

# DOING BUSINESS

IN AFGHANISTAN



The network  
for doing  
business

---

## CONTENTS

1 – Introduction	3
2 – Business environment	4
3 – Foreign Investment	10
4 – Setting up a Business	13
5 – Labour	18
6 – Taxation	22
7 – Accounting & reporting	30
8 – UHY Representation in Afghanistan	31



# 1 – INTRODUCTION

---

UHY is an international organisation providing accountancy, business management and consultancy services through financial business centres in over 95 countries throughout the world.

Business partners work together through the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report providing key issues and information for investors considering business operations in Afghanistan has been provided by the office of UHY representatives:

## SHAFIQ HAMID JAMAL & CO. CHARTERED ACCOUNTANTS

Office No: B-32

2nd Floor, Muslim Business Centre (AIB Building)

Haji Yaqob Square

Shahr-e-Naw

Kabul

Afghanistan

Phone +93 789168000

+93 782886313

+93 784262280

Website [www.uhy-af.com](http://www.uhy-af.com)

Email [info@uhy-af.com](mailto:info@uhy-af.com)

[mhjamal@uhy-af.com](mailto:mhjamal@uhy-af.com)

You are welcome to contact MALIK HAMID JAMAL ([mhjamal@uhy-af.com](mailto:mhjamal@uhy-af.com)) for any queries you may have.

Information in the following pages has been updated so that they are effective at the date shown, but inevitably they are both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current as at April 2019.

We look forward to helping you do business in Afghanistan.

## 2 – BUSINESS ENVIRONMENT

---

### CONSTITUTION AND LEGAL SYSTEM

Afghanistan is an Islamic republic with 34 provinces and a capital territory (Kabul), and is a landlocked country located in South Central Asia.

The constitution of the Islamic Republic of Afghanistan for the first time establish in 1303 Different governments came to the fore and made changes to the law, The [1964 Constitution](#) transformed Afghanistan into a modern democracy. The constitution provides for a presidential form of government. The President shall be the head of state of the Islamic Republic of Afghanistan and is elected by voters through free, general, secret and direct voting, executing his authorities in the executive, legislative and judiciary fields in accordance with the provisions of this Constitution.

The President shall have two Vice-Presidents, first and second. In case of absence, resignation or death of the President, the first Vice-President shall act in accordance with the provisions of this Constitution. In the absence of the first Vice-President, the second Vice-President shall act in accordance with the provisions of this Constitution. The National Assembly legislator institutions.

Afghanistan's legal system is based on three laws (State Law, Islamic Law, customary laws) adapted to the needs of an Islamic state with a few modifications.

The Afghan Supreme Court, is the highest court in the country, rarely functions as a constitutional interpreter. The court is an appellate court exercising jurisdiction of primary courts. The National Security Court handles threats to national security and terrorism. There is a lower and higher court in every province of the country, but the judicial procedures are mostly influenced by traditions and the local authorities. The majority of law court officials are Muslims.

The judicial system constitutes nine justices (appointed by the president and approved by the Wolesi Jirga) that serve for a 10-year term. The judges manage the personnel, budgets, and policy decisions of the regional and local court systems.

### GEOGRAPHICAL LOCATION

Afghanistan is a landlocked country located in south-central Asia covers an area approximately 647,230 km<sup>2</sup> (249,900 sq. mi). The country is the 40th largest in the world in size. Afghanistan shares borders with 6 countries (Turkmenistan, Uzbekistan, Tajikistan, China, Pakistan, Iran). Afghanistan has a total of 5,529 km of borders - the longest part of the border (2,430 km) is known as the Durand Line and forms Afghanistan international border with the Pakistan in the south and southeast, with Iran in west, is 936 km. To the north are the Central Asian countries- Tajikistan has a border of 1,206 km, Turkmenistan has 744 km, and Uzbekistan has 137 km. With China, it is 76 km in length and is in the far northeast of the country the border is located at the tip of the Wakhan Corridor. Afghanistan Strategical location is along the Silk Road has a crucial crossroad for trade with Central Asia, Russia and Europe.

## THE DOMESTIC MARKET

### POPULATION

Afghanistan has a multicultural and multi-ethnic society. Afghanistan is the 37th most populous country in the world, overtaking Morocco's population ranking in 2018. Afghanistan is now just behind Canada in the world population line-up. Afghanistan has a current population of approximately 37.21 million in 2019, with a growth rate of 2.34%. Kabul is the only city in Afghanistan with a population in excess of a million, and it is now one of the fastest growing cities in the world. The other key cities in the country include Kandahar, Herat, Mazar-e Sharif, and Jalalabad – each of these have populations ranging from around 300,000 (Jalalabad) to 500,000 (Kandahar). However, given the geography of the country, only around twenty percent of the Afghan population lives in cities, with the rest of the population living in the more rural areas of the country. 99.7% of the country's population is Muslim, making Afghanistan the 10th largest Muslim country in the world and an important member of the Organisation of the Islamic Conference (OIC). There are also small minorities of Sikhs, Hindus, Buddhists.

### INTERNATIONAL TIME

The international time of Afghanistan is Greenwich Mean Time +4.5.

### LANGUAGE

Dari and Pashto are the official languages of Afghanistan and English is extensively used by educated people. The national/Local language of Afghanistan is such as [Uzbek](#), [Turkmen](#), [Balochi](#), [Pashayi](#) and [Nuristani](#), are spoken by minority groups across the country.

### CURRENCY

The currency of Afghanistan is the Afghani and the acronym used for the currency is AFN

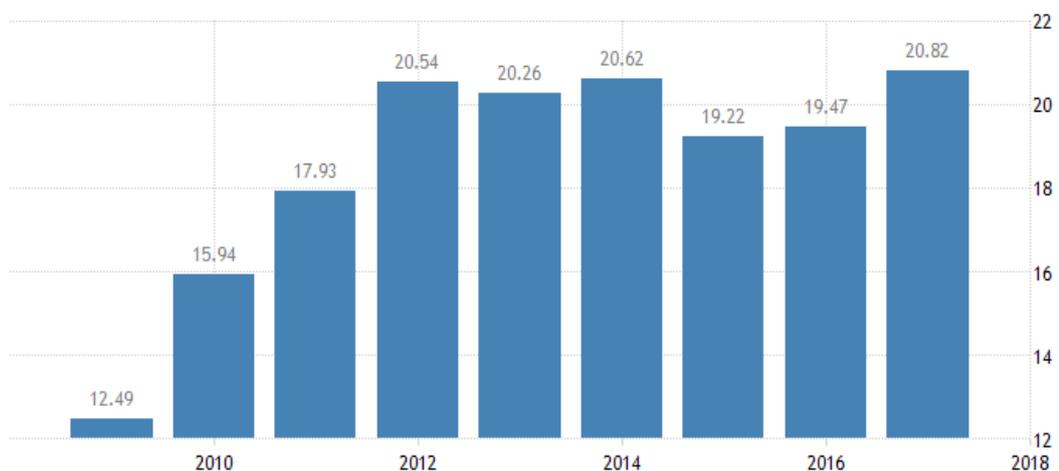
### THE ECONOMY

The economy of Afghanistan has had significant improvement in the last decade due to the infusion of billions of dollars in international assistance.

## GDP

Afghanistan has experienced sluggish GDP growth since 2014 with an average annual rate of 2.7 percent. A number of factors have contributed to this including the withdrawal of US and international security forces, the deteriorating security situation over the past few years, reductions in international grants, and ongoing political uncertainty. Set against these negative trends, the economy is benefitting from the implementation of economic reforms and there are modest signs of growing confidence and momentum. From a low of 1.5 percent in 2015, real GDP growth has accelerated to 2.9 percent in 2018 and continues to show an upward trend with real growth for 2019 projected at 3.1 percent. Some important risks surround this projection, particularly around the upcoming presidential elections. However, these risks are balanced by significant upside potential if current peace talks with the Taliban can achieve success, thereby greatly improving the security and economic outlook. In aggregate, we expect real GDP to remain soft at between 3 percent and 5 percent over the next three years supported in particular by strengthening export volumes in agricultural and industrial sectors. Employment growth peaked at 2.9 percent in 2016, and is expected to remain flat at around 1 percent for the next three years. The Gross Domestic Product (GDP) in Afghanistan was worth 20.82 billion US dollars in 2017. The GDP value of Afghanistan represents 0.03 percent of the world economy. GDP in Afghanistan averaged 6.62 USD Billion from 1960 until 2017, reaching an all-time high of 20.82 USD Billion in 2017 and a record low of 0.54 USD Billion in 1960.

TABLE 1:



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

TABLE 2:

Afghanistan GDP	Last	Previous	Highest	Lowest	Unit	
<a href="#">GDP Annual Growth Rate</a>	7.20	3.50	17.20	-1.80	percent	<a href="#">[+]</a>
<a href="#">GDP</a>	20.82	19.47	20.82	0.54	USD Billion	<a href="#">[+]</a>
<a href="#">GDP per capita</a>	618.30	617.90	633.70	364.10	USD	<a href="#">[+]</a>
<a href="#">GDP per capita PPP</a>	1804.00	1802.70	1848.70	1062.20	USD	<a href="#">[+]</a>
<a href="#">Gross Fixed Capital Formation</a>	265637.00	236143.00	265637.00	22874.70	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Agriculture</a>	139181.00	114632.00	139181.00	77324.00	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Construction</a>	65138.00	64902.70	68077.20	8700.00	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Manufacturing</a>	51872.00	51524.00	51872.00	34286.60	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Mining</a>	4206.00	3703.50	4206.00	256.30	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Services</a>	274350.00	265542.00	274350.00	69162.00	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Transport</a>	140570.00	136478.40	140570.00	20274.10	AFN Million	<a href="#">[+]</a>
<a href="#">GDP From Utilities</a>	235.00	231.00	235.00	121.00	AFN Million	<a href="#">[+]</a>

#### AFGHANISTAN GDP

The biggest sector of Afghanistan's economy is services. Wholesale and retail trade, restaurants, hotels, transport, storage, communications, finance, insurance, real estate, community, personal, social, government services account for 49 percent of the GDP. Agriculture creates 26 percent of the output. Manufacturing and mining constitute 13 percent of the wealth and construction 12 percent, last updated on June of 2019.

## AGRICULTURAL SECTOR

The agricultural sector continues to be a key driver of the economy, representing 23.7 percent of GDP and growing by 21.4 percent between 2016 and 2017.

This was a result of improvements in production techniques and facilities, as well as favourable weather conditions. With the majority of the population either directly or indirectly dependent on the sector, and as a fast-growing export category.

The upward trend is a strong fillip for Afghanistan's wider economy. Whilst government data on the growth rate for 2018 is not yet available, the observable sub-components indicate growth over the past 12 months has been even higher than in 2017.

## AGRICULTURE - PRODUCTS

Wheat, fruits, nuts, wool, mutton, sheepskins, lambskins, poppies

## EXPORTS - COMMODITIES

Fruits and nuts, hand-woven carpets, wool, cotton, hides and pelts, precious and semi-precious gems, and medical herbs

## INDUSTRIES

small-scale production of bricks, textiles, soap, furniture, shoes, fertilizer, apparel, food products, non-alcoholic beverages, mineral water, cement; hand-woven carpets; natural gas, coal, copper

## LENDING

Bank lending to the private sector has been declining over the past five years. Lending for the first nine months of 2018 reached \$572 million compared to \$582 million for the 12 months of 2017.

That said, a significant rise in lending is not imminent as banks tighten credit standards ahead of presidential elections and the outcome of talks with the Taliban. Total bank deposits were \$3.88 billion in December 2017, decreasing slightly to \$3.62 billion in December 2018. Central bank reserves increased from \$8.11 billion at the end of 2017 to \$8.24 billion in 2018.

**International Airports:**

City served	Province	IATA	International Airport Names	Runway
Kabul	Kabul	KBL	Hamid Karzai International Airport	11/29: 3511 × 45 m, Concrete
Herat	Herat	HEA	Herat International Airport	01/19: 3014 × 45 m, Asphalt
Kandahar	Kandahar	KDH	Kandahar International Airport	05/23: 3200 × 55 m, Asphalt
Mazar-i-Sharif	Balkh	MZR	Mazar-i-Sharif International Airport	06/24: 2998 × 45 m, Asphalt

The latest statistics regarding Afghanistan's economy are shown in the table below.

TABLE 3

*Economic data*

INDICATORS	
GDP	USD 21 billion (2019) End of This Quarter
GDP growth	2.6% 2017
GDP per capita	USD 585.85 2017
Inflation (CPI)	1.80% (March 2019)
Population below poverty line	54.5% (2016)
Labour force	7.2 million (2016)
Labour force by occupation	Agriculture 78.6%, Services 15.7%, Industry 5.7% (January 2018)
Unemployment	8.80% (2018)
Main industries	Agriculture and pastoral raw materials, cotton, tobacco, madder, castor beans and sugar beets, Sheep farming is also extremely valuable, the major sheep product exports are wool, and highly prized Karakul skins.
Ease of doing business rank	167 <sup>th</sup>

## 3 – FOREIGN INVESTMENT

---

Foreign investments have played a critical role in Afghanistan's economic development since the first years of independence.

Since 1970, the government has tried to attract foreign investment to maintain economic development, provide specialised technical knowledge and bring in much-needed foreign exchange.

Incentives for private investment, Afghan government approved the Investment Incentive Policy which concentrates on developing five key sectors (industry, construction, export promotion, agriculture and mining) through providing special privileges for investors who either will invest or extend their businesses during the transition and transformation decade.

Incentives for private investment include Allocate the government possessed lands, sell lands on settlements, Exempt custom duty free for machinery, in addition, special tax concessions available to certain local industries are also available to foreign investors.

### FOREIGN DIRECT INVESTMENT (FDI)

Foreign Direct Investment (FDI) in Afghanistan stood at \$ 139 million during 2018 as against \$ 53 million in 2017.

Due to better policies and initiatives of present Government, Afghanistan is as an area rich in human and natural resources, becoming a favourite destination for investors and investment climate is improving on fast track.

Historically, Afghanistan has been at the heart of major trading routes, amongst them, the fabled Silk Road, which is one of many that have served the region throughout the centuries. Over the past ten years, the Afghan people have steadily progressed towards peace and prosperity, and its economy has seen meteoric growth. Once again, Afghanistan is emerging as a central hub for trade as the economies of Central and South Asia continue to grow and become increasingly integrated into the global economy. In May 2016, Afghanistan, Iran, and India signed the Chabahar port agreement. The arrival of first freight train in Afghanistan's Hairatan port from China via Kazakhstan and Uzbekistan. In November 2017, inauguration of the Turkmen part of trilateral railway in Turkmenistan, which connected Afghanistan to an international railway network, were other significant steps in the right direction. In the same context, another important achievement was Afghanistan's formal admission to the World Trade Organization (WTO) in July.

### MAJOR INCENTIVES FOR INVESTMENT IN AFGHANISTAN

There are many reasons for foreigners to invest in Afghanistan, including the following.

Industry Sector:

- Allocate the government possessed lands as free of charge for industrialists who will invest at least in value USD 1 million.
- Sale lands of industrial parks by 10-year settlements.

- Rent unused lands of government possessed factories by 30 years in term exemption rent of first five years.
- Exempt all kind of taxes by 10 years except municipality's duty.
- Sell power in price 1 AFN plus the imported expenses.
- Lend loans of USD half till one million by 6 percent interest and 5 – 10 year's reimbursement by a fund that will be established in USD 100 million credits at one of government banks.
- Exempt custom duty free for machinery and 1 percent on raw materials only.

#### Construction Sector:

- Facilitate visa issuance processing (municipalities have to set a form that in maximum 6 signatures would be required for visa issuance and be processed by 21 days).
- Sell the lands possessed by municipalities (who will invest in value USD 5 million in Kabul or USD 2 million in provinces at least, will get 2000 m<sup>2</sup>).
- Facilitate administrative processing of modification of residence areas' identification to commercial use free of charge for who will invest in value USD 2 million in Kabul or 1 million in the provinces at least.

#### Export Sector:

- Allocate land free of charge for exporters especially who have occupied in foodstuff, dried and fresh processing, carpeting, and animal products manufacturing (instead of each USD 1 million, 4000 m<sup>2</sup>).
- Exempt all kinds of taxes by 10 years except municipality's duty.
- Sell power in price 1 AFN plus the imported expenses.
- Lend loans of USD half till one million by 6 percent interest and 5 – 10 year's reimbursement by a fund that will be established in USD 100 million credits at one of government banks.
- Marketing for carpet and handicraft industries by government respective entities.
- Exempt custom duty free for machinery.

#### Agriculture Sector:

- Rent unused government possessed lands by 30 years, in term exemption rent of first five years especially for who will invest in cool storages, greenhouses and foodstuff manufacturing (instead of USD half million, 4000 m<sup>2</sup>).
- Rent unused government possessed lands by 30 years, in term exemption rent of first ten years for who will invest in value USD 10 million.
- Rent unused government possessed lands by 15 years, in term exemption rent of first two years for small and medium enterprises.
- Exempt Income Tax by 10 years for whom their investments reach in profit by the end of 2014;
- Lend loans of USD half till one million by 6 percent interest and 5 – 10 year's reimbursement by a fund that will be established in USD 100 million credits at one of government banks.

#### Mining Sector:

- Exempt custom duty free for machinery.
- Not bidding is required for small and medium mines where can be exploited by 10 years and needed USD 2 million investments, in terms that operation and commercial proposals have to be approved by the Ministry of Mines and Petroleum first

#### INVESTMENT OPPORTUNITIES

There are good investment opportunities in the following sectors of Afghanistan's economy:

- Renovation and construction of infrastructure.
- Residential and commercial real estate development.
- Manufacture/importation of construction materials
- Transportation and logistics services.
- The information technology and telecommunications services.
- The extractive industries including minerals, oil, commodity metals
- Goods and services, equipment and operations and maintenance of the national army and police forces.
- Agri-business and agriculture distribution and infrastructure. Dried fruits, nuts and seeds have overtaken carpets to account for half of total exports. However, Afghanistan's export of fresh produce accounts for only 6 percent of total trade due to Afghanistan limited agriculture and food processing infrastructure including a lack of cold and dry storage facilities.
- Import substitution in the following areas: -
  - poultry (chicken and eggs)
  - rebar, profile steel and steel beams;
  - pig iron
  - cement and
  - processed foods (tomato paste, juices).
  - dairy (yoghurt, milk powder and milk products)
  - edible oils
  - plastic piping
  - sugar; and
  - soap.
- The following SME Sectors:
  - cashmere; - carpet weaving, cutting, washing and trading
  - marble quarrying, cutting, polishing
  - gem stones mining, cutting & polishing and jewellery
  - livestock skins and leather
  - medicinal plants; and
  - wood, timber and carpentry.

## 4 – SETTING UP A BUSINESS

---

### LICENCE REQUIREMENTS

Under the new Commercial Laws of Afghanistan (2007) individuals and businesses who want to become legal entities in Afghanistan need to register with the Afghanistan Central Business Registry within the Ministry of Commerce & Industry (MoCI).

### BUSINESS ORGANISATIONS

After complying with the requirements for a licence, a business can be established in any of the following forms set out below.

#### SOLE PROPRIETORSHIP

Sole Proprietorship: a single person owns a single business. This is the simplest form of business in terms of both formation and registration. This type of business is called a sole proprietorship. The single owner receives all of the profits and is personally liable for all of the debts of the business. If the owner wants to sell or transfer her ownership interest, she can sell the entire business to another party.

#### CORPORATIONS AND LIMITED LIABILITY COMPANIES LAW

The Corporations and Limited Liability Companies Law (CLLCL) provides Afghanistan with the legal rules for the organization of business enterprises in Afghanistan. The law defines two types of enterprises:

- Corporation: - a business company whose capital is definite and divided into shares, with the share and responsibility of each shareholder limited to the proportion of his share; and
- Limited Liability company: - “Limited” is a business company whose capital is not divided into shares with the responsibility of each shareholder limited to the amount of capital agreed to (by such shareholder) in the company.

The Law sets the registration requirements for corporations by indicating the documents that may be registered in a Central Registry, which include a Business License, the Articles of Incorporation and Annual Reports the Law establishes the Afghanistan Central Business Registry within MoCI. The Corporation under this law has a two-tier Board of Directors including a Board of Supervisors that oversees the Board of Directors and can inspect the Corporation’s books and records. The new Law provides for duties and standards of the Board of Directors including the duty to disclose a conflict of interest regarding transaction effected by the corporation.

The law sets the rules for when a corporation may pay dividends and how much of a reserve fund is necessary. The law also defines a limited liability company that has between 2 to 50 shareholders and whose shares are not to be sold on a public stock exchange. These new provisions will enhance the ability of a corporation to attract investment.

#### PARTNERSHIP FIRM

Under the Partnership Law, a partnership is created by two or more persons who file and register their partnership agreement. When a partnership is created, it has a legal personality and can execute transactions, sign contracts and own property. The Law defines two types of partnerships General Partnership and Special Partnership.

## COMPANIES

There are four types of legal entities for individuals and businesses in Afghanistan:

- State Owned Enterprises
- Private Companies
- Not for Profit Organizations.
- Single Member Company.

## FORMATION OF A COMPANY

### STATE-OWNED ENTERPRISES

The Government of Afghanistan operates over 30 active state-owned enterprises (SOEs), almost all of which are wholly-owned. About 11000 people are employed, in sectors including public security, construction, transport, agriculture, and extractives. Net income for all the SOEs is around USD 13M; only a few are profitable. All SOEs are overseen and regulated by the Ministry of Finance and directly operated by specific ministries depending on the nature of the operations. The Law on State Owned Enterprises includes specific targets for R&D investment, social development measures, and employee profit sharing, but compliance is negligible.

The Afghan government is also a stakeholder in 13 state-owned corporations (SOCs), entities that have independent boards and are not operated or directly supervised by the government. SOEs and SOCs make up a small share of overall economic activity, although a few SOCs have significant market share in their sectors, including Afghan Telecom (Aftel), Ariana Afghan Airlines, and the electrical utility DABS (Da Afghanistan Breshna Sherkat) etc.

### PRIVATE COMPANY

According to Article 2 of the Private Investment Law, “the State is committed to maximizing private investment, both domestic and foreign, in the economy. It aims to create a legal regime and administrative structure that will encourage and protect foreign and domestic private investment in the Afghan economy in order to promote technology transfer, improve national prosperity and advance the peoples standard of living.

### NOT-FOR-PROFIT ORGANISATIONS

The Commission may grant a license to a not-for-profit association. The legal framework for not-for-profit organizations (NPOs) in Afghanistan is primarily based on two framework laws: The Law on Associations and the Law on Non-Governmental Organizations.

The Law on Associations was signed into law in September 2013. It supersedes the Law on Social Organizations, which was enacted in 2003. Amendments to the Law on Associations were adopted in December 2017 and published in the Official Gazette in February 2018. The Law on Non-Governmental Organizations (NGOs) was signed into law in June 2005. Proposed amendments to the Law on NGOs are currently undergoing review within the Ministry of Economy.

### SINGLE MEMBER COMPANY

Any person may form a single member company and would file with the registrar at the time of incorporation a nomination in the form as set out indicating at least one individual to act as nominee director of the company in the event of his death. All the requirements for incorporation of a private limited company shall mutatis mutandis apply to a single member company.

## FEE SCHEDULE

The schedule of fees for registration of a company is as follows:

Activity	Minimum Investment by in US\$		New License Fee	Renewal Fee
<i>Construction and Road Building</i>	Small	100,000	700	350
	Medium	1,000,000	700	350
	Large	10,000,000	1000	500
<i>Industry</i>	Small	10,000	50	50
	Medium	50,000	350	175
	Large	1,000,000	350	175
<i>Equipment Production, Consumer Goods, Cloth and Steel Mills and Steel Production</i>	Small	100,000	50	50
	Medium	1,000,000	350	175
	Large	10,000,000	350	175
<i>Production and Processing of Agricultural and Animal Products, Apiary and Honey</i>	Small	100,000	50	50
	Medium	1,000,000	350	175
	Large	10,000,000	350	175
<i>Mining, Quarrying, Storage and Refining of Oil</i>	Small	1,000,000	350	175
	Large	10,000,000	350	175
<i>Ground and Air Transport, Freight, Lease and Renting Services</i>	Small	100,000	700	350
	Medium	1,000,000	1000	500
	Large	10,000,000	1000	500
<i>Logistics, Technology, Exhibitions, Cleaning and Hotel Services, Oil and Petroleum Distribution</i>	Small	50,000	700	350
	Medium	1,000,000	1,000	500
	Large	10,000,000	1,000	500
<i>Telecoms and Aviation</i>	Large	10,000,000	2,000	1000
<i>Educational, Entertainment, Health, Broadcasting, ISP and Advertisement Services</i>	Small	5000	100	50
	Medium	100,000	300	150
	Large	1,000,000	500	250
<i>Security Services and Risk Management</i>	Medium	1,000,000	5000	5000
	Large	1,000,000	5000	5000
<i>Consultancy, Human Resources, Financial, Legal and Insurance Services</i>	Small	10,000	1000	500
	Medium	50,000	2000	1000
	Large	1,000,000	2000	1000

## FOREIGN INVESTORS IN AFGHANISTAN

A foreign investor may establish an independent business with any of the above-mentioned corporate structures. He/she can establish a sole proprietorship, can enter into partnership with any local person or foreigner and can even establish a company with or without participation of local shareholder(s) and director(s)

## MODARABAH

Mudarabah is also known as Muqaradah or Qirad. The Mudarabah contract is a partnership in profit between one party who contributes capital (rabb almal/capital provider) and the other party who contributes efforts in the form of managerial/entrepreneurial skills (mudarib / manager). Profit from the outcome of the partnership is shared between the capital provider and manager according to mutually agreed profit sharing ratio whilst losses are borne solely by the capital provider, provided such loss is not due to the manager's negligence or violation of specified conditions. 4.2 In the context of business and trade, it means a joint enterprise in which all the partners share the profit according to a mutually agreed upon profit sharing ratio but loss is borne solely by the capital provider/investor.

## SAVINGS MUDARABA

This product outline for an Islamic Savings Account (hereinafter referred to as "the Product Outline") is issued by the Da Afghanistan Bank (hereinafter referred to as "DAB") which shall be adopted and become the guiding principles for Islamic Financial Institutions, Financial Institutions operating with an Islamic Window and Financial Institutions operating with an Islamic Unit (collectively referred to as "the Bank") in the Islamic Republic of Afghanistan offering Islamic financial products.

This Product Outline is intended to: i) Enable Banks to develop their own Islamic savings account products using this Product outline as a baseline for the product development process; and ii) Illustrate to the Bank global best practices in adopting the Product Outline.

1.3. The objectives of this Product Outline are to:

1.3.1. Facilitate the development of Islamic savings accounts in Banks in the Islamic Republic of Afghanistan; and

1.3.2. Establish a precedent Product Outline that the Banks shall use when developing and operationalizing their own Islamic savings account products.

1.4. Any particular exemption to any of the provisions as provided herein shall only be permitted via a formal application being submitted by the Bank after prior consultation with its Shariah Board (hereinafter referred to as "the Shariah Board"), to the Shariah Supervisory Board of DAB (hereinafter referred to as "the SSB") outlining the reasons and justifications for such requests.

1.5. If any new or additional guidelines on the Product Outline are to be adopted, the Shariah Board of the Banks shall always be consulted first before the adoption of same.

## LEGITIMACY OF MUDARABAH CONTRACT

The legitimacy of the Mudarabah contract is founded on the basis of the Qur'anic verses, the Sunnah of the Prophet Muhammad (SAW), and the consensus of Muslim Jurists (Ijma')

## THE QUR'AN

5.1.1 The following Qur'anic verses imply the general permissibility of commercial ventures including Mudarabah.

5.1.1.1 "...others travelling through the land, seeking of Allah's bounty; yet others fighting in Allah's cause..." (Al-Muzammil: 20)

5.1.1.2 “And when the Prayer is finished, then may ye disperse through the land, and seek of the Bounty of Allah; and celebrate the Praises of Allah often (and without stint): that ye may prosper.” (Al-Jumu’ah: 10)

#### THE SUNNAH OF THE PROPHET MUHAMMAD (SAW)

The Narration of Ibnu Abbas;

Ibnu ‘Abbas r.a. reported that: “When our leader ‘Abbas Ibn ‘Abd al-Mutallib gives his property to someone for Mudarabah, he stipulates conditions on his partner not to bring the capital across the sea; and not to bring with him the capital crossing a valley; and not to buy livestock with the capital; and if his partner violates the conditions, he should guarantee the loss occurred. These conditions have been brought to the attention of Prophet Muhammad (SAW) and he approved them.” (Mu’jam Al-Awsat: Al-Tabrani).

The Tacit Approval of the Prophet Muhammad (SAW)

It has been observed that people were practicing the Mudarabah venture since the Prophet’s (SAW) first revelation and he did not raise or show any objections against their practice. This is considered a tacit approval by the Prophet Muhammad (SAW).

#### IJMA’

The Muslim jurists have reached Ijma’ or a consensus among them upon conducting Ijtihad on the permissibility of the Mudarabah contract.

5.3.2 It has also been established that the companions of the Prophet Muhammad (SAW) such as Umar, Uthman, Ali, Abdullah Ibn Mas’ ud, Abdullah Ibn Umar, Ubaydullah Ibn Umar and A’ishah have placed the property of orphans under the Mudarabah contract with no objections from other companions.

## 5 – LABOUR

---

### LABOUR POLICY

The Labour policy issued by the Government of Afghanistan, the labour law guarantees, the protection of workers' rights, and receive fair treatment, equitable pay, pensions, and health and safety in the work place. The policy also provides for the compliance with international labour standards ratified by Afghanistan. The Labour policy approved in 2007.

### CHILD LABOUR

Under Afghanistan's Labour Law, 18 is the minimum age for employment. Children between the ages of 15-17 are allowed to work only if the work is not harmful to them, requires less than 35 hours a week, and represents a form of vocational training. Under the law, children 14 and younger are not allowed to work. In April 2010, Afghanistan ratified both of the key international treaties related to child labour: International Labour Organization (ILO) Convention No. 182 on the Worst Forms of Child Labour, and Convention No. 138 on the Minimum Age of Employment.

### MINIMUM WAGE

The Afghanistan minimum wage rate is 5,000 Afghani per month for government workers with no minimum set for private sector workers, but labour law forbids a lower wage. Informal sector day workers have no minimum wage set by law. Afghanistan's minimum wage was last changed in 1-Jan-2014. The daily minimum wage for an 8-hour work day is Afn. 193 (and Afn.5000 for 26 working days).

### EMPLOYEES' SOCIAL SECURITY ORDINANCE

An Employees Social Security scheme is mentioned in Constitution of Afghanistan in Article 6.

#### Article 3.11

Social Protection: is a fund deducted of the employees' monthly salary and Employers' contribution. Or it is a fund fully paid to the employee by the employer for his/her livelihood during the employee's service period or after his/her retirement.

#### Article 9.1

There should be no discrimination in recruiting a person, paying the salaries and the allowances to the staff, making a profession, the right to education and providing the social protection.

#### Article 11

In the economic and social areas workers have the right to be provided with health services, safely work and produce, receive vocational training, skills development, improve their professional knowledge and be provided with social protection.

### EMPLOYEES' OLD AGE BENEFITS

After years of dealing with pension policy in crisis management mode, the Government has begun the process of formulating a national pension policy based on a long-term vision. Government of Afghanistan in reforming its system of retirement benefits for the public sector employees. To qualify for a regular old age benefit, the civil servants must have accumulated at least 10 years of service by the time of retirement (normal retirement age is 65). Those claiming benefit with work histories of less than 10 years collect lump sums. Individuals must present certified service record from employer.

### IMMIGRATION PROCEDURE

#### BUSINESS VISAS

Business Visas is issued to the foreign nationals who enter into the territory of the Islamic Republic of Afghanistan for the purpose of business. This type of visa issued based on reciprocity or bilateral and multilateral agreements concluded with them.

Business Visa can be issued inside Afghanistan to those applicants that have Business Passports and have been introduced by the Ministries of Commerce, Economy, Mines, Finance, Transport, and Chambers of Commerce and other relevant government bodies to MoFA. The Business Visa shall be issued according to the following conditions with a validity period of stay for one (1) or three (3) years (Multiple Entry) in exchange for visa fees.

- Introduction of Business Visa applicant by the Chambers of Commerce or other competent authorities of the country to the Ministry of Foreign Affairs;
- Providing work permit and description of business activities;
- Providing the relevant company address (in Afghanistan, or in the country of origin);
- Providing bank account.

**TABLE 5**

List of business friendly or BVL countries

NO.	NAME OF COUNTRY	NO.	NAME OF COUNTRY
1	China	34	Ukraine
2	Iran	35	Singapore
3	Kazakhstan	36	Australia
4	Azerbaijan	39	Italy
5	Pakistan	40	Samoa
6	Uzbekistan	41	Ireland
7	Turkmenistan	42	Canada
8	Malaysia	43	Netherlands
9	Japan	44	Sweden
10	Latvia	45	Poland
11	Russia	46	Bangladesh
12	Tajikistan	47	Sri Lanka
13	Cyprus	48	Spain

14	United Arab Emirates	49	Mexico
15	India	50	Lebanon
16	Turkey	51	New Zealand
17	North Korea	52	South Africa
18	Kenya	53	Egypt
19	North Korea	54	Hungary
20	Germany	55	Denmark
21	Indonesia	56	Slovakia
22	Vietnam	57	Finland
23	Sri Lanka	58	Sudan
24	United States	59	Norway
25	Marshall Islands	60	Luxembourg
26	Iraq	61	Jamaica
27	Swaziland	62	Ghana
28	Kuwait	63	Romania
29	Singapore	64	Nepal
30	Thailand	65	Guatemala
31	Azerbaijan	66	Portugal
32	Saudi Arabia	67	France
33	Brazil	68	UK

#### VISA ON ARRIVAL

The upon arrival visas will be issued for the foreign business people and investors upon their arrival at Hamid Karzai International Airport through the representatives of Border Police of Ministry of Interior Affairs of Afghanistan and after the evaluation of the required documents in collaboration with the MoFA representative at the airport. This visa will be issued in accordance with the amendment of Article 27.

The required documents are as follows:

- To provide a notarized copy of a valid business license with at least six-month validity;
- To submit a new notarized bank statement with having a minimum of US \$100,000 deposit.
- To complete the visa application form with providing a recent photo.
- Providing the exact address of the company along with the valid commercial document in which the address of the company is cited.
- Visa payment fees are paid in accordance with the Article 27 of the Travel and Residence Law for the Foreign Nationals in Afghanistan. It is only applicable for issuing a business visa for business people and investors.
- Providing an original copy of the business letter from the company.
- Providing the Police Clearance or No-Objection Certificate.

## WORK VISA

Work Visa is issued to employees, doctors, teachers, trainers, experts, engineers, pilots, the staff of ground transportation and foreign technical workers based on need and previous invitations for the purpose of working at Diplomatic and Consular Representations, UN Offices, International Organizations; Government and Non-Governmental Organizations; National and International Agencies. The Work Visa Processing Fee is as follows:

The required documents are as follows:

- For one (1) month, Single Entry is US \$100;
- Extension for one (1) year is US \$50 per month or payable in local currency and applicable through Ministry of Interior; and
- To complete the visa application form with providing a recent photo;
- Extension of Work Visa is permitted based on the request of the inviting departments and is processed through Mol along with a letter from MoFA.

## 6 – TAXATION

---

Ministry Finance of Afghanistan is the government entity that is handling taxation issues all around Afghanistan. From 2002 until now the MoF has been trying to manage the financial and revenue problems in the country. For this purpose, Afghanistan Revenue Department is the entity within the MoF that is handling this matter. Afghanistan Revenue Department is tax collecting authority, responsible for the collection of various types of taxes levied over various sectors of the economy.

### INCOME TAX

The Income Tax law 2005 Super and presently income tax law 2009 / income Tax manual 2009, Tax Administration law 2016, Tax guides and rulings provide the legal framework for levy, collection and other matters related to income tax. The levy of income tax is an annual charge on the taxable income.

### CLASSIFICATION OF PERSON

The Income Tax Ordinance 2009 classifies entities as follows for the levy of tax:

- Natural persons
- Legal persons

#### Legal persons

Legal persons are organization which are awarded legal personality by relevant regulation.

#### Natural person

As a natural person is quite simply a human not every organization or business is a legal person

### SOURCES OF INCOME

For the purpose of the imposition of tax and the computation of total income, incomes are classified under the following categories:

- Salary
- Income from property
- Income from business
- Capital gains
- Income from other sources.

Taxable income in a specific category means the income as reduced by allowable deductions. The net income from each category is added together to arrive at the total income for the year.

Taxable income is calculated as revenue for the year from all sources less following admissible expenses:

- Any expense related to the cost of production or trade and business, such as insurance and freight expenses, etc.;

- The cost of supplies, materials, fuel, electricity, water, and ordinary and necessary expenses used in the production of income, or in a trade or business;
- Wages, salaries, commissions, and fees paid for services rendered by employees in trade or business;
- Interest paid on business loans;
- Rent paid on property necessary to and used in trade or business;
- Cost of repairs and maintenance of properties and equipment necessary to and used for purposes of the business or trade;
- Depreciation of movable and immovable property.

### RESIDENT STATUS

A natural person is considered a resident of Afghanistan in the following circumstances:

- The person has his or her principal home in Afghanistan at any time during the fiscal year.
- The person is present in Afghanistan for a period or periods amounting to 183 days in the fiscal year.
- The person is an employee or official of the Government of Afghanistan assigned abroad at any time during the fiscal year.

Any other entity is resident in Afghanistan for a tax year if the entity was established in Afghanistan or has the centre of its administrative management in Afghanistan at any time during the year.

A natural person's "principal home" is determined using a "facts and circumstances" test. In determining whether a natural person has a "principal home" within Afghanistan, the following factors shall be taken into account:

- Whether the natural person owns or rents the home in Afghanistan
- Whether the natural person owns or rents a home in a different country 3. The amount of time the natural person spends in Afghanistan and the amount of time the natural person spends in other countries
- The location of the natural person's family; and
- The length of time the natural person has owned his or her home in Afghanistan and the length of time that the natural person has owned a home in one or more other countries.

### TAX YEAR AND FILING OF RETURN

The tax year is a period of twelve months, the taxable year is the solar year which starts from the first day of Jadi (21st December) and ends on the last day of Qaws (20th December).

A legal person (but not a natural person) wishing to use a different taxation year may apply in writing to the Ministry of Finance explaining the reasons for the requested change. The Ministry of Finance may approve such an application but only where the application is justifiable.

All taxpayers, except companies, are required to file their return of income for the tax year by the 20 March (at the latest) immediately following the close of that tax year. Companies are required to file their return of income for the tax year on 20 March each year.

## TAX RATES

### LEGAL PERSON (CORPORATE TAX)

The income tax of legal persons shall be 20 percent of taxable income for the tax year. Corporate rate applies to legal entities such as corporations, limited liability companies, and other legal entities.

### NATURAL PERSON

Resident natural persons are taxed on income from all sources worldwide, including but not limited to wages, salaries, rents, certain types of partnership income, royalties, etc. Non-residents are taxed on all income with its source in Afghanistan. The annual tax rates are as follows:

Annual Income more then	Annual income less then	Tax
0	60000AFN	0%
60,000AFN	150,000AFN	2% over of amount over 60,000
150,000AFN	1,200,000AFN	1800AFN+10% of the amount over 150,000AFN
1,200,000AFN	Unlimited	106,800 +20% of amount over 1,200,000AFN

### BUSINESS RECEIPTS TAX (BRT)

Business receipts tax is a tax which is imposed on total gross income (sales) before any deduction. BRT is a deductible expense in computing taxable income for the same tax year.

- The import of goods into Afghanistan is subject to a customs tax of 4% of the cost of imported goods. Taxes paid on imports shall be treated as an advance payment of BRT. Any customs tax paid can be claimed as a credit against the BRT tax liability for the same year.
- BRT does not apply to individuals unless quarterly revenues for that individual are AFN 750,000 or greater.
- Filing of quarterly BRT returns is a requirement even if no tax is due for the quarter.

The BRT must be paid on a quarterly basis within 15 days after the end of the quarter according to the below table:

Quarter	Duration	Last date of payment
First Quarter	December21-March 20	April 5
Second Quarter	March 21-June 20	July 5
Third Quarter	June 21 –September	October 5
Fourth Quarter	September21-December20	January5

**BRT @ 5%**

Airlines, Restaurants, hotels, and guesthouses with income more than AFN 750,000 per quarter shall be subject to 5% percent BRT on gross receipts.

**BRT @ 10 %**

10% BRT is payable on gross receipts from provision of the following services:

- Telecommunications services, including Internet services
- Hotels providing superior services
- Restaurants providing superior services

**BRT @ 4%**

BRT @ 4% shall be paid on gross receipts from all sources other than the sources mentioned above.

**WITHHOLDING TAXES****Salary and Wage Withholding Tax**

Employers (including legal and natural persons) with two or more employees in a month are required to withhold tax from their employees' salaries and wages based on the below rates. (Article 58).

The employer is required to remit the amount withheld to the government specified account no later than 10 days after the end of the month in which the amounts were withheld (Article60). The employer shall be required to submit with this remittance a Tax Withholding Report to the relevant tax office in the format prescribed in the Income Tax Manual.

**Monthly Payroll Calculation**

Monthly Income from	Monthly Income Up to	Tax
AFN 0	AFN 5,000	AFN 0
AFN 5,001	AFN 12,500	2% of the amount over AFN 5,000
AFN 12,501	AFN 100,000	AFN. 150 + 10% of the amount over AFN. 12,500
AFN 100,001	Unlimited	AFN. 8,900 + 20% of the amount over AFN. 100,000

**Rent Withholding Tax**

Payments of rent for buildings and houses which are rented to legal or natural persons and are used for business purposes or offices are subject to withholding tax as follows:

1. Where the monthly rent is from AFN 0 to AFN 9,999/-Zero (0%) percent.
2. Where the monthly rent is from AFN 10,000 to AFN. 100,000/- ten (10) percent.
3. Where the monthly rent is more than AFN. 100,000/- fifteen (15) percent.

For purposes of the above calculations, landlords may not be credited for actual

expenses for repairs and maintenance on the withholding tax. Instead, landlords will take a deduction for the cost of repairs, renovations and improvements on their annual income tax return. The withheld tax under this provision must be paid within 15 days of the month in which the rental payment is made.

#### Withholding Tax on Contractors

Legal and natural persons who provide supplies, materials, construction and other services under contract are subject to withholding tax from the gross amount payable to the contractor.

#### Contractors with business licenses:

If the Contractor has a business license, the withholding tax rate is 2% of the gross payment to the Contractor. Contractors with business license will take credit for the withholding tax as an advance payment on their annual income tax returns for the tax period in which they were paid.

#### Contractors without business licenses:

If the Contractor does not have a business license, the withholding rate is 7% of the gross payment to the Contractor. Contractors without business licenses will treat the withholding tax as a final tax.

A minimum threshold of AFN. 500,000 has been set for contract withholding tax purposes. Payments on account of purchases or supplies made or services rendered to a legal or natural person aggregating below AFN. 500,000 in a tax year shall not be subject to withholding tax. However, if the aggregate of payments to one person on this account exceed this threshold in a tax year the entire payment to that legal or natural person shall be liable to contract withholding income tax under Article 72. The tax so withheld along with the specified withholding tax form shall be remitted to the government account within ten days of the end of the month in which the tax was withheld.

#### Other Withholding Taxes

Profit and non-profit legal persons organized under the Laws of Afghanistan are required to withhold tax from the payment of dividends, interest, royalties, prizes, rewards, lotteries and bonuses. Whenever such payments are made, the payer is required to withhold tax at the rate of (20%) twenty percent and pay it to the State not later than 10 days after the end of the month in which the tax was withheld. (Article 46)

#### FIXED TAXES

##### Fixed Tax on Imports

Persons who import goods are subject to a fixed tax on the value of the imported goods. Persons with a current business license are subject to a 2% fixed tax which will be taken as a credit on the income tax return in the year in which it is paid. Persons without a business license or with an interim license are subject to a 3% fixed tax which is payable instead of annual income tax. The fixed tax on imports is paid when and where the customs duties on the imported goods are paid.

### Fixed Tax on Exhibitions

The fixed tax on exhibitions applies to natural persons who are resident of Afghanistan and to non-resident natural and legal person who provide entertainment such as theatre, cinema, radio, television, music, or sport competition in Afghanistan. Income from these businesses is subject to a fixed tax of 10% of receipts from sale of admission or tickets. The fixed tax is imposed in lieu of income tax and business receipts tax. The fixed tax is due on a monthly basis and must be paid no later than the 15th day of the next month. If the mentioned shows are not continuous, the tax must be paid after the end of each show.

### Fixed Tax on Small Businesses

Natural persons who are engaged in business activities and meet the following conditions shall be subject to fixed tax in accordance with Article 75.

1. Natural persons who have income which is neither exempt nor subject to withholding tax in accordance with the provisions of this Law.
2. The total gross annual income of the natural persons is less than AFN. 3,000,000 for a tax year.
3. On an annual basis, fixed tax applies as follows:

Category	Gross Annual Income (AFN)	Tax Amount/Rate in Quarter	Total Annual Tax
1	0 to 60,000	0	0
2	60,000 to 150,000	500	2000
3	150,001 to 500,000	1,500+500	8000
4	500,001 to 3,000,000	3% of gross income or, may elect to pay income tax and business receipt tax.	3% of gross income or, may elect to pay income tax and business receipt tax.

### TAX PENALTIES

Tax Penalties. There are four main penalties for tax non-compliance. Even if no tax is due, the penalty for individuals is 15 Afghani per day, while for businesses it is 50 Afghani per day for each day a form is filed late. This includes monthly rental, wage and contractor withholding tax forms, quarterly BRT forms and annual income tax forms. Second, if taxes that should have been withheld from payments to landlords, employees or vendors were not withheld, the penalty is 10% of the tax due, in addition to the tax. Third, if any of tax amounts were deposited late to the MOF, the penalty is 0.05% per date late. Finally, if certain revenue is not reported with intent to evade tax, the penalty is Double the tax assessed. (Tax Administration Law, Article 34-44)

### COMPANIES

The tax rates for companies are 20%.

## SPECIAL RULES FOR TAXATION OF CERTAIN BUSINESSES

The Income Tax Law 2009 provides separate provisions for the taxation of the following businesses:

- Qualifying Extractive Industry Taxpayers(QEIT) - Chapter 12 of the Income Tax Law provides the rules for the taxation of QEIT industry.
- Taxation of Insurance Companies - Chapter 7 of the Income Tax Law provides certain rules for the taxation of Insurance Companies.
- Taxation of Banks - Chapter 8 of the Income Tax Law provides certain rules /articles for the taxation of bank specifically article 56 of the Income Tax Law.

## DEPRECIATION

The third schedule to the Income Tax Ordinance 2009 prescribes the rates of depreciation for various assets.

Depreciation norm of depreciable assets are as bellow:

No.	Asset	Useful life (in year)	Percentage Allowed in Each year
1.	Brick or stone structures	50	2
2.	Loam structures	20	5
3.	. Wooden structure	10	10
4.	Machinery and equipment not otherwise specified below	10	10
5.	Mining equipment	6.5	15
6.	Tools	4	25
7.	Printing equipment and machines	2	50
8.	Handicraft machines	3	33
9.	Metallurgical machines	10	10
10.	Carpets	10	10
11.	Rugs and other furnishings	4	25
12.	Chairs, seats, and sofas	4	25
13.	Desks, tables, and cabinets	10	10
14.	Office equipment (calculators, typewriters, telephones, etc.)	6.5	15
15.	Bicycles	5	20
16.	Trucks	2	50
17.	Cars	4	25
18.	Tires and tubes	2	50
19.	Sacks	2	50
20.	Impure iron stoves and pipes	10	10
21.	Iron stoves	2	50
22.	Carriages, animal carts, and handcarts	3	33
23.	Construction machines, rollers, and mixers	5	20
24.	Computers and computer related equipment	3	33
25.	. Televisions, radios, cellular phones	3	33
26.	Telecommunications equipment / cell towers	7	14

- Depreciation of intangible assets shall be reimbursed as below:
  1. Intangible assets with the useful life of more ten years (10%).
  2. Intangible assets with the useful life of less than twenty-five years (25%).
- Reimbursement of depreciation shall commence in the year in which the asset has been received.
- Special provisions relating to depreciation of assets of the HMLCPHC have been stipulated in chapter twelve of this Law.

#### CUSTOMS DUTY

The Custom law 2004 has been enacted pursuant to Article 42 of the Constitution in order to ensure the collection of state revenues by the national customs authorities; to provide for the organization of customs; to define the scope of authority of customs officials; to provide for the supervision and the control of the movement of goods in and out of Afghanistan, and for the prevention of customs violations.

The customs tariff is a document enacted in accordance with this law which determines the import and export duty of goods based on their classification.

## 7 – ACCOUNTING & REPORTING

---

The Certified Professional Accountants (CPA) is the professional body which represents the accountancy profession at national level.

CPA is also responsible for the continuous development of accounting profession in the country.

### AUDITING REQUIREMENT

As per Accounting Manual the Supreme Audit Office is responsible for post auditing of all government financial transactions to ensure that all expenditures of the government are made in accordance with applicable laws, rules and regulations, and that all assets of the government are properly accounted for and safeguarded against unauthorized use.

As of March 2018, Certified Professional Accountants Afghanistan (CPA Afghanistan) regulates all the Financial Audit Firms and Professional Accountancy Services. Only a member of CPA Afghanistan can be appointed as an external auditor (Registered Auditor) of a company.

Companies prepare their financial statements based on historical cost.

Financial statements are the responsibility of the management and the auditor only expresses an opinion regarding the true & fair view of the financial statements. A financial statement consists of following components:

- Balance sheet
- Profit and loss account
- Cash flow statement
- Statement of changes in equity
- Notes to the account.

### ACCOUNTING STANDARDS AND PRINCIPLES

IFRS standards are required for all companies other than micro-sized, and for all banks. For the preparation of the financial statements of companies and the Supreme Audit Office, Da Afghanistan Bank ensures compliance to these standards.

At present, all International Financial Reporting Standards (IFRSs) issued by the IFRS Foundation and International Accounting Standards Board have been adopted and notified subject to a few modifications

## 8 – UHY REPRESENTATION IN AFGHANISTAN

---

### CONTACT DETAILS

SHAFIQ HAMID JAMAL & Co. Chartered Accountants  
 B-32,2<sup>nd</sup> Floor, Muslim Business Centre  
 (AIB Building)  
 Haji Yaqob Square  
 Shahr-e-Naw  
 Kabul  
 Afghanistan

Phone. +93 782 88 63 13  
 +93 788 20 10 65

Web: [www.uhy-af.com](http://www.uhy-af.com)

### CONTACTS

Liaison contact: Malik Hamid Jamal  
 Position: Senior Partner  
[mhjamal@uhy-af.com](mailto:mhjamal@uhy-af.com)

### SOCIAL MEDIA CONNECTIONS

Facebook: <https://www.facebook.com/pages/category/Local-Service/UHY-Malik-Hamid-Jamal-Chartered-Accountant-350735342188600/>

Year established: 2010  
 Number of partners: 2  
 Total staff: 45

### BRIEF DESCRIPTION OF FIRM

The mission of UHY SHAFIQ HAMID JAMAL & Co Chartered Accountants is to achieve a leadership position in domestic and international markets by providing services to our clients for their business needs with the highest standards of integrity, quality and efficiency. We strive to create an environment to promote group spirit and commitment to excellence amongst our partners and staff, thereby providing opportunity for growth of individual members. A dedicated team of professionals specializing in different areas is the key to our success. Clients are constantly kept abreast of our rapidly changing business environment through counselling, publications, circulars and memos all year round. The firm provides a wide range of accounting, tax and business advisory services to clients ranging from high-net worth individuals and owner-managed businesses, to public limited companies and multinational organisations. UHY Shafiq Hamid Jamal & Co. is currently based in Kabul; Firm also have future plans for growth into other major cities of Afghanistan.

### SERVICE AREAS

Audit, accountancy, bookkeeping and outsourcing services  
 Company secretarial services Corporate and personal taxation Project feasibility studies  
 Arbitration and business resolution

Corporate finance – acquisitions, mergers, sales, fundraising and flotation  
 Financial services and personal wealth management advice  
 Forensic accounting and litigation support  
 FSA compliance services  
 Management Consultancy  
 Information Technology consulting  
 Human Resource Management & Outsourcing  
 General business advice and strategic planning  
 Trusts and private client services  
 Sales tax compliance and litigation settlements  
 Tax audits  
 Financial advisory services  
 Corporate restructuring & reorganization

### **PRINCIPAL OPERATING SECTORS**

Accounting  
 Banking  
 Chemicals  
 Educational Services  
 Financial Services  
 Food & beverages manufacturing  
 Health Care  
 Hotels  
 HR services  
 Information Technology (IT) & services

### **LANGUAGES**

Dari (Persian), Pashto, English, Urdu.

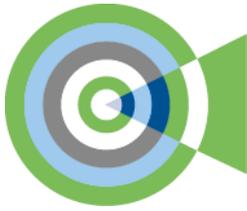
### **CURRENT PRINCIPAL CLIENTS**

#### **Audits Assignment**

Afghanistan cricket board  
 Care International Afghanistan  
 Future Generation Afghanistan  
 Serve Afghanistan  
 Helping hand for relief & Development (HHRD)  
 World Vision International Afghanistan  
 ADH Education & Nutrition  
 PATRIP  
 Ministry of Public Health (MOPH)

#### **Taxation Assignment**

Chemonics Afg LTD  
 Emirates Airline  
 Fly Dubai  
 Etisalat Afghanistan  
 Pakistan International Airlines (PIA)  
 The Ravens Group Inc.  
 First Micro Finance Bank (FMFB)  
 Nutrition and Education International (NEI)  
 Norwegian's People Aid (NPA)  
 Nestle company Afghanistan & Pakistan



---

## LET US HELP YOU ACHIEVE FURTHER BUSINESS SUCCESS

To find out how UHY can assist your business, contact any of our member firms. You can visit us online at [www.uhy.com](http://www.uhy.com) to find contact details for all of our offices, or email us at [info@uhy.com](mailto:info@uhy.com) for further information.

---

UHY is an international network of legally independent accounting and consultancy firms whose administrative entity is Urbach Hacker Young International Limited, a UK company. UHY is the brand name for the UHY international network. Services to clients are provided by member firms and not by Urbach Hacker Young International Limited. Neither Urbach Hacker Young International Limited, the UHY network, nor any member of UHY has any liability for services provided by other members.

UHY Shafiq Hamid Jamal & Co (the "Firm") is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

© 2019 UHY International Ltd