

These accounts are permitted to be in foreign currency. There is no restriction imposed upon commercial banks by National Bank of Georgia in this regard.

ENTRY REQUIREMENTS (VISA/WORK PERMITS)

CATEGORIES OF VISAS IN GEORGIA INCLUDE:

- TYPE A** Diplomatic visas
- TYPE B** Special visas
- TYPE C** Ordinary visas
- TYPE D** Immigration visas
- TYPE E** Transit visas

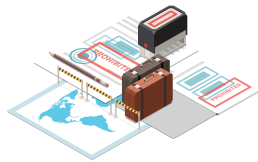
The one, which relates to the Entry requirements i.e. which serves working purpose is to be found within Type D.

D1 category of the Immigration visas pertain to persons arriving in Georgia to conduct labor activities, representatives and consultants of companies and firms who travel to Georgia to perform their official duties, aliens entering Georgia to work under concluded contracts, persons arriving in Georgia to carry out entrepreneurial activity under the Law of Georgia on Entrepreneurs.

THE VISA SHALL BE ISSUED BY:

- The Ministry of Foreign Affairs of Georgia or,
- Diplomatic mission, the Georgian interests division at a diplomatic mission of a third country and a consular office of Georgia or,
- Authorized body designated under an individual administrative legal act of the Minister of Internal Affairs of Georgia.

VISA REQUIREMENTS CAN VARY FROM ONE EMBASSY TO ANOTHER.



Some of the general requirements include:

- a) a completed and signed visa application form;
- b) a valid passport with at least one blank page for any entry stamp;
- c) an employment contract with a company based in Georgia;
- d) payment of the visa fee.



In the case of employment of an alien in Georgia, a local employer shall, within 30 calendar days after the entry into force of an employment agreement, send a notification on the employment of an immigrant to the Ministry of Labor Health and Social Affairs of Georgia in a material or electronic manner.

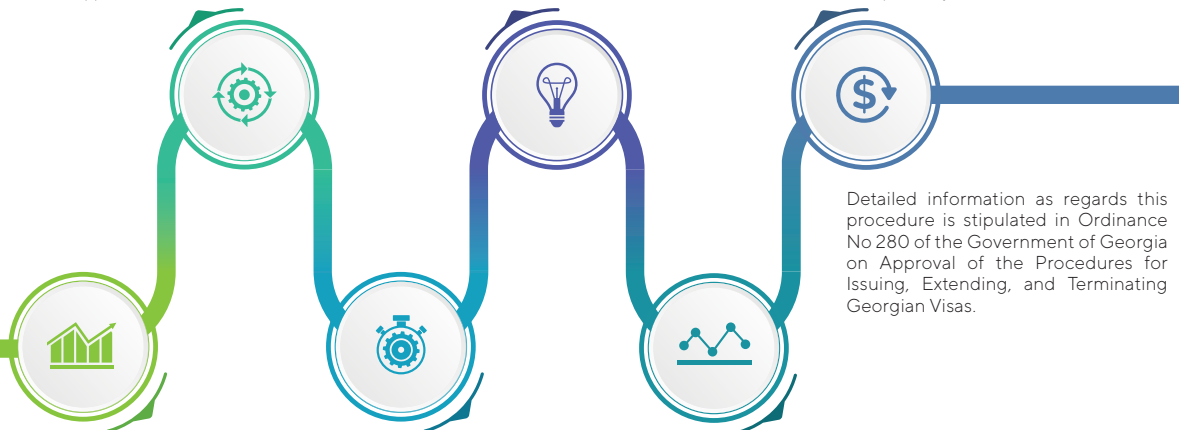
Foreign employees can apply for a visa online through Georgia's e-application submission process. Applicants should gather all necessary supporting documents before beginning their visa application.

In some cases, the applicant can mail these documents to the embassy. Otherwise, they should take them to the embassy and submit them in person.

Spouses and dependents who travel to Georgia with the employee will need residence permits as well. Residence permits for foreign workers are valid for one year, after which they are eligible for renewal for up to five years.

FOREIGN NATIONALS

should begin the visa application process by getting in touch with the nearest Georgian consulate or embassy. The officials at the embassy will be able to provide an accurate, up-to-date list of the requirements for the visa.



After applying online, the applicant will need to submit an additional hard copy of the completed application form along with the required documents to the embassy.

Upon approval of the visa application, the employee can travel to Georgia. Once there, they'll need to obtain a residence permit from the Public Service development agency.

Detailed information as regards this procedure is stipulated in Ordinance No 280 of the Government of Georgia on Approval of the Procedures for Issuing, Extending, and Terminating Georgian Visas.

BUSINESS RELOCATION TO KAZAKHSTAN



Igor Lukin

Partner

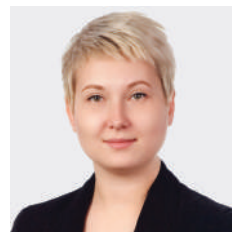
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BENEFITS OF RELOCATION OF BUSINESS TO KAZAKHSTAN:

Kazakhstan is a democratic and secular state, one of the largest countries in the world (9th place) with a population of over 19 million people

Kazakhstan has a developed human capital, rich natural resources and infrastructure necessary for doing business

Kazakhstan is located in the very center of Eurasia and is an important economic, financial and logistical center of the region

Attracting foreign investment is one of the key goals of Kazakhstan's economic policy

Kazakhstan, together with Russia, Belarus, Armenia and Kyrgyzstan, is a member of the Eurasian Economic Union, within which a coordinated economic policy is pursued and the freedom of movement of goods, capital and labor is ensured

Citizens of Russia and Belarus do not need visas to enter Kazakhstan

Citizens of the member states of the Eurasian Economic Union do not need to obtain permits to work on the territory of Kazakhstan

Citizens of these countries can stay on the territory of Kazakhstan without registration for 30 days, and in total - 90 days during each period of 180 days (if the specified periods are exceeded, a temporary residence permit must be issued)

In accordance with the Constitution of Kazakhstan, **the Russian language is officially used on a par with the state Kazakh language**

Table of contents

1

Setting up a business

Forms of a legal entity
Special Economic Zones
Restrictions on foreign participation
Establishment of LLP
Authorized capital
Legal address
LLP management
Dividends
Bank account

2

Taxes

Value added tax
Payroll taxes
Property tax
Vehicle tax

3

Acquisition and rental of real estate

4

Currency

SETTING UP A BUSINESS

FOR DOING BUSINESS IN KAZAKHSTAN, THE MOST APPROPRIATE FORMS OF LEGAL ENTITY ARE A LIMITED LIABILITY PARTNERSHIP (“LLP”) AND A JOINT STOCK COMPANY (“JSC”).

JOINT-STOCK COMPANY

JSC is a complex and strictly regulated form. For example, the minimum authorized capital of a JSC should be approximately USD 350 000, and each JSC, in addition to the executive body, must have a board of directors consisting of at least three members.

HOWEVER, we note that an interesting alternative to an LLP, which can be registered in the general jurisdiction of Kazakhstan, is a private company (private company), which can be registered in the special jurisdiction of the Astana International Financial Center (“AIFC”)². The goal of the AIFC is to attract investments and develop the financial services market in Kazakhstan. A special legal regime based on the principles of English law has been established on the territory of the AIFC, and its own court and international arbitration center operate. There is a preferential tax regime for AIFC participants. For example, income received from the provision of financial services in the AIFC is exempt from corporate income tax³.

RESTRICTIONS ON FOREIGN PARTICIPATION

Foreign persons are prohibited from directly or indirectly owning:

- more than 49% of the airline's shares;
- more than 49% of shares/stakes in a long-distance/international communication operator that owns landline communication lines (without a positive decision of the Government of the Republic of Kazakhstan);
- more than 20% shares/stakes in a company that is the owner of the media (or operates in the field of media);
- shares/stakes (in any amount) in private security organizations.

There are no other restrictions on foreign participation in the capital of Kazakh legal entities.

LIMITED LIABILITY COMPANY

LLP, in contrast, is a fairly simple and flexible form. Therefore, LLP is the most popular corporate form for doing business in Kazakhstan and the best option for relocating a business to Kazakhstan¹. In this brochure, we will focus on this form.

SPECIAL ECONOMIC ZONES

The following special economic zones exist in Kazakhstan:

1. "Park of innovative technologies" (new materials and energy, Smart City, FinTech);
2. "Astana Hub" (information technology);
3. "Astana - a new city" (chemical industry, food industry, electronics, etc.);
4. "Saryarka" (metallurgy);
5. "National industrial petrochemical technopark" (petrochemistry);
6. Seaport Aktau (logistics, warehousing, engineering, etc.);
7. "Ontustik" (textile industry, petrochemistry);
8. "Chemical Park Taraz" (chemical industry);
9. "Khorgos-Eastern Gate" (manufacturing industry, warehousing, construction);
10. International Center for Cross-border Cooperation "Khorgos" (trade, tourism);
11. "Pavlodar" (information technology, chemical industry, petrochemistry, metallurgy);
12. "Turkistan" (construction, tourism);
13. "Qyzyljar" (food industry, electronics, mechanical engineering, construction of a multidisciplinary hospital).

LLP can become a member of one of the special economic zones. Participants of the special economic zone engaged in priority activities are provided with tax, customs and other benefits and incentives.

¹It must be borne in mind that banks, insurance organizations and airlines performing scheduled air transportation can only be registered in the form of JSC.

²The AIFC was opened in 2018 in Nur-Sultan, the capital of Kazakhstan.

³In general, it should be noted that the bulk of the AIFC's tax incentives apply exclusively to financial service providers.

ESTABLISHMENT OF LLP

THE PROCEDURE FOR ESTABLISHING AN LLP CONSISTS OF TWO STAGES:

1

preparation and signing of the founding documents of the LLP:

decision on establishment, charter and memorandum of association⁴;

2

filing an application for state registration of the LLP with the authorized body.

IF THE FOUNDER OF THE LLP IS A FOREIGN COMPANY,

then a document confirming the incorporation of the founder (for example, an extract from the Unified State Register of Legal Entities) must be submitted to the registration authority.

If the founder of the LLP is a foreign citizen - a notarized copy of the passport.

As a general rule, an apostille must be affixed to the document confirming the incorporation of the founder, or a notarized copy of the passport. However, this requirement does not apply to documents originating from the states parties to the Chisinau Convention of October 7, 2002 (including Russia and Belarus).



IF THE FOUNDER OF THE LLP IS A FOREIGN CITIZEN,

then before applying for state registration of the LLP, he must obtain a business immigrant visa.

This requirement does not apply to citizens of the EAEU member states of countries that have a visa-free regime with Kazakhstan (including Russia and Belarus).

LLP can be established by one person. However, the sole founder of an LLP cannot be a foreign private limited company (its analogue), which also has only one member/shareholder.

The procedure for establishing an LLP usually takes 2-4 weeks.



AUTHORIZED CAPITAL

The minimum authorized capital of an LLP is approximately **USD 700**.

THE AUTHORIZED CAPITAL OF THE LLP MUST BE PAID NO LATER THAN ONE YEAR FROM THE DATE OF REGISTRATION OF THE LLP.

However, if the LLP is a small business (with an average annual income of no more than approximately USD 2 mln and an average annual number of employees no more than 100), then the authorized capital may be zero.

LEGAL ADDRESS

The LLP must have a physical office (room or space in a co-working space) where the executive body of the LLP will be located. Otherwise, the tax authority may deregister the LLP for value added tax and block the bank accounts of the LLP.

Despite this risk, local companies often use the services of a “virtual” office, when local organizations, on a reimbursable basis, allow their premises to be used as the legal address of the LLP (without providing a physical workplace).

LLP MANAGEMENT

The supreme body of the LLP is the General Meeting of Participants⁵.



The exclusive competence of the General Meeting of Participants includes the most important issues of the activities of the LLP (changes in the charter, approval of financial statements, appointment of the executive body, liquidation of the LLP, etc.). In addition, the General Meeting of Participants has the right to accept any issue for consideration, even if it is not included in the competence of the General Meeting of Participants in accordance with the law or the charter of the LLP.



The LLP must have a General Director⁶. The CEO may be a foreign citizen. However, in this case, before submitting an application for state registration of the LLP, it is necessary to obtain an individual identification number for the General Director (assigned by the local tax authority). The legislation does not impose any qualification requirements on a candidate for General Director.

By decision of the General Meeting of Participants, a Supervisory Board and/or an Audit Commission may be established in the LLP.

DIVIDENDS



LLP has the right to distribute net income received based on the results of a quarter, half a year or a year. Before making a decision on the distribution of net income, the General Meeting of Participants must approve the financial statements of the LLP for the relevant period.

There are no restrictions related to the distribution of the net income of the LLP in favor of foreign participants in the LLP.



The payment of net income is subject to personal income tax withheld at the source of payment at the rate of 15% if the recipient is a non-resident individual, or corporate income tax withheld at the source of payment at the rate of 15% if the recipient is a non-resident legal entity. For citizens and legal entities of countries (including Russia and Belarus), the tax rate can be reduced to 10%⁷, and subject to certain additional conditions (including if the ownership period of shares in the LLP is more than three years), the distribution of net income may be completely exempt from taxation.

DO YOU
KNOW
THAT...



BANK ACCOUNT

To conduct business, the LLP needs to open an account with one of the banks in Kazakhstan.

As a rule, the account is opened immediately after the registration of the LLP. To do this, you need to provide the bank with the set package of documents. In particular, it is necessary to disclose the ultimate beneficiaries of the LLP.

⁵ If 100% of the shares in the LLP belong to one person, then the sole participant will be the supreme body.

⁶ Although "CEO" is the most common job title, founders can choose any other title, such as "Director" or "Manager". The executive body can also be collegiate (Board, Directorate, etc.).

⁷ On the basis of the relevant convention for the avoidance of double taxation.

TAXES

CORPORATE INCOME TAX

The taxable income of an LLP is subject to corporate income tax at the rate of 20%.

Taxable income is defined as the difference between gross annual income and certain deductions, including depreciation and adjustments. The total annual income includes almost all types of income. Deductions generally include any expenses that are income-generating and documented.

PAYROLL TAXES

Generally, an LLP must pay the following “salary” taxes:



VALUE ADDED TAX

If the taxable turnover of the LLP exceeds 20 000 MCI⁸ during a calendar year, the LLP must register as a value-added taxpayer⁹. Taxable turnover¹⁰ is subject to value added tax at a rate of 12%.

PROPERTY TAX

Certain types of real estate are taxed at a rate of **1.5%** of the average annual book value of the property.

VEHICLE TAX

Vehicles are taxed at a rate of **30.63 to 612 600 tenge**¹¹, depending on engine size¹².

ACQUISITION AND RENTAL OF REAL ESTATE

Foreign citizens and local legal entities with foreign participation have the right to acquire ownership of real estate in Kazakhstan, with the exception of land plots intended for agricultural production, afforestation, as well as plots located in the border zone of Kazakhstan. However, foreign citizens have the right to acquire real estate only after obtaining a residence permit in Kazakhstan.

Foreign citizens and local legal entities with foreign participation are entitled to rent real estate in Kazakhstan without any restrictions. A lease agreement for a period of more than one year is subject to state registration.

CURRENCY

The national currency of Kazakhstan is tenge. As a general rule, transactions between residents of Kazakhstan are carried out exclusively in tenge. Operations between a resident of Kazakhstan and a non-resident may be carried out in foreign currency. If the threshold of USD 500 000 is exceeded, such transactions are usually subject to currency control (pre-registration with the authorized body).

⁸ In 2022, 61 260 000 tenge or approximately RUB 11 mln.

⁹ LLP has the right to voluntarily register as a VAT payer, even if its turnover does not exceed the specified threshold.

¹⁰ Taxable turnover includes any sale of goods, works, services, as well as taxable imports to Kazakhstan, with the exception of exempted turnover and cases when Kazakhstan is not recognized as the place of sale of goods, works, services.

¹¹ In 2022 approximately from 6 to RUB 110 000.

¹² There are other taxes in Kazakhstan as well (for example: land tax).

BUSINESS RELOCATION TO KYRGYZSTAN



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BENEFITS OF RELOCATION OF BUSINESS TO KYRGYZSTAN:

Strategic geographical location

Russian language has official status and is considered a lingua franca in Kyrgyzstan

Friendly relations with all great powers
(Kyrgyzstan is a member-state of the Russian-led EAEU, Commonwealth of Independent States, Shanghai Cooperation Organization, World Trade Organization, and cooperates actively with UN, OSCE, WIPO, ADB, IDB, World Bank, IMF and other international organizations)

Kyrgyzstan entered top 20 reformer countries in the World Bank's Doing Business 2020 ranking, having improved its indicators in such areas as getting electricity, getting credit and paying taxes

Low cost of labor and utilities
(e.g., average monthly wage is: \$230)

Presence of MDBs in Kyrgyzstan (EBRD, ADB, IFC, EABR)

Special tax regime for IT companies

Statutory visa-free regimes for 61 states including exemption from entry registration for 92 states

The rapidly developing sector over the past years has attracted more and more foreign investors to the Kyrgyz Republic. After making a decision to relocate a business, at the initial stage, a foreign investor needs to duly execute the state registration of the company. In this article, we will provide you with the features of registering a company in the territory of the Kyrgyz Republic.

Table of contents

1

Forms of legal entities

2

What should a founder pay attention to?

3

Which authority registers a company?

4

What set of documents is required from the founder of the company?

5

What are the requirements for the head of the company, including requirements concerning nationality and location (actually)?

6

Are there any statutory requirements regarding opening the bank accounts of the Kyrgyz Republic?

7

Are there options for taxation systems and at what point should a company choose?

FORMS OF LEGAL ENTITIES

THE CURRENT LEGISLATION OF THE KYRGYZ REPUBLIC PROVIDES VARIOUS FORMS OF COMMERCIAL LEGAL ENTITY'S INCORPORATION.

The most appropriate form for a private company in the territory of the Kyrgyz Republic is a limited liability company (hereinafter referred to as LLC).

The LLC concludes transactions on its own behalf and is an independent participant in civil legal relations, bears independent responsibility for its obligations, and the parent company (founder) is not liable for the obligations of a subsidiary, except within the contributed authorized capital.

According to the definition, the LLC is a company founded by one or more persons, the authorized capital of which is divided into shares of the sizes determined by the constituent documents; participants in a limited liability company are not liable for its obligations and bear the risk of losses associated with the activities of the company to the extent of the value of their contributions.

WHAT SHOULD A FOUNDER PAY ATTENTION TO?

- 1 The number of participants in the LLC should not be more than thirty. Otherwise, such an LLC is subject to transformation into a joint-stock company within a year. After the expiration of this period a liquidation process will commence in a judicial proceeding, if the number of its participants does not decrease to the established limit;
- 2 An executive body (collegiate or sole) must be created in the LLC, which carries out the current management of its activities and is accountable to the general meeting of its participants. The sole management body of the company may be elected from third parties outside of the LLC's participants;
- 3 Formation of the Board of Directors is not obligatory, and may be provided for by the charter of the LLC. Only an individual may be a member of the Board of Directors;
- 4 Establishment of an audit commission to inspect the activities of the LLC's executive bodies is not mandatory. However, if an audit commission is formed, it must be taken into account that a member of the company's Board of Directors cannot be both a member of the company's executive body (collegiate or sole proprietor) and also a member of the audit commission (auditor) of the company;
- 5 According to the legislation of the Kyrgyz Republic, a company cannot have as its sole participant another legal entity consisting of one person;
- 6 Legislation of the Kyrgyz Republic does not contain requirements for the minimum amount of authorized capital for the LLC.

WHICH AUTHORITY REGISTERS A COMPANY?

State registration of legal entities in the Kyrgyz Republic is carried out by the Ministry of Justice of the Kyrgyz Republic and its territorial subdivisions. The statutory registration period is 3 working days from the date of submission of all necessary documents. In practice, it can increase up to 7 working days.

After completion of registration with the Ministry of justice authorities, the company will have to additionally undergo registration with the tax authority and the social fund. The term for registration with the tax authority is 5 business days. The term of registration in the social fund is 1 working day.

The Ministry of Justice of the Kyrgyz Republic maintains a unified state register of legal entities, branches (representative offices) containing information on registered (re-registered) and terminated legal entities, branches (representative offices).

WHAT SET OF DOCUMENTS IS REQUIRED FROM THE FOUNDER OF THE COMPANY?

According to the general rules, in order to register the LLC in the territory of the Kyrgyz Republic, a foreign founder or a foreign parent company will have to submit the following documents to the Ministry of Justice:

- registration application;
- decision to establish a local company;
- an extract from the state register of the founder's country or other document certifying that the foreign legal entity is an active legal entity under the laws of its country. The term for filing such an extract should not exceed 6 months from the date of its issuance;
- a copy of the founder's passport (in case of establishment of an LLC by a foreign individual);
- copy of the passport of the head / director of the local company.

The constituent documents of the LLC are the founding agreement and the charter.

The founding document of an LLC founded by one person is the charter.

To register an LLC on the territory of the Kyrgyz Republic, where one of the founders is a local legal entity, it is necessary to provide a copy of the certificate of state registration (re-registration) of such a person.

It should be noted that depending on the country of origin of the foreign founder, the current legislation of the Kyrgyz Republic provides for various rules for the legalization of a certain category of registration documents (extract from the register, decision on creation, power of attorney, etc.).

With respect to the member countries of the Conventions on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters, signed in Minsk on January 22, 1993 and in Chisinau on October 7, 2002, documents issued or certified by a competent institution or specifically for that by an authorized person within his competence in the prescribed form and sealed with the official seal, are accepted without any special certificate.

ARE THERE ANY STATUTORY REQUIREMENTS REGARDING OPENING THE BANK ACCOUNTS OF THE KYRGYZ REPUBLIC?



The current legislation of the Kyrgyz Republic does not establish the obligation to open a bank account of the LLC. However, a legal entity needs to open a bank account to carry out financial and economic activities.



The banking legislation of the Kyrgyz Republic requires disclosure of the ultimate beneficiary.

In practice, opening a bank account takes approximately 2-3 business days.

The procedure for opening a bank account in different banks may vary slightly, but in general it includes the submission of the following documents:

- application for opening an account;
- customer profile;
- notarized copy of the state registration certificate;
- certificate of tax registration of the taxpayer;
- copies of documents confirming the right of individuals to manage a bank account;
- a copy of the license for the right to carry out activities subject to licensing;
- notarized card with samples of signatures and seal;
- a copy of the company's charter;
- the bank may request the charter of the parent company and a document confirming the authority of the person signing documents on behalf of the parent company (a translation will be required).

WHAT ARE THE REQUIREMENTS FOR THE HEAD OF THE COMPANY, INCLUDING REQUIREMENTS CONCERNING NATIONALITY AND LOCATION (ACTUALLY)?

The legislation of the Kyrgyz Republic does not contain specific requirements for the heads of IT companies.

Moreover, on the basis of the law of the Kyrgyz Republic "On the ratification of international treaties on the accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union dated May 29, 2014" dated May 21, 2015 No. 111, citizens of the EAEU member states do not need to obtain a work permit in the Kyrgyz Republic.

ARE THERE OPTIONS FOR TAXATION SYSTEMS AND AT WHAT POINT SHOULD A COMPANY CHOOSE?

Under the general rules, the general tax regime applies, which includes:

- income tax – 10%;
- corporate tax – 10%;
- tax on income received from a source in the Kyrgyz Republic – 10%;
- VAT – 12%;
- sales tax – 2% for the sale of goods, works, services subject to VAT, paid in cash; 3% for the sale of goods, works, services exempt from VAT, paid in cash; until January 1, 2023, a tax rate of 0% is applied on the sale of goods, works, services subject to VAT and / or exempt from VAT, paid in a non-cash form. From January 1, 2023, a tax rate of 2% is applied on the sale of goods, works, services subject to VAT and / or exempt from VAT, paid in a non-cash form;
- property tax – depending on the type of property;
- excise tax – a fixed amount depending on the type and volume of the product;
- insurance premiums – 17.25% from the employer's funds, 10% from the employee's funds.

For IT companies in the territory of the Kyrgyz Republic, there is a special tax regime – the regime of the High Technology Park (hereinafter referred to as HTP) for legal entities and individuals who are residents of the High Technology Park and carry out the following activities:

- software development, including: analysis, design and programming of information systems, including those ready for implementation, analysis of information needs and problems of users, design, development, delivery and documentation of individual and / or finished software, including those that meet the orders of specific consumers, adjusting programs at the direction of the user;
- export of information technologies and software;
- creation and provision of services of interactive service centers.

A legal or natural person can be registered as an HTP resident, whose income consists of at least 90% of the income received as a result of the activities listed above.

An HTP resident is exempt from the following taxes:

- income tax;
- sales tax;
- VAT.

Employees of residents of the HTP and its directorate, residents of the HTP – individuals (except for employees providing maintenance and protection of buildings, premises, land plots), with the exception of retired employees, pay insurance premiums in the amount of 12% of the average monthly salary.

An HTP resident finances the activities of the HTP Directorate at the expense of quarterly deductions by HTP residents in the amount of 1% of the proceeds received in the previous quarter as a result of their activities of the HTP and other income and receipts.

At the same time, the period of validity of taxation of residents of the Park of High Technologies cannot exceed the period of validity of the regime of the Park of High Technologies.

After passing state registration, a legal entity is obliged, within 15 calendar days after the date indicated in the certificate of state registration with the tax authority, but no later than the date of submission of the first tax reporting in accordance with the selected taxation regime, to submit to the tax authority an application for the selected tax regime.

BUSINESS RELOCATION TO TAJIKISTAN



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BENEFITS OF RELOCATION OF BUSINESS TO TAJIKISTAN:

Geographical location (borders China, Uzbekistan, Kyrgyzstan, and Afghanistan providing access to markets of Central and South Asia, and CIS, Eurasian integration hub, Traditional transit route for cross Asian trade. "Silk Road")

Russian language is the unofficial second language

Political and economic stability; Friendly relations with all great powers and neighbors

Strong political will of the President and the Government to attract foreign investment
System of Guarantees and Preferences for Investors

There is substantial lack of budget funds for financing, therefore a high demand for investments in infrastructure

Visa-free entry for foreign citizens from 69 countries, including several OECD members

Free trade zones (advantageous geographical location, tax and customs benefits)
Low cost of labor and utilities

Natural Resource Endowment
High-Level Political Commitment

Diverse Investment Opportunities

Table of contents

1

Legal forms of business

Joint Stock Company (JSC)
Limited Liability Company (LLC)
Representative offices and Branches

2

Entry requirements (VISA/work permits)

3

Tax rates and tax administration

General (VAT)
Simplified

4

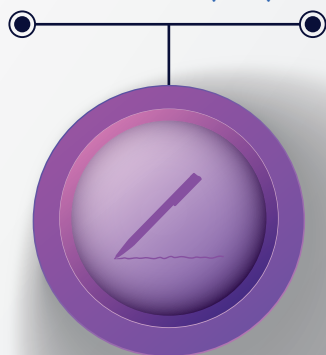
Currency regulation

5

International banking availability (possibility to open a bank account, a local bank etc)

LEGAL FORMS OF BUSINESS

JOINT STOCK COMPANY (JSC)



LIMITED LIABILITY COMPANY (LLC)



REPRESENTATIVE OFFICES AND BRANCHES



A JSC, which can be open or closed (OJSC and CJSC), is a legal entity that aims to make a profit and raise cash through the subscription and distribution of shares. A CJSC's charter capital must be at least TJS 1,000, whereas an OJSC's must be at least TJS 5,000. Shareholders are not liable for a JSC's commitments, although they do risk losing the value of their shares.

The number of shareholders in OJSC is unrestricted, whereas CJSC is limited to a maximum of 50 stockholders.

An LLC is a business formed by one or more individuals or legal entities – participants – who are not liable for the company's obligations but carry the risk of losses associated with the company's operations up to the amount of their personal contributions. The company's liability is limited to the value of its assets.

The total number of participants should not exceed thirty, otherwise, it is subjected to reorganization into a JSC.

The charter capital must be a minimum of TJS 500. According to the law, a company cannot have as its sole participant another company consisting of one participant.

A representative office or branch of a foreign legal entity represents company's interests in Tajikistan.

A branch office is a separate subdivision performing all or part of the functions of the company, including the functions of a representative office.

A representative office is a separate subdivision representing and protecting company's interests.

A branch or representative office operates on the basis of a power of a "Regulation" and is overseen by a person appointed by a parent company under a power of attorney. A branch or representative office is not considered a legal entity.

ENTRY REQUIREMENTS (VISA/WORK PERMITS)

Tajikistan's entrance procedures are flexible, and depending on an investor's nationality, visa or visa exemption options will be available.

Foreign nationals can work in Tajikistan if they have a valid work visa and work permit. The work permit and work visa are valid for one year and are issued on the basis of the employee's (or employer) application.

30 days visa-free entry is available to foreign citizens from 69 countries, including several OECD members.

TAX RATES AND TAX ADMINISTRATION

On 1 January 2022, a Tax Code in new edition came into force. The new Tax Code provides for many changes, in particular the reduction of tax rates.

The Tax Code establishes that legal entities are subject to either a general or simplified taxation regime, which is applied only in relation to specific categories of businesses as well as businesses whose annual turnover does not exceed TJS 1 mln.

GENERAL (VAT)

1. Income tax: (i) for activities for the production of goods - 13%; (ii) for the activities of financial institutions and mobile companies - 20%, (iii) for other types of activity - 18%.
2. VAT - (i) standard rate - 15%; (ii) construction works, hotel services and catering services - 7% (iii) sale of domestic agricultural products production, processing of agricultural products, educational services and activities for the provision of medical services in medical sanatoriums and resorts - 5%.
3. Tax on dividends - 12%.
4. Tax on net profit (other than tax on income) of a foreign branch or representative office - 15%.
5. Land and property tax - depends on the size and location.
6. Transport tax - depends on the engine power.

SIMPLIFIED

1. Taxpayers can choose one of the two taxation options, and the tax rate will depend on the chosen option:

- Tax on gross income - 6%.

Taxation on the principle of "income minus costs":

- for activities for the production of goods - 13%;
- for all other types of activity - 18%.

2. Dividends tax - 12%.

3. Tax on net profit (other than tax on income) of a foreign branch or representative office - 15%.

4. Land and property tax - depends on the size and location of the property.

5. Transport tax - depends on the engine power.

CURRENCY REGULATION

The National Bank of Tajikistan (NBT) oversees currency regulation.



It does so by issuing regulations and instructions controlling the conduct of foreign currency transactions, issuing and revoking licenses to banks, and supervising their activities.

Tajikistan's foreign currency laws are not overly restrictive. At the same time, payments between residents of Tajikistan must be exclusively TJS, while payments between residents and non-residents can be made in any currency.



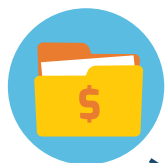
Resident legal entities are required to notify the NBT as well as Tax Committee when opening bank accounts abroad. Residents are required to notify the NBT when granting and receiving loans from non-residents for a period of more than 12 months.

There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment (e.g., remittances of investment capital, earnings, loan or lease payments, royalties).

INTERNATIONAL BANKING AVAILABILITY (POSSIBILITY TO OPEN A BANK ACCOUNT, A LOCAL BANK ETC.)

Foreign investors and legal entities are free to open bank accounts in Tajikistan. The method for opening a bank account varies depending on the bank, but it generally entails the submission of the following documents:

- certificate of state registration;
- extract from the state register;
- a copy of the Charter, regulations, constituent documents;
- a copy of taxpayer identification number (TIN) assignment certificate;
- copies of passports and TIN of contact persons;
- copies of documents on the appointment of the director and chief accountant;
- information letter from the tax office;
- sample card of signatures and seal imprint in 2 copies;
- for a branch and representative offices of non-residents - a copy of authorization of the authorized body of the non-resident's country to open an account in a foreign state, legalized in the embassy or consulate of Tajikistan abroad, or in the embassy or consulate of the non-resident's country in Tajikistan.



DO YOU KNOW THAT...



There are currently 14 commercial banks operating in Tajikistan.

The banking legislation requires disclosure of the ultimate beneficiary. In practice, opening a bank account takes approximately 2-3 business days.

BUSINESS RELOCATION TO UZBEKISTAN

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Recently, the popularity of the jurisdiction of the Republic of Uzbekistan for investors from the countries of the former USSR has increased markedly. This article provides a general overview of those aspects of the Uzbek legal regime that may interest citizens of the Russian Federation, the Republic of Ukraine and Belarus planning to relocate the business to the Republic of Uzbekistan.

BENEFITS OF RELOCATION OF BUSINESS TO UZBEKISTAN:

"New Uzbekistan" is a new policy concept that has given impetus to long overdue political and economic reforms

According to statistics, the most active growth is observed in the field of transport and IT – 17.2%

In 2021, the GDP of Uzbekistan at current prices amounted to UZS 734.6 trillion (USD 69.2 trillion). The growth compared to the level of 2020 amounted to 7.4%

The strategic geographic location of the Republic of Uzbekistan (i.e., a trading gateway to a market with approximately 50 million consumers in Central Asia and 300 million in Western China), including ease of travel to Europe and East Asia with direct flights to major destinations, are essential in choosing a country for relocation purposes

In addition, visa-free entry is provided for citizens of 87 countries, including EU countries, CIS countries, and OECD countries

In Uzbekistan, Russian is spoken by 50% to 80% of the population

Moreover, the Republic of Uzbekistan maintains friendly relations with all leading countries, both European-American and the former USSR countries, plays an essential role in the Chinese Belt and Road Initiative, and is also a key business partner of the West in Central Asia.

Russian is compulsory for study in all universities in the country and is also the main language of office work in large cities

English is also widely spoken among the younger generation

Table of contents

1

Doing Business

2

Banks and payment systems

3

Currency regulation

4

Tax rates

5

Work permit

6

Registration and visa

6

IT Park: residency opportunities

DOING BUSINESS

Despite the fact that Uzbek laws provide for a wide range of organizational and legal structure of commercial organizations, in practice, the most common and optimal organizational and legal structure at present is a Limited Liability Company (the "LLC").

The LLC is created by one or more individuals or legal entities, with an Charter Capital divided into participation shares. The size of the share of participation is determined in its foundation documents. The foundation documents of the LLC established by two or more shareholders are Charter and Foundation agreement. If the LLC is established by one shareholder, the only foundation document is the Charter.

The number of shareholders in the LLC may vary from 1 to 50.

REQUIREMENTS FOR REGISTERING LLC

A legal entity must be registered in the prescribed manner by an authorized registrar. The process of state registration of the LLC is carried out by the relevant division of the Public Services Center under the Ministry of Justice of the Republic of Uzbekistan (the "PSC").



In order to register a legal entity, it is necessary to submit a package of documents to the PSC that includes the followings:

- extract from the trade register in Russian (for legal entities) or a copy of the passport and PINI (personal identification number of individual) (for individuals);
- Charter in Uzbek;
- participants' decision to establish a legal entity in Russian;
- power of attorney for a local representative (notarized, no apostille required).

The process of registering the LLC takes about 30 minutes, following which an e-version of the Certificate of registration is issued.

Moreover, in Uzbekistan, there is no requirement for the minimum size of the LLC's Charter Capital. The exception is the licensing requirements for the licensed types of activities of the LLC.



BANKS AND PAYMENT SYSTEMS



Upon registering the LLC, it is necessary to contact the bank and open an account. It is possible to open a bank account only in the presence of the Director of the company.

Please note: a company registered on the territory of the Republic of Uzbekistan cannot open accounts in foreign banks (except per decisions taken by the Government or directly by the President of the Republic of Uzbekistan).



In order to open an account, it is necessary to submit the following documents to the bank:

- company's Certificate of registration;
- order on the appointment of the Director;
- Director's passport.

In Uzbekistan, a bank account can be opened within 30 minutes. The maximum term is up to 2 banking days.



Foreign citizens can also open a bank account and receive a local payment card, including a Visa or Mastercard. It is necessary to apply directly to the bank with a passport and a certificate of registration of a foreign citizen, or provide a notarized power of attorney in the name of the representative and a copy of foreign citizen's passport.



There are local payment services UzCard and Humo in Uzbekistan. Moreover, about 70% of points of sale in Tashkent accept Visa, Mastercard, and UnionPay cards. Moreover, several local banks issue co-badged payment cards MIR + UzCard.

CURRENCY OPERATIONS

Under Uzbek laws, current international transactions and related purchases or sales of foreign currency by residents and non-residents are carried out without restrictions.

There are no restrictions imposed on foreign investors regarding currency conversion, transfer, or repatriation of funds related to investments (e.g., transfers of investment capital, profits, loans or rental payments, royalties).

Moreover, there are no restrictions on opening a bank account in Uzbekistan by non-residents; respectively, foreign citizens may freely open a bank account both in local currency (UZS) and in USD, GBP, or EUR through a representative or by personal presence.

In most cases, settlements and payments for goods (works, services) on the territory of the Republic of Uzbekistan in most cases are carried out in local currency (UZS).

DO YOU KNOW THAT...



TAX RATES

The Tax Code establishes that the legal entities registered in Uzbekistan are subject to either the general taxation regime or the simplified taxation system (the "STS"). The STS is available for companies with an annual turnover of less than USD 90 thousand (UZS 1 billion).

Under the simplified tax system, companies may not pay state and local taxes. Only VAT of 4% (general rate) applies. VAT is not applicable, but its payment is allowed voluntarily. Expenses are also not deductible. Payroll taxes, customs duties, and state fees remain in force.

WORK PERMIT

It should also be noted that under the Decree of the Cabinet of Ministers "On approval of a unified regulation on the procedure for issuing certain documents of a permissive nature through a special electronic system" No.86 dated February 22, 2022, when entering the territory of Uzbekistan to undertake labor activities in a resident company, a foreign citizen must have a confirmation for employment on the territory of Uzbekistan (the "Work permit").

Work permit is usually granted for 1 year.

In addition, relocators from Russia, Ukraine, and Belarus can apply for a residence permit in the following ways:

1. Obtain a residence permit as a foreign investor or his/her immediate family (husband, wife, and minor children).

Foreign investor is a foreign citizen or stateless person who has invested in the economy of Uzbekistan at least 8,500 basic calculation values (approx. USD 215,000) in the form of the acquisition of shares and shares of economic entities, including the establishment of enterprises with foreign investments, as well as having a multiple-entry investment visa valid for up to 3 years.

2. Buy a real-estate in:

- Tashkent region and Tashkent city in the amount equivalent to at least USD 300,000.
- Samarkand, Bukhara, Namangan, Andijan, Fergana, and Khorezm regions in the amount equivalent to at least USD 200,000.
- Republic of Karakalpakstan and other regions of the Republic - in the amount of the equivalent of at least USD 100,000.

REGISTRATION AND VISA

Nowadays, based on bilateral agreements, a visa-free regime operates on the territory of the Republic of Uzbekistan, which provides for the stay of citizens of the Russian Federation, the Republic of Belarus, and the Republic of Ukraine without issuing a visa for an unlimited period.

However, it should be noted that registration is required at the Department of Migration and Citizenship Registration of the district department of internal affairs within 3 business days, and when placed in a hotel, the responsibility of registering a foreign citizen passes to the hotel staff.

IT PARK: RESIDENCY OPPORTUNITIES

In order to support the IT community in the Republic of Uzbekistan, IT Park was established in 2019. Its residents are endowed with special rights and benefits and undertake activities in a regime separate from the general rules.

Until January 1, 2028, there are a number of benefits for IT PARK residents:

- exemption from all taxes;
- exemption from customs payments for imported equipment not produced in Uzbekistan for own use;
- personal income tax rate of 7.5% (instead of 12%);
- payment within the proceeds from the export of goods (works, services) of wages to foreign specialists in foreign currency in non-cash form to international payment cards opened abroad.

While taxes for non-residents of IT Park are:

- income tax - 12%;
- VAT, income tax, land tax, etc. - 5-10%;
- social tax - 12-25%.

It should be noted that customs payments are provided for the import of goods and services for their own needs.

In order to obtain the status of residence in IT Park, the following requirements must be met:

- be registered as a legal entity on the territory of the Republic of Uzbekistan;
- carry out the type (types) of activity in accordance with the list approved by the Cabinet of Ministers of the Republic of Uzbekistan;
- have economically justified business plans for the listed activities.

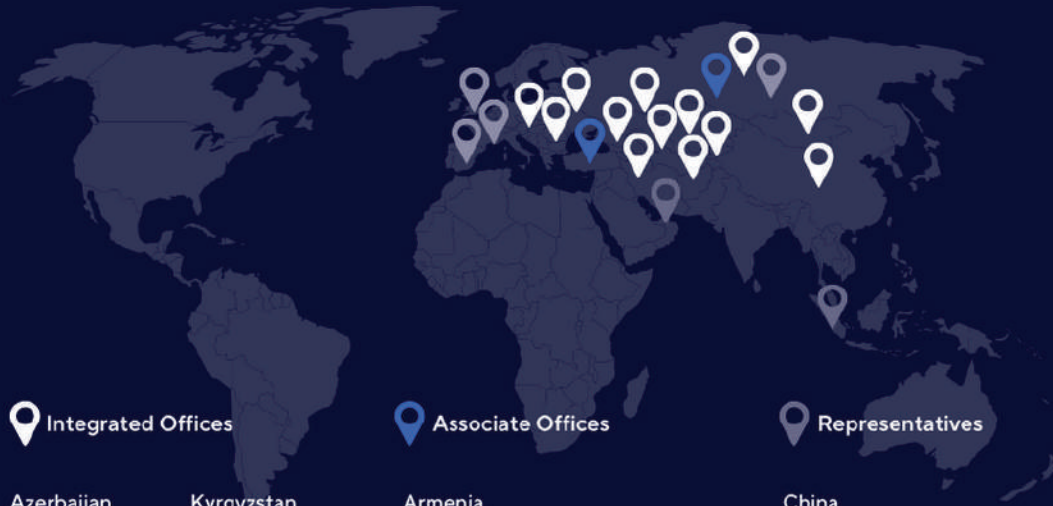
The Decree of the Cabinet of Ministers “On introducing amendments and additions to some resolutions of the Government of the Republic of Uzbekistan in connection with the introduction of IT visa in the field of information and communication technologies and improving the procedure for maintaining the state cadastre of communication objects” No.191 dated April 15, 2022, was also adopted (the “Resolution No.191”).

Resolution No. 191 provides the issuance of an IT visa for IT PARK residents and IT specialists and benefits and preferences for specialists and investors in this field. According to Resolution No.191, an IT visa is a multiple-entry visa that is issued for a period of up to three years. Its validity is extended for an indefinite period without the need to leave the territory of Uzbekistan and has the following advantages:

- obtaining education and medical services on the terms provided for citizens of Uzbekistan;
- without the obligation to re-register at the place of residence, stay in any region of Uzbekistan;
- registration of a residence permit in a simplified manner.

It is important to note that IT Park has launched a unique program to attract IT companies and IT specialists to Tashkent, including their relocation with their families. The program includes services that help IT professionals and their families quickly relocate to the country with maximum comfort. Therefore, the provision of the above benefits in IT development and other preferences for foreign citizens is one of the crucial aspects of creating favorable conditions for relocation to the Republic of Uzbekistan.

Global Presence



Integrated Offices

Azerbaijan
Baku

Kyrgyzstan
Bishkek

Belarus
Minsk

Moldova
Chisinau

Georgia
Tbilisi

Mongolia
Ulaanbaatar

Kazakhstan
Aktau
Almaty
Atyrau
Nur-Sultan, etc.

Russia
Moscow
Rostov-on-Don
St. Petersburg

Tajikistan
Dushanbe

Turkmenistan
Ashgabat

Ukraine
Kyiv

Uzbekistan
Tashkent



Associate Offices

Armenia
Yerevan

Russia
Samara

Turkey
Istanbul



Representatives

China
Beijing

Germany
Frankfurt

Malaysia
Kuala Lumpur

Switzerland
Zurich

UAE
Dubai

UK
London

USA
New York