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Value Added Tax Law (“VAT”)

Chapter One

General Provisions

Article One: Basis

This Law is enacted pursuant to Article (42) of the Constitution of Afghanistan in order to collect value added tax.

Article Two: Definitions

The following terms shall, in this Law, convey meanings as follows:

1. “Value Added Tax” shall be indirect tax levied on taxable supply of goods and services, and imports;
2. “Taxpayer” shall be a person registered or is obliged to registration according to provisions of this Law;
3. “Tax Due” shall be the tax withheld by taxpayer (supplier) on account of supplying goods and services according to provisions of this Law;
4. “Deductible Tax” shall be the tax imposed on imports and/or supply of goods and services of a taxpayer (recipient), that shall be offset according to this Law;
5. “Taxable Imports” shall be the importation of the goods which are subject to tax according to provisions of this Law;
6. “Taxable Supply” shall mean the supply including the ones rendered by taxpayer at the start or end of economic activity in Afghanistan;
7. “Goods” shall encompass real estates and moveable properties. Money shall not be included in this definition;
8. “Services” shall mean either physical or mental activities or a combination of both thereof;
9. “To Supply” shall mean the act of procuring goods or services by a person to other;
10. “Economic Activity” shall mean for-profit independent activity (Business, production and any other business-natured activities), and not for profit activities including activity of the license-Authority. Activities of natural persons offered in return for wage or salary shall not be included in this definition;

11. "Active Enterprise" shall mean the enterprise being active during transaction, and be its maintenance of activity in the future foreseeable;
12. "Financial Lease" shall mean transference of the right to exploit property in return for contract-based installments with the promise to return the property at the end of contract. Any financial lease accounted for in compliance with the international standards shall be deemed financial lease. Lease of land shall not be included in this definition;
13. "Relative Person" shall mean a person who will act at the request or demand of taxpayer, that shall include the relatives, stockholders, employees or any other person who has impact on the results of his/her economic activity;
14. "Non-Monetary Exchange" shall mean the interchange of goods or services with goods and services;
15. "Registered Person" shall mean the person who conducts economic activity and is registered in accordance with the provisions of this Law;
16. "Statement of Account" shall mean a document to show payment liability;
17. "Money" shall include circulating paper money, coins, currencies, check, bank, and postal, and monetary transfers, and guaranty;
18. "Price" shall mean an aggregate of payable amount, including non-monetary exchange, after deducting discount and allowable decrease on the date of supply. The tax provided for in this Law shall not be included in this definition;
19. "Personal Use" shall mean use of goods and services for the affairs out of the ordinary economic activities;
20. "Exempt Use" shall mean use of goods and services for the purpose of supplying the exemption set forth in Article (5) of this Law;
21. "VAT Period" shall be quarter of fiscal year or month.

Article Three: Supply of Goods and Services

(1) Supply of goods shall include below:

- 1- Transfer the right to possession things through sale, exchange, assignment, or any other ways;
- 2- Lease the goods holding the nature of financial lease to;

(2) The partial supply of services being necessary for supplying goods shall be deemed part of the supply of goods;

- (3) Use of goods for the purpose of personal or exemption shall be subject to tax, provided that the taxpayer, in obtaining the possession of the goods, is entitled to deductible tax in accordance with the provisions of this Law;
- (4) Supply of services shall encompass the followings:
 - 1- Grant, transfer or assignment of the right (excluding the supply of goods and money);
 - 2- Provision of facilities or profit;
 - 3- Issuance of license, permits, certificates, or other documents issued by the license-issuing authority;
 - 4- Other services.
- (5) The partial supply of goods, necessary for supplying services, shall be considered part of the supply of services;
- (6) The partial supply of services, necessary for importing goods, shall be considered part of the importation.

Chapter Two Imposition of VAT

Article Four: Imposition of Tax

- (1) VAT shall be levied on taxable supply and imports to the taxpayer;
- (2) The VAT norm shall be 5%, which shall apply to the value of taxable supply and imports;
- (3) The following persons shall be obliged to pay tax:
 - 1- Taxpayer on account of taxable supply;
 - 2- Importer on account of taxable imports;
- (4) The VAT, according to clause (1) (3) of this Article shall be received from recipient of supply on behalf of taxpayer;

Article Five: Tax Exemptions

- (1) Taxpayer on account of following supplies shall be exempt from VAT and as per Article (19) of this Law, shall not be entitled to deductible tax:
 - 1- Health services according to provisions of the Law;
 - 2- Approved educational services according to provisions of the Law;
 - 3- Financial and insurance services according to provisions of the Law;
 - 4- Transference or lease of real estates for the purpose of personal amenity;

- 5- Delivery of religious services;
- 6- Humanitarian aids;
- 7- The goods and services made available to the government for repair after happening of natural disasters, industrial occurrences, and catastrophes;
- 8- Services related to physical exercise and sport;

(2) The following imports shall be exempt from the AVT:

- 1- Travel goods of travelers for personal use inserted in customs tariff;
- 2- Personal goods of refugees, and returnees;
- 3- Goods of diplomats according to provisions of Law;
- 4- Machineries and parts imported by the license holder defined in the mine and petroleum-related Laws for the purpose of utility in the relevant activities;
- 5- Supplies set forth in Sub-Article (1) of this Article;

(3) Characteristics of the supply and imports set forth in Sub-Articles (1 & 2) of this Article shall be regulated by a separate Regulation.

Article Six: The Zero Standard

(1) Taxpayer on account of following supplies shall be subject to the zero standard of VAT and shall, as per provision of Article (19) of this Law, be entitled to deductible tax:

- 1- Exportation of goods or services, for the purpose of utility, into outside of the country;
- 2- International transportation of goods or passengers including supply of their relevant goods and services;
- 3- Supply of goods in order to transfer partial or the entire enterprise, as an active entity, from one person to another on condition that the both parties to the transaction should have agreed to transference in written and have notified the Ministry of Finance of the breakdowns prior to carry out the transference;
- 4- First nutritious stuff (wheat, flour, rice, sugar, edible oil, tea, onion, potato, and salt);
- 5- First house-sued materials (coal, burning wood, liquid gas and soap).

(2) The following imports shall be subject to the zero standard of VAT:

- 1- First nutritious stuff (wheat, flour, rice, sugar, edible oil, tea, onion, potato, and salt);
- 2- Books and learning materials;
- 3- Characteristics of the supply and imports set forth in Sub-Articles (1 & 2) of this Article shall be regulated by a separate Regulation.

Chapter Three

Registration

Article Seven: Mandatory Registration

- (1) The threshold of registering VAT shall be two hundred million AFN 200,000,000;
The Council of Ministers may, as per conditions, amend the threshold thereof;
- (2) Person conducting economic activity shall, in the following conditions, be obliged to register the VAT:
 - 1- Where total value of the supply of person exceed the VAT registration threshold over past 12 month;
 - 2- Where based on existing documents and proofs, the total value of the supply of person to be foreseen to exceed the VAT registration threshold over the next 12 months;
 - 3- Value of taxable supplies of the same person shall also be considered according to provision of Sub-Article (2) of this Article;
 - 4- Person who, pursuant to provision of this Law, is obliged to registration, shall apply for registration by using the approved form with the Ministry of Finance, within 15 days as of the day of getting obliged to registration;’
 - 5- Person registered pursuant to this Law shall remain registered at minimum for one year upon the date of registration;
 - 6- The quality of registration shall be regulated in its relevant Procedure.

Article Eight: Optional Registration

- (1) Person who, pursuant to Article (7) of this Law, is not obliged to registration, my voluntarily apply for registration.
- (2) The Ministry of Finance, after ascertaining the following conditions, shall register the applicant mentioned in Sub-Article (1) of this Law:
 - 1- In the event that the person render taxable supply;
 - 2- In the event that at the person provides a minimum of 75% taxable supply to registered persons or a minimum of 25% thereof for the purpose of exportation;
 - 3- In the event of having stable headquarter for economic activity;
 - 4- Person registered pursuant to Sub-Article (1) of this Article shall maintain registered for a minimum of two years upon registration date;

5- The quality of registration shall be regulated in its relevant Procedure.

Article Nine: Certificate and Cancellation of Registration

- (1) The Ministry of Finance, in consideration of the provisions of Articles (7 & 8) of this Law, shall issue VAT Certificate;
- (2) Person whose registration gets cancelled, shall be recognizes as if to provide the supply of taxable goods owned at the time of cancellation of registration at a value of equal to price paid or payable for possessing property or purchase of goods. This provision shall apply only if the person, according to provisions of Articles (19 & 33) of this Law, has not been recognized entitled to deductible tax on account of goods;
- (3) Where the registered person has stopped their economic activity, shall be obliged to request the Ministry of Finance, within (15) days as of stoppage of activity, to cancel its registration;
- (4) The rules and obligations relevant to Certificates and the cancellation of registration shall be regulated in a Procedure.

Chapter Four

Rules for Importing and Supplying of Goods and Services

Article Ten: Date of Supply

- (1) The following dates for supplying goods and services whichever takes precedence, shall be deemed the date of supply:
 - 1- The date on which the invoice is issued;
 - 2- The date on which payment takes place;
 - 3- The date on which goods are shipped or services are offered;
- (2) The date of supply goods and services as gift, shall be the followings:
 - 1- For goods the date of shipment;
 - 2- For services the date of completion;
- (3) The date for goods used for personal use or exemption, shall be the date on which the goods are put to use for the firms for such purpose;
- (4) The date of supply of goods for the purpose of financial lease, shall be the start date of leasing;
- (5) Where supply of services take place on the basis of lease (excluding the financial lease) or contract or provisions of the Law, through periodic payments. For any next supply, the date of payment or payable, whichever takes precedence, shall be deemed the date of supply

Article Eleven: Location of Supply

- (1) Location of supplying goods shall be the place where the goods are delivered by the supplier. In the event that delivery of goods necessitates to be shifted by means of transportation, then the location of supplying goods shall be the place from where the goods are carried;
- (2) Location of supplying services shall be the place from where the services are rendered;
- (3) Where the recipient, his/her representative or any other person who shall use the following services, shall be deemed as though the supply of services take place in Afghanistan:
 - 1- Transference, assignment or grant to use copyright, patent or trademark;
 - 2- Accounting, architectural, consulting, engineering, and legal services;
 - 3- Data process and collection of information;
 - 4- Advertisements and publicities;
 - 5- Engagement of personnel (employees)
 - 6- Refuse to do an action or to tolerate any situation;
- (4) Location of supplying services with respect to real estates in Afghanistan, shall be Afghanistan;
- (5) Location of supplying services by the license-issuing authority, regardless of from what location the license, permit, certificate or any other documents have been issued, shall be considered as the supply of services have taken place in Afghanistan;

Article Twelve: Value of Supply

- (1) The value of supplying goods or services shall be the price thereof;
- (2) The value of supplying goods used for the personal use or exemption shall be followings:
 - 1- The price paid or payable on account of purchase or obtaining possession of goods, on condition that the deductible tax has been recognized allowable, according to Article (19) of this Law;
 - 2- The price paid or payable on account of purchase or obtaining possession of goods in other cases;
 - 3- The value of supplying goods through financial leasing shall encompass the followings:
 - 1- The price or permanent value set forth in lease contract on condition that the lessor and lessee are not relative persons;
 - 2- The day value of property at the start of lease in other cases;
 - 3- [missed in the original version]
 - 4- Where the goods or services are supplied by taxpayer to a relative person in return for cost or cost lower than the day value, the day value on the date of supply, shall be deemed the value of supply;
 - 5- The value of goods or services supplied to a non-relative person for no cost, shall be zero. The provision of Sub-Article (2) of this Article shall be excluded from this provision;

- 6- The method by which to determine the value of supplying goods or services not being foreseen in this Article, shall be regulated in a separate Procedure.

Article Thirteen: Value Assessment at Day Rate

- (1) The day value of supply shall be fixed on the basis of actual price of supply among non-relative persons in an open transaction under normal conditions;
- (2) Where the price cannot be fixed according to provision of Sub-Article (1) of this Article, the day value of supply in the market among non-relative persons shall be determined in consideration of the difference between a similar supply (taking enormous similarity in terms of feature, quality, quantity, type, and publicity of material) and actual supply;
- (3) Where price cannot be fixed according to provision of Sub-Articles (1 7 2) of this Article, shall be determined by an appropriate method approved by the Ministry of Finance.

Article Fourteen: Correction of VAT upon Sale

- (1) The VAT upon sale shall be corrected in the following conditions:
 - 1- In case taxable supply gets cancelled;
 - 2- In case the nature or price of taxable supply gets changed;
 - 3- In case the goods or part of it which is taxable supply gets returned to supplier;
- (2) Where due to correction upon sale, the VAT payable on account of taxable supply differ from prior tax calculation, this Article shall apply to the supplier and receiver;
- (3) Where the change stated in Sub-Article (2) of this Article increase, the increased amount, according to provision of Article (21) of this Article, shall be incorporated into debit note. The supplier shall consider the increased amount as payable tax and so will do the recipient as deductible tax;
- (4) Where the change stated in Sub-Article (2) of this Article decrease, the decreased amount in tax, as per provision of Article (21) of this Law, shall be incorporated into credit note. The supplier shall consider the increased amount as deductible tax and so will do the recipient as payable tax; The supplier shall take the corrected tax upon sale into consideration within the VAT tax period in which the correction executed and so will the recipient at the time of receiving debit note or credit note.

Article Fifteen: Imports

Date of importation, according to the Customs Law, shall be the date of importing goods into country. In other cases the importing date of goods into domestic market shall be deemed valid date.

Article Sixteen: Value of Imports

The Value of importation of goods shall be determined based on combination of below:

- 1- Value determined for the purpose of paying customs charges and duties, according to the Customs Law, albeit the customs charge is not payable;
- 2- The amount of customs charge and duties, other levies, and allowable costs; The payable VAT shall be excluded from this provision;
- 3- Costs of any services set forth in Sub-Article (6) Article e(3) of this Law, provided that not to be covered as valued pursuant to clause (1) of this Article.

Article Seventeen: Payment Obligation of Recipient of Foreign Services Supply

- (1) Where a person provided services from abroad to a taxpayer inside the country and the recipient utilized such services for the purpose of tax-exempted supply or for personal use, such services received by the recipient shall be deemed as factual supply subject to tax at the same time and at the same price.
- (2) Where the taxpayer received services through his/her agency or from a branch of his/her business in abroad, in such case both the provider and the recipient shall be treated as two separate independent entities.

**Chapter Five
Payable VAT**

Article Eighteen: Accounting Method of Tax Due

Payable tax by the registered entity with respect to each VAT period shall comprise the payable tax amount minus the reimbursable amount of tax.

Article Nineteen: Deductible Tax

- (1) The reimbursable tax vis-à-vis the tax paid or payable shall only be reimbursable on the date of supply or importation when the taxpayer possessed the following documents:
 - 1- For supply subject to tax, the VAT statement of account.
 - 2- For imports subject to tax, importation documents provided for in the Customs Law together with other relevant documents.
- (2) A person may, with respect to goods in his/her stock available at the time of registration, apply for reimbursement under the following circumstances:
 - 1- Where the goods available at stock subject to tax on account of supply or imports are not received three months prior to the date of registration.
 - 2- Where the taxpayer can submit documents relating to tax being paid on account of supply or imports subject to tax to the Ministry of Finance.

(3) Reimbursable tax with respect to supply or imports subject to tax when used for the following purposes shall not be reimbursed:

- 1- Tax-exempted or personal use
 - 2- High-speed automobiles, unless the sale or permit thereof be the main economic business of the person or he/she used them as taxi.
 - 3- Invitation and reception costs unless invitations and receptions are the main economic business of the person.
- (4) Where the taxpayer provided taxable and tax-exempted supplies, the reimbursable tax shall be taken into account in proportion to the supplies.

Chapter Six VAT Documents

Article Twenty: VAT Statement of Accounts

Where a registered person provided supplies subject to tax to another registered person, he/she shall be obligated to furnish him with VAT statement of accounts containing the following particulars:

- 1- Title of (VAT statement of accounts) on the top thereof.
- 2- Names, addresses and TINs of the supplier and the recipient.
- 3- Serial number of the unit and the issue date of VAT statement of account.
- 4- Specifications of goods supplied with a mention of quantity and volume thereof, or services being provided and the date on which the supply has been made.
- 5 – Cost of supplies and the amount of VAT being collected.

Article Twenty One: VAT Debit and Credit Notes

- (1) VAT debit note is a document that is furnished by the registered supplier to the recipient of supplies in accordance with the provision of Sub-Article (3), Article Fourteen of this Law.
- (2) The debit note shall contain the following particulars:
 - 1- Title (debit VAT note) on the top thereof.
 - 2- Names, addresses and TINs of the supplier and the recipient.

- 3- Serial number of the unit and the issue date of the debit note.
 - 4- Reason for issuing the debit note, including information in order to ascertain the supplies subject to tax to which the debit note is related.
 - 5- Price of the supplies given in the statement of account, the factual cost amount, difference between the two above prices and the VAT amount related to such difference.
- (3) VAT credit note is a document that is furnished by the registered supplier to the recipient of supplies in accordance with the provision of Sub-Article (4), Article Fourteen of this Law.
- (4) The credit note shall contain the following particulars:
- 1- Title (credit VAT note) on the top thereof.
 - 2- Names, addresses and TINs of the supplier and the recipient.
 - 3- Serial number of the unit and the issue date of the credit note.
 - 4- Reason for issuing the credit note, including information in order to ascertain the supplies subject to tax to which the credit note is related.
 - 5- Price of the supplies given in the statement of account, the factual cost amount, difference between the two above prices and the VAT amount related to such difference.

Article Twenty Two: Record-Keeping of VAT Documents

- (1) The registered person shall be required to keep the following documents:
- 1- Originals of the statement of accounts, credit and debit notes being received.
 - 2- Copies of the statement of accounts, debit and credit notes being issued on chronological basis.
 - 3- Customs documents of imports and exports of the relevant goods.
- (2) Where the taxpayer did not have VAT statement of accounts, debit note and credit note, he/she may officially request the supplier to furnish the said documents.
- (3) Submitting the request provided for in Sub-Article (2) of this Article concerning the statement of accounts, from the date of supply, and concerning the credit note or debit note, from the date of proof reading shall take place within (60) days.

- (4) The supplier shall be required to provide the documents mentioned under Sub-Article (2) of this Article to the requesting person within (15) days of receiving the request.
- (5) Where the documents mentioned under Sub-Article (2) of this Article are wasted or missing, the supplier shall furnish the requesting person with certified copies thereof.
- (6) The registered person may, in accordance with the provisions of this Article and Articles Twenty and Twenty-One, only issue VAT statement of accounts, credit or debit notes.

Chapter Seven

VAT Tax Return and Payment

Article Twenty Three: VAT Tax Return

- (1) The taxpayer shall, for each VAT period, be obligated to submit a complete tax return to the Ministry of Finance in the approved form within (30) days following expiry of that period.
- (2) The Ministry of Finance may, in case of discrepancies in the tax return, ask the taxpayer or his/her representative to complete it or to furnish more information.

Article Twenty Four: VAT payment

- (1) The taxpayer shall be required to calculate and pay VAT in accordance with the provision of Article Eighteen of this law by the end of the time period provided for in Sub-Article (1), Article Twenty-Three of this law.
- (2) The importer shall be obligated to pay VAT at the time of importation of goods.
- (3) VAT and penalties for delay thereof shall not be receivable after the lapse of (5) years following the expiry of the specified date of payment.
- (4) The period for the collection of VAT and the penalties thereof shall be ten years under the following circumstances:
 - 1- Where the person having failed to file VAT return.
 - 2- Where the Ministry of Finance having officially asked for the payment of the outstanding tax.
 - 3- Where non-payment of tax is caused by falsification or negligence.

Article Twenty Five: VAT Refunds

- (1) Where the reimbursable tax for each VAT period exceeded the total payable tax of the taxpayer, actions shall be taken in this regard as follows:

- 1- The additional amount of the next VAT period shall be transferred and reimbursed. Where the amount could not be reimbursed within the above period it shall be carried over to the next VAT period.
- 2- Where reimbursement could not be made under circumstance provided for under Clause (1) of this Sub-Article, the additional tax amount shall, pursuant to written application and submission of documents by the taxpayer, be reimbursed to the taxpayer by the Ministry of Finance within (45) days following receipt of the application.
- (2) Where there is additional reimbursable and transferable tax for more than one tax periods, the additional tax of the first period shall be reimbursed in the first place.
- (3) Where the normal trend of the economic business be such as the reimbursement provided for under Sub-Article (1) of this Article could not be applied, the Ministry of Finance shall, pursuant to written application by the person, reimburse the reimbursable amount within (45) days following filing of tax return.
- (4) Where a taxpayer has erroneously overpaid tax in a VAT period, he/she may request the Ministry of Finance for the reimbursement thereof within (5) years following the date on which he/she has overpaid the tax. In such case, the overpaid amount shall be reimbursed in a VAT period as shall be determined by the Ministry of Finance.

Chapter Eight **VAT Assessment**

Article Twenty Six: Tax assessment

- (1) The Ministry of Finance may assess the payable VAT under one of the following circumstances:
 - 1- Where the VAT return has not been filed in accordance with the provision of this law.
 - 2- Where the Ministry of Finance found that the entries made in the tax return filed by the taxpayer are not correct.
 - 3- Where the reimbursement has been made in accordance with the provision of Article Twenty-Five of this law yet the person be not entitled thereto.
- (2) The Ministry of Finance shall furnish the taxpayer with VAT determining note containing the following information:
 - 1- Reasons for the assessment provided for under Sub-Article (1) of this Article.
 - 2- The amount of payable tax, stamp duties and penalties with a mention of payment date thereof.

(3) Stamp duty and penalty of the assessed VAT shall be calculated as follows:

- 1- Under circumstance mentioned in Clauses (1 or 2), Sub-Article (1) of the present Article taking into consideration the period provided for in Article Twenty-Four of this law.
- 2- Under circumstance mentioned in Clause (3) of Sub-Article (1) of this Article, from the date of reimbursement.
- (4) The Ministry of Finance may, provided it is furnished with fresh documents or information, modify the assessment provided for in Sub-Article (2) of this Article within (10) years following the date on which the taxpayer has received tax determining note, and shall furnish the taxpayer with the modified note of tax assessment.
- (5) Objection to tax determining note shall be made in accordance with the provisions of the Administration of Taxation Affairs Act.

Article Twenty Seven: Recipient's VAT Assessment

- (1) Whereas the result of furnishing incorrect information or falsification on the part of the recipient, the supplier having construed the supply as duty-free in accordance with the provision of Article Five of this law, or having deemed it as to have zero norm in accordance with the provision of Article (6) of this law, the Ministry of Finance may determine the payable VAT of the said supply, including stamp duty and the delay penalty thereof.
- (2) The Ministry of Finance shall officially issue the tax determining note provided for under Sub-Article (1) of this Article with the following contents:
 - 1- Reasons for the assessment provided for under Sub-Article (1) of this Article.
 - 2- The amount of payable tax, stamp duties and penalties with a mention of the specified payment date thereof.
 - 3- The manner of objection to tax determining note in accordance with the Administration of Taxation Affairs Act.
- (3) The supplier and the recipient shall, individually or collectively, be obligated accordingly to pay the VAT provided for in Sub-Article (1) of this Article.

Chapter Nine Miscellaneous Provisions

Article Twenty Eight: Receipt of Guarantee

The Ministry of Finance may, in order to ensure payment of VAT, obligate the person subject to tax to provide a guarantee equivalent to the amount of payable tax in accordance with the provisions of the Administration of Taxation Affairs Act.

Article Twenty Nine: Confiscation of Goods

Where the taxpayer failed to pay his/her VAT liability within the specified time, the Ministry of Finance may sequester his/her goods equivalent to the amount of the unpaid tax in accordance with the provisions of the Administration of Taxation Affairs Act.

Article Thirty: Agencies and Branches

Where economic activity of the taxpayer is being conducted through agency or branches, such agencies and branches shall be deemed as a single economic activity and shall be registered in his/her name.

Article Thirty One: Authorities of Customs' Officers

Customs employees shall exercise their powers provided for in the Customs Law with respect to VAT being levied on importation of goods in accordance with the provisions of this law.

Article Thirty Two: Currency

- (1) VAT shall be assessed in Afghani currency.
- (2) Conversion of foreign exchange for the purpose of VAT assessment shall take place in accordance with provisions of the law as follows:
 - 1- For importation of goods, on the basis of applicable exchange rate in accordance with the Customs Law for the assessment of customs duties.
 - 2- In other cases, the average open exchange rate of Da Afghanistan Bank on the basis of purchase on the date of transaction.

Article Thirty Three: Interim Provisions

- (1) Following enforcement of the present law, a registered person may, under the following circumstances, claim his/her reimbursable tax on account of the paid BRT in the first VAT period.
 - 1- Where he/she has stored goods in stock at the end of the last working day prior to commencement of the first VAT period.
 - 3- Where the taxpayer has received goods more than four months prior to commencement of the first VAT period.

- 4- Where the taxpayer be able to present documents to the Ministry of Finance relating to BRT with respect to goods available in stock.
- (3) Where following the enforcement of this law, VAT being collected with respect to supply or imports did not meet the entire requirements of reimbursable tax in the receipt of goods in accordance with the provisions of Article Nineteen of this law, in this case the reimbursable tax on account of the paid BRT in connection with the said goods cannot be permissible in accordance with the provision of Sub-Article (1) of this Article.
- (4) A person claiming reimbursable tax in accordance with the provision of Sub-Article (1) of this Article shall be required to furnish a list of goods available at stock and his/her first VAT return together with documents relating to payment of BRT with respect to the said goods to the Ministry of Finance.
- (5) Where a registered person, prior to enforcement of this law, has entered into a contract regardless of the VAT, the VAT shall be applicable to the contract with the enforcement of this law beginning with the date of registration.
- (6) With the enforcement of this law, Sub-Articles (1, 5, and 6) of Article Sixty-Four, Article Sixty-Five, Sub-Articles (2, 3, 4, and 6) of Article Sixty-Six and Article Sixty-Seven of the Income Tax Law, published in the Official Gazette no. (976), in the year 1387 (2008) and Sub-Article (2) of Article Sixty-Four as amended, Sub-Articles (1 and 5) of Article Sixty-Six as amended and Sub-Article (6) added thereto published in the Official Gazette no. (1103) in the year 1392 (2013) shall not be applicable to a VAT registered person.

Article Thirty Four: Enactment of Regulations and Procedures

The Ministry of Finance may, for better implementation of the provisions of this law, propose rules and adopt such procedures and manuals as not to be repugnant to the provisions of this law.

Article Thirty Five: Enforcement Date

- (1) The present law shall be applicable as of 01/10/1395 (22/12/2016).
- (2) With the enforcement of this law, Sub-Articles (3, 4) of Article Sixty-Four and Sub-Article (3) of Article Sixty-Seven of the Income Tax law published in the Official Gazette no. (976) in the year 1387 (2008) shall be deemed revoked.