



Unofficial translation

**MAIN SUBJECT:**

- **Ninth session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan**

**NINTH SESSION OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN**



On April 10, 2012 the ninth session of the Consultative Council on Improvement of Investment Climate had taken place under Chairmanship of the President of Tajikistan, Chairman of the Council, H.E. Emomali Rahmon.

In the beginning of the session, President of the country, Chairman of the Investment Council H.E. Emomali Rahmon had introduced a new Head of the Secretariat of the Council Mr. Zavkidjon Zavkiev and new members of the Council from representatives of domestic private sector -

General Director of OJSC "Pamir-Energy" Mr. Daler Djumaev, Chairman of Union of Business Associations of Sogd Province Mrs. Masuda Turaeva, Chairman of Association of Microfinancial Organizations of Tajikistan Mr. Farhod Akbarov, and also from foreign investors - General Director of HPP "Sangtuda-1" Mr. Gennady Rugin.

The report of Executive Secretary of the Council, Chairman of State Committee on Investment and Management of State Property of the Republic of Tajikistan Mr. Davlatali Saidov on results of monitoring of implementation of decisions of the Council had been heard. It had been noticed that on the basis of decisions of 7th and 8th sessions of the Council, Government Resolution of the Republic of Tajikistan dated December 3, 2011, №585 «On Introduction of Amendments to Tax Code of the Republic of Tajikistan» and Law of the Republic of Tajikistan «On Introduction of Amendments to Custom Code of the Republic of Tajikistan» had been developed and approved by Majlisi Nomoyndagon Majlisi Oli of the Republic of Tajikistan.



A Working Group from representatives of the Government and Private Sector had been established under the State Committee on Investment and Management of State Property of the Republic of

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Tajikistan for the purpose of drafting Laws of the Republic of Tajikistan «On Public-Private Partnership», «On Mining» and «Programs on Improvement of Investment Climate in Mining sector».



One of the major themes of today's session was discussion of process of drafting a new Tax Code of the Republic of Tajikistan. Chairman of State Commission on Drafting a new Tax Code, Minister of Finance Mr. Safarali Najmuddinov briefed the Council on this issue.

Representatives of the private sector-Chairman of the Union of Business Associations Mr. Nekruj Zabirov and General Director of OSC "Ёкыт-2000" Mr. Abduhalim Kodirov actively participated in the discussion of new Tax Code. In their views, existing problems concerning heavy tax burden and tax administration for entrepreneurs were not removed from the proposed draft of new Tax Code.

In this connection, representatives of private sector had suggested in a new Tax Code to take into account measures on elimination of existing problems for taxpayers, simplification of procedures, improvement of tax administration, avoiding references to other legislative acts, and reduction of number and rates of taxes.

On this issue, Chairman of the Council, President of the Republic Tajikistan H.E. Emomali Rahmon had emphasized that revenue to the government budget should not be raised by an increase in tax rates, but through an increase in number of taxpayers, that is entrepreneurs, expansion of tax base, stimulation of entrepreneurs' initiatives, fulfilling tax obligations at highest level and narrowing shadow economy. Accordingly, reduction of less effective expenditures in the government budget would be useful. In general, a taxation system should be established in such a way that on the one hand could provide the Government and society with financial resources and on the other hand could stimulate business development.



In this connection, Government of the Republic Tajikistan was advised to review and modify the proposed draft of the new Tax Code taking into account views of entrepreneurs, investors, ministries, government agencies and other taxpayers.

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Also the President of the country, Chairman of the Council H.E. Emomali Rahmon had instructed in three months to prepare an analysis of positive and negative impact of the new Tax Code on the government budget, economic activity of private sector and social sustainability of people of the country in comparison with existing Tax Code of the Republic Tajikistan by independent experts, including with attraction of foreign experts.

It is worthwhile to note that at the moment public private dialogue also is developing at regional level, specifically Investment Councils were established in Sogd, Khatlon Pamir provinces. With regard to this, at today's session of the Council Governor of Khatlon, Chairman of the province's Investment Council Mr. Gaibullo Avzalov briefed members of the Investment Council on development of investment and business climate in the province.

“ The business climate in the province has been improving over the last years. Only in 2011, 42 new industrial enterprises were established. However, in line with this, the most part of economic capacity of the province remains unutilized by local entrepreneurs and foreign investors. Resolving issues that create obstacles to economic development of the province should be a key priority of the Investment Council under the Governor of Khatlon province” – noted the President of the country.



At the end of the session President of the Republic of Tajikistan delivered a final speech, in which various important instructions were given to relevant ministries and agencies. The President of the country instructed to prepare a draft Law “On Public Private Partnership”, recommendations on simplification of administrative procedures for investors, analysis of elimination of additional barriers to entrepreneurs operating on the basis of licences, and also to consider other issues on development of investment and business by next sessions of the Investment Council.



***Dear Partners!***

*Should you have proposals for consideration for one of the next meetings of the Council, or comments and suggestions on improvement of the work of the Secretariat and/or Council you can always contact us at [amavlonova@investmentcouncil.tj](mailto:amavlonova@investmentcouncil.tj)*

*You may also share with us your information, which might be of interest for private sector and investors. We may include it in one of the next Bulletins.*

*The Secretariat of the Investment Council is grateful for your interest in our Bulletin and your general cooperation.*

*Sincerely,*

*Secretariat of the Investment Council on  
Improvement of Investment Climate under the  
President of Republic of Tajikistan*

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