



# AFGHANISTAN

Afghanistan - Mixed (Islamic law and American/British law after invasion)

Sorry we cannot help you in Afganistan.

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# Afghanistan taxes

This article explains the tax laws in Afghanistan, this article will educate you on the tax laws for a LLC which is the most common company type in Afghanistan.

AF taxes income remitted back distinctly than if it were made onshore. The prevailing standard rate for income remitted, from our research, and these things do change, is 20%. AF does not have major incentives to transfer in income earned abroad accrued abroad. Taxes are very reasonable in Afghanistan because the rate which LLC will pay 20% tax. This ranks Afghanistan as 63rd overall with regards to corp. taxation rate internationally.

The VAT rate in AF is 10.00%, which ranks Afghanistan as 63rd overall in terms of VAT globally. In terms of other taxation, an employer will contribute 50.00% to the equivalent of a social security fund and an employee will contribute 20.00%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 120hours. Contributing to this is the number of yearly labor tax payments, which is 12 in AF.

This refers to any type of requirements on given company with respect to debt-to-asset ratios. Dividends are distributions of an earnings of the legal entity, passed by by the board of directors, to a class of its shareholders. Dividends can be either cash payments, shares of stock, or other property. The capital gains rate in AF is 0%. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

There is a tax on net wealth in Afghanistan. There are inheritance taxes in Afghanistan placed on an estate. There are not many widely used R&D initiatives that provide tax incentives in Afghanistan.

The above is not tax or legal advice for your individual facts and circumstance. We can to help you find to an accountant in Afghanistan who can get you an answer. Ready to get started? Click the free consultation button above.

The vat rate in Afghanistan is 10% which ranks 46 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ✓ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 1 Tax treaties
- 20% Offshore Tax
- 20% Corp rate
- Loss carryback years
- 77 Corporate time
- 10% VAT rate
- 3.72% Capital gains
- No AEOI planned

# Afghanistan Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Afghanistan is mixed (islamic law and american/british law after invasion) law. You will want to get some local advice as to how to best structure a company in Afghanistan. Electronic signatures are permitted.

The abbreviation AF is for Afghanistan and the most common company type structure in Afghanistan is a LLC.

The average time to incorporate is 7 weeks to put together the paperwork and file a LLC in AF. The types of consideration you can use to setup your company is frequently AFN, USD, and Any legal tender.

Yes, one is allowed to re-domicile a LLC from AF. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in AF by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is allowed, up to 100% of the ownership of the legal entity.

A company is only required to have 1 director on the board. Furthermore, corporate directors are permitted. Directors data is typically not exposed publicly. There is a requirement to have annual meetings of shareholders.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for an address which can receive any official legal correspondance on behalf of the registered legal entity. However, a corporate secretary is a requirement.

There is a legal obligation to file accounts on a yearly basis. Furthermore, there is oftentimes a requirement to have these accounts audited.

Overall we think Afghanistan is a ok option and have given it a score of 45 as an IO score, using the Incorporations.IO proprietary formula.

- ✓ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 7 weeks to form**



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## Country Info



🚩 National Flag of

جمهوری اسلامی افغانستان  
(prs)

د افغانستان اسلامي  
جمهوریت (pus)

Owganystan Yslam  
Respublikasy (tuk)

\$ Currency

**AFN**

☎ Area Code

**+93**

🏰 Capital

**Kabul**

📍 Region

**Southern Asia**

🌿 Native Languages

**Dari**

**Pashto**

**Turkmen**