

VALUE ADDED TAX LAW

An unofficial translation of the Value Added Tax Law as published in Official Gazette number 1209 dated 13 April 2016 incorporating consolidated amendments published in the Official Gazette number 1244 dated 29 January 2017

This translation has been prepared by the Afghanistan Revenue Department, Ministry of Finance. It is not an official version of the law and should be read and used with regard to this limitation. All reasonable effort has been made to provide an accurate translation of the law as published in the Official Gazettes. Where a person requires more certainty than an unofficial translation of the law can provide, that person is advised to seek professional advice based on the law in the languages of Dari and Pashtu as published in the Official Gazette.

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VALUE ADDED TAX LAW

CHAPTER 1 General Provisions

Article 1 Authority

This Law has been enacted pursuant to Article 42 of the Constitution of Afghanistan in order to provide for the collection of Value Added Tax.

Article 2 Definitions

For the purposes of this Law, the following definitions shall apply:

1. “**Value Added Tax**”: An indirect tax imposed on a supply of taxable goods, services and imports;
2. “**taxpayer**”: A registered person or a person required to be registered under this Law;
3. “**tax payable**”: The tax imposed under this Law in respect of a supply of taxable goods or services made by a taxpayer (supplier);
4. “**tax credit**”: The tax that has been imposed on imports and on a supply of goods or services to a taxpayer (recipient) and shall be credited in accordance with the provisions of this Law;
5. “**taxable import**”: An import of goods which is taxable under this Law;
6. “**taxable supply**”: The supply made in Afghanistan by a taxpayer, including a supply in connection with the commencement or termination of an economic activity;
7. “**goods**”: A movable and immovable property, but not money;
8. “**services**”: Physical or mental activities or the combination of both;
9. “**supply**”: Supply of goods or services by a person to another person;
10. “**economic activity**”: Any independent profit (trade, manufacture and other activities in the nature of trade) and non-profit activity including the activity of a licensing authority. The activity of wage and salary earners shall be excluded.

11. “**going concern**”: A business which is operating at the time of the transaction and is expected to continue to function as such in the foreseeable future;
12. “**financial lease**”: The transfer of the beneficial right to use an asset against payment under an installment contract with an option to transfer the ownership at the end of the contract and any lease treated under international accounting standards as a financial lease, except the lease of land;
13. “**associate**”: A person who acts or may act in accordance with the directions or suggestions of the taxpayer, including a relative, a shareholder, an employee or any other person influencing the results of the taxpayer’s economic activity;
14. “**in-kind**”: Exchange of goods or services for goods or services;
15. “**registered person**”: A person who conducts an economic activity and is registered under this Law;
16. “**invoice**”: A document notifying an obligation to make a payment;
17. “**money**”: A currency and coins issued as legal tender, a foreign currency, cheque, bank draft, postal and money order, and promissory note;
18. “**consideration**”: The total amount payable, including in-kind, after any discounts and rebates allowed and accounted for at the date of the supply, excluding the tax imposed under this Law;
19. “**personal use**”: The use of goods and services outside the ordinary economic activity;
20. “**exempt use**”: The use of goods or services to make an exempt supply mentioned under Article 5 of this Law;
21. “**Value Added Tax period**”: A quarter of a tax year or a month.

Article 3

Supply of goods and services

- (1) A supply of goods shall include -
 1. the transfer of the ownership right to goods through sale, exchange, surrender or by any other means;
 2. lease of goods having the nature of a financial lease.
- (2) A minor supply of services essential for a supply of goods shall be treated as part of the supply of goods.

- (3) An application of goods to personal use or exempt use shall be taxable if the taxpayer has been allowed a tax credit in respect of the acquisition of the goods in accordance with this Law.
- (4) A supply of services shall include—
 1. grant, assignment, or surrender of a right (other than supply of goods and money);
 2. providing a facility or advantage;
 3. issuing of any license, permit, certificate or other document by a licensing authority;
 4. any other service.
- (5) A minor supply of goods essential for a supply of services shall be treated as part of the supply of services.
- (6) A minor supply of services essential for an import of goods shall be treated as part of the import.

CHAPTER 2

IMPOSITION OF VALUE ADDED TAX

Article 4

Imposition of tax

- (1) Value Added Tax shall be levied on a taxable supply by a taxpayer and on a taxable import.
- (2) The rate of Value Added Tax is 10% applied to the value of the taxable supply and taxable import.¹
- (3) The following persons are liable to pay the tax:
 1. the taxpayer - on the taxable supply;
 2. the importer - on the taxable import.
- (4) The Value Added Tax payable by a taxpayer under item (1) of paragraph (3) of this Article shall be recoverable from the recipient of the supply.

Article 5

Tax exemptions

¹ Note: Paragraph (2) of this Article was amended by Official Gazette number 1244 dated 29 January 2017 with effect from that date. The provision was formerly:

(2) The rate of Value Added Tax is 5% applied to the value of the taxable supply and taxable import.

- (1) A taxpayer shall be exempt from Value Added Tax and not eligible for a tax credit under Article 19 of this Law on the following supplies:
1. health services in accordance with the provisions of law;
 2. educational services approved by the provisions of law;
 3. financial and insurance services in accordance with the provisions of law;
 4. transfer or lease of immovable properties for residential purposes;
 5. provision of religious services;
 6. humanitarian aid;
 7. goods and services provided to a government entity for the purposes of rehabilitation after natural disasters, industrial incidents and catastrophes;
 8. physical education and sport services.
- (2) The following imports shall be exempt from Value Added Tax:
1. goods of travelers for the purpose of personal use provided in the customs tariff;
 2. personal effects of immigrants and refugees;
 3. goods of diplomats according to the provisions of law;
 4. machinery and spare parts imported by a person holding a license under the mining and the petroleum laws to be used in the relevant activities; and
 5. the supplies mentioned in paragraph (1) of this Article.
- (3) The specifications of the supplies and imports under paragraphs (1) and (2) of this Article shall be prescribed by a separate regulation (Muqarara).

Article 6

Zero-rating

- (1) A taxpayer shall be subject to a zero rate of Value Added Tax and is eligible for a tax credit under Article 19 of this Law on the following supplies:
1. an export of goods or services for use outside the country;
 2. international land transport of goods or passengers including a supply of goods and services related to that²;
 3. the supply of goods for the purpose of the transfer of part or whole of a business as a going concern by a registered person to another registered person, provided that the parties to the transaction have agreed in writing to this transfer and notified the Ministry of Finance in writing in advance of the transfer;

² Note: Paragraph (1), item 2 of this Article was amended by Official Gazette number 1244 dated 29 January 2017 with effect from that date. The provision was formerly:

1. international transport of goods or passengers including a supply of goods and services related to that

4. basic foodstuff (wheat, flour, rice, sugar, cooking oil, tea, onion, potato and salt);
 5. basic materials used for household purposes (coal, fire wood, liquid gas and soap).
- (2) The following imports shall be subject to zero rate of Value Added Tax:
1. basic foodstuff (wheat, flour, rice, sugar, cooking oil, tea, onion, potato and salt);
 2. books and lesson materials.
- (3) The specifications of the supplies and imports under paragraphs (1) and (2) of this Article shall be prescribed by a separate regulation (Muqarara).

CHAPTER 3 REGISTRATION

Article 7 Compulsory registration

- (1) The Value Added Tax registration threshold is one hundred fifty million Afn. When needed, the Government may change this amount³.
- (2) A person who carries on an economic activity shall be required to register for Value Added Tax if:
 1. the total value of taxable supplies made by the person in the preceding 12 months exceeds the Value Added Tax registration threshold;
 2. according to available evidence and documents the value of taxable supplies to be made by the person within the next 12 months is estimated to be more than the Value Added Tax registration threshold.
- (3) The value of taxable supplies by an associate shall also be taken into account under paragraph (2) of this Article.
- (4) A person required to register under this Law shall lodge an application for registration in the approved form with the Ministry of Finance within 15 days of becoming obliged to apply for registration.
- (5) A person registered under this Article shall remain registered for a period of at least one year from the date of registration.

³ Note: Paragraph (1) of this Article was amended by Official Gazette number 1244 dated 29 January 2017 with effect from that date. The provision was formerly:

(1) The Value Added Tax registration threshold is two hundred million Afn. When needed, the Council of Ministers may change this amount.

- (6) The manner for registration shall be prescribed by relevant procedure (Tarzulamal).

Article 8

Voluntary registration

- (1) A person who is not required to apply for registration under Article 7 of this Law may voluntarily lodge an application for registration.
- (2) The Ministry of Finance shall register an applicant under paragraph (1) of this Article after verifying that the following conditions are met:
1. the person is making taxable supplies;
 2. at least 75% of the person's taxable supplies are to registered persons or at least 25% of the supplies are for export;
 3. the person has a fixed place of economic activity;
 4. the person has complied with all tax laws.
- (3) A person registered under paragraph (1) of this Article shall remain registered for a period of at least two years from the date of registration.
- (4) The manner of registration shall be prescribed by relevant procedure (Tarzulamal).

Article 9

Registration certificate and cancellation of registration

- (1) The Ministry of Finance shall issue a Value Added Tax registration certificate considering the provisions of Articles 7 and 8 of this Law.
- (2) A person whose registration is cancelled shall be deemed to have made a taxable supply of goods on hand at the time the registration is cancelled for a value equal to the consideration paid or payable on the acquisition or purchase of the goods. This provision shall apply if the person was allowed a tax credit on the goods under Articles 19 and 33 of this Law.
- (3) If a registered person has ceased the economic activity the person shall lodge with the Ministry of Finance the application for cancellation of the registration within 15 days of ceasing the activity.
- (4) The procedures and obligations for registration certificates and cancellation of registration shall be prescribed by procedure (Tarzulamal).

CHAPTER 4
RULES FOR SUPPLY OF GOODS, SERVICES AND IMPORTS

Article 10

Date of supply

- (1) The date of supply of goods or services shall be the earlier of the following dates:
 1. the date on which the invoice is issued;
 2. the date on which a payment is made;
 3. the date on which the goods are delivered or the services are rendered.
- (2) The date of the supply of goods and services as a gift shall be:
 1. in the case of goods, the date of their delivery;
 2. in the case of services, the date of their completion.
- (3) The date of supply of goods for personal use or exempt use shall occur on the date the goods are first applied to such use.
- (4) The date of supply of goods for the purpose of a financial lease shall be the date of commencement of the lease.
- (5) If the supply of services is made by way of a lease (other than a financial lease) or under an agreement or provisions of law through periodic payments, for each successive supply, the earlier of the date on which the payment is due or made shall be treated as the date of the supply.

Article 11

Place of supply

- (1) The place of a supply of goods shall be the place where the goods are delivered or made available by the supplier. If the delivery or making available involves transportation, the place of the supply of goods is the place from where the goods are transported.
- (2) The place of a supply of services shall be the place from which the services are supplied.
- (3) If the recipient, the recipient's representative, or any other person uses the following services in Afghanistan, the supply shall be treated as a supply of services made in Afghanistan:
 1. a transfer, assignment of, or grant of a right to use a copyright, patent and trademarks;
 2. accounting, architectural, consultancy, engineering, or legal services;
 3. the processing of data and supplying information;

4. an advertising and publication service;
 5. the supply of personnel;
 6. the refraining from the doing of any act or the tolerance of any situation.
- (4) The place of supply of services in connection with real property located in Afghanistan shall be Afghanistan.
- (5) The place of supply of services by a licensing authority, regardless of where the license, permit, certificate, or other documents are issued, shall be deemed to have occurred in Afghanistan.

Article 12

Value of supply

- (1) The value of a supply of goods or services shall be the consideration for the supply.
- (2) The value of a supply of goods being for personal use or exempt use shall be:
1. the consideration paid or payable on purchase or acquisition of the goods to the extent to which a tax credit was allowed under Article 19 of this Law;
 2. the consideration paid or payable on purchase or acquisition of the goods in any other case.
- (3) The value of a supply of goods through a financial lease shall be:
1. the cost or value of the asset as stated in the lease agreement if the lessor and lessee are not associates;
 2. the market value of the asset at the commencement of the lease in any other case.
- (4) Where goods or services are provided by a taxpayer to an associate for no consideration or for a consideration that is less than the market value, the market value at the date of the supply shall be recognized as the value of the supply.
- (5) Except as provided in paragraph (2) of this Article, the value of a supply of goods or services for no consideration to an unrelated person shall be zero.
- (6) The manner of determining the value of a supply of goods or services which are not provided for by this Article shall be regulated by a separate procedure (Tarzulamal).

Article 13

Determination of the market value

- (1) The market value of a supply shall be determined based on the actual consideration of the supply in a market transaction freely made between unrelated persons under normal conditions.
- (2) If it is not possible to determine the consideration under paragraph (1) of this Article, the market value of the supply shall be determined in a market transaction between unrelated persons, considering the difference between a similar supply (substantially resembling the actual supply in character, quality, quantity, functionality, type of materials and reputation) and the actual supply.
- (3) If the consideration cannot be determined under paragraphs (1) and (2) of this Article, it shall be determined by using a suitable method approved by the Ministry of Finance.

Article 14

Value Added Tax post-sale adjustment

- (1) A post-sale adjustment of Value Added Tax arises if:
 1. a taxable supply is cancelled;
 2. the nature of, or the consideration for, a taxable supply is varied or altered;
 3. the goods (or part thereof), subject to a taxable supply, are returned to the supplier.
- (2) If as a result of a post-sale adjustment the Value Added Tax payable on a taxable supply has changed from the tax previously accounted for, this Article shall apply to the supplier and recipient.
- (3) If the change under paragraph (2) of this Article is an increase the amount of the excess tax shall be documented with a debit note as specified in Article 21 of this Law. The supplier shall treat the excess tax as tax payable and the recipient shall treat it as a tax credit.
- (4) If the change under paragraph (2) of this Article is a decrease the amount of the reduction shall be documented with a credit note as specified in Article 21 of this Law. The supplier shall treat the reduction as a tax credit and the recipient shall treat it as tax payable.
- (5) The supplier shall reflect the post-sale adjustment in tax in the Value Added Tax period when the adjustment occurred and the recipient shall reflect it when the debit or credit note is received.

Article 15

Import

The date of an import of goods in accordance with the Customs Law shall be the date the goods enter the country and, in any other case, the date they enter the domestic market.

Article 16
Value of import

The value of an import of goods shall be the sum of:

1. the value ascertained for the purposes of paying customs duty under the provisions of Customs Law, whether or not any customs duty is payable;
2. the amount of customs duty, any other allowable charges and expenses other than Value Added Tax payable;
3. the value of any services referred to in paragraph (6) of Article 3 of this Law, if not included in the value under item (1).

Article 17
Recipient chargeable on supply of foreign services

- (1) Where any services are supplied by a person from abroad to a taxpayer in Afghanistan who will use the services to make exempt supplies or for personal use, this supply shall be treated by the recipient as a taxable supply under this Law made at the same time and for the same consideration as the actual supply.
- (2) If a taxpayer receives services by its branch or division abroad, then the supplier and the recipient shall be treated as two separate independent persons.

CHAPTER 5
VALUE ADDED TAX DUE

Article 18
Computation of tax due

The tax due by a registered person in respect of any Value Added Tax period is the amount of tax payable less the amount of tax creditable.

Article 19
Tax credit

- (1) A tax credit for tax paid or payable shall be allowed on the date of the supply or import if the taxpayer has the following documents:
 1. for a taxable supply, a Value Added Tax invoice;
 2. for a taxable import, the import documents under the Customs Law along with other relevant documents.

- (2) A tax credit may be claimed by a person who holds goods as trading stock on the date of registration:
 1. if the trading stock was acquired in a taxable supply or a taxable import up to 3 months before the date of registration;
 2. if the person can provide to the Ministry of Finance the documents related to the tax paid on the taxable supply or taxable imports.
- (3) Tax credit shall not be allowed if the taxable supply or taxable import is for:
 1. exempt use or personal use;
 2. automobiles, except where their sale or lease is the person's principal economic activity, or they are used as taxis;
 3. expenses for entertainment, except where the person's principal economic activity is entertainment.
- (4) If a taxpayer makes both taxable and exempt supplies the credit shall be allowed in proportion to the supplies.

CHAPTER 6

VALUE ADDED TAX DOCUMENTATION

Article 20

Value Added Tax invoices

A registered person making a taxable supply to another registered person shall issue to that other person, at the date of the supply, an original Value Added Tax invoice containing the following particulars:

1. the title ("VALUE ADDED TAX INVOICE") on the top of the invoice;
2. the name, address, and Taxpayer Identification Number of the supplier and the recipient;
3. a unique serial number and the date on which the Value Added Tax invoice is issued;
4. a description of the goods supplied, their quantity or volume, or services provided and the date on which the supply was made;
5. the consideration for the supply and the amount of Value Added Tax charged.

Article 21

Value Added Tax credit and debit note

- (1) A Value Added Tax debit note is a document that shall be issued under paragraph (3) of Article 14 of this Law by the registered supplier to the recipient of the supply.

- (2) The debit note shall contain the following particulars:
 1. the title (“VALUE ADDED TAX DEBIT NOTE”) on the top of it;
 2. the name, address, and Taxpayer Identification Number of the supplier and the recipient;
 3. a unique serial number and the date of issuance of the debit note;
 4. the reason for issuing the debit note, including information to identify the taxable supply to which the Value Added Tax debit note relates;
 5. the consideration shown on the invoice for the supply, the correct amount of the consideration, the difference between the two considerations, and the amount of Value Added Tax that relates to the difference.
- (3) A Value Added Tax credit note is a document that shall be issued under paragraph (4) of Article 14 of this Law by the registered supplier to the recipient of the supply.
- (4) The credit note shall contain the following particulars:
 1. the title (“VALUE ADDED TAX CREDIT NOTE”) on the top of it;
 2. the name, address, and Taxpayer Identification Number of the supplier and the recipient;
 3. a unique serial number and the date of issuance of the credit note;
 4. the reason for issuing of the credit note, including the information to identify the taxable supply to which the Value Added Tax credit note relates;
 5. the consideration shown on the invoice for the supply, the correct consideration for the supply, the difference between the two considerations, and the amount of Value Added Tax that relates to the difference.

Article 22

Maintaining Value Added Tax documentation

- (1) The registered person shall maintain the following documents:
 1. original invoices, credit notes, and debit notes received;
 2. a copy of invoices, credit notes, and debit notes issued in chronological order;
 3. customs documentation of imports and exports of the relevant goods.
- (2) A taxpayer not having a Value Added Tax invoice, Value Added Tax credit note or Value Added Tax debit note may make a written request to the supplier to issue such documents.
- (3) The request under paragraph (2) of this Article shall be made within 60 days of the date of the supply in the case of an invoice, respectively the adjustment date in the case of a credit note or debit note.
- (4) The supplier shall provide the documents mentioned under paragraph (2) of this Article within 15 days of receiving the person’s request.

- (5) In case of loss of the documents mentioned under paragraph (2) of this Article, the supplier shall provide the applicant with a certified copy.
- (6) Only a registered person can issue a Value Added Tax invoice, Value Added Tax credit note, and Value Added Tax debit note under this Article and Articles 20 and 21 of this Law.

CHAPTER 7

TAX RETURN AND PAYMENT OF VALUE ADDED TAX

Article 23

Value Added Tax return

- (1) A taxpayer shall lodge with the Ministry of Finance a complete tax return in the approved form for each Value Added Tax period within 30 days after the end of the period.
- (2) The Ministry of Finance may, if there are deficiencies in the tax return already filed, request the taxpayer or their representative to complete the tax return, or to provide further information.

Article 24

Value Added Tax payment

- (1) The taxpayer shall compute the Value Added Tax under Article 18 of this Law and pay it by the due date mentioned in paragraph (1) of Article 23 of this Law.
- (2) The importer shall pay the Value Added Tax at the time of the import of goods.
- (3) The Value Added Tax and any penalties in respect of the unpaid Value Added Tax shall cease to be collected after 5 years from the due date for payment.
- (4) The collection period for Value Added Tax and its penalties shall be 10 years from the due date for payment under the following circumstances:
 1. the person has failed to file a Value Added Tax return;
 2. the Ministry of Finance has required payment of the tax amount due by notice in writing;
 3. the failure to pay was due to fraud or neglect.

Article 25

Value Added Tax refunds

- (1) Where for any Value Added Tax period the tax creditable exceeds the taxpayer's total tax payable:

1. the excess tax amount shall be carried forward and allowed in the following Value Added Tax period. Any amount of the excess not credited in that period shall be carried forward to the next following Value Added Tax period;
 2. if the credit is not allowed under item (1) of this paragraph, the amount of the excess tax shall, upon the taxpayer's written application supported with documents, be refunded to the person by the Ministry of Finance within 45 days of the date of receipt of the application.
- (2) If an excess tax credit is carried forward for more than one tax period, the excess credit of the earliest period shall be allowed first.
- (3) Where the regular features of the economic activity are such that the credit under paragraph (1) of this Article cannot be applied, the Ministry of Finance shall, upon the person's application in writing, refund the amount subject to credit within 45 days of the date of lodgment of the Value Added Tax return.
- (4) A taxpayer who has erroneously overpaid tax for a Value Added Tax period may apply, within 5 years from the date of overpayment, to the Ministry of Finance for a credit. In this case the amount of the overpayment shall be allowed in the Value Added Tax period specified by the Ministry of Finance.

CHAPTER 8

VALUE ADDED TAX ASSESSMENT

Article 26

Tax assessment

- (1) The Ministry of Finance may make an assessment of the Value Added Tax payable in any of the following conditions:
1. if a Value Added Tax return required under the provision of this Law has not been filed;
 2. if the Ministry of Finance finds that the content of the tax return filed by the taxpayer was not correct;
 3. if a refund has been paid under Article 25 of this Law to which the person is not entitled.
- (2) The Ministry of Finance shall issue the taxpayer with a Value Added Tax assessment notice specifying the following:
1. the reason for the assessment under paragraph (1) of this Article;
 2. the amount of the tax, interest and penalty payable, and the date for payment.

- (3) The interest and penalty on Value Added Tax assessed shall be calculated as follows:
 1. In a case under items (1) or (2) of paragraph (1) of this Article, in compliance with the period under Article 24 of this Law;
 2. In a case under item (3) of paragraph (1) of this Article, from the refund date.
- (4) The Ministry of Finance may, if presented with new documentation or information, within 10 years after serving a notice of assessment on a taxpayer, amend the assessment under paragraph (2) of this Article and serve the notice of the amended assessment to the person.
- (5) The manner of objecting to the notice of assessment shall be under the provisions of the Tax Administration Law.

Article 27

Assessment of Value Added Tax to the recipient

- (1) Where as a result of misrepresentation or fraud by the recipient the supplier treated the supply as an exempt supply under Article 5 of this Law or a zero-rated supply under the provision of Article 6, the Ministry of Finance may assess the Value Added Tax payable in respect of the supply, including any interest and penalty for late payment.
- (2) The Ministry of Finance shall serve the written notice of an assessment under paragraph (1) of this Article on the recipient specifying:
 1. the reason for the tax assessment under paragraph (1) of this Article;
 2. the amount of tax, interest and penalty payable, and the due date for payment;
 3. the manner of objecting to the notice of assessment as provided under the provisions of the Tax Administration Law.
- (3) The supplier and the recipient are jointly and severally liable for the Value Added Tax under paragraph (1) of this Article.

CHAPTER 9 MISCELLANEOUS PROVISIONS

Article 28

Requiring security

The Ministry of Finance may, for the purposes of securing payment of Value Added Tax, require a taxpayer to provide security under the provisions of Tax Administration Law equal to the amount of tax payable.

Article 29

Seizure of goods

Where a taxpayer fails to pay the Value Added Tax by the due date the Ministry of Finance may seize under the Tax Administration Law goods equal to the tax due.

Article 30

Branches and divisions

If an economic activity is conducted by a taxpayer in branches or divisions, it shall be deemed to be a single economic activity and shall be registered in the name of the person.

Article 31

Authorities of the customs officers

The customs officers shall enforce the authorities under the Customs Law in respect of the Value Added Tax imposed in accordance with the provisions this Law on import of goods.

Article 32

Currency

- (1) The Value Added Tax shall be assessed in afghani.
- (2) For the purpose of calculation of Value Added Tax foreign currency shall be converted in accordance with the provisions of the Law as follows:
 1. in the case of an import of goods, at the exchange rate applicable under the provision of the Customs Law for the purposes of computing the customs duty payable;
 2. in other cases, at the average exchange rate of the Da Afghanistan Bank based on purchase of this foreign currency on the date of the transaction.

Article 33

Transitional provisions

- (1) In the first Value Added Tax period after the commencement of this Law, a registered person may request a tax credit for the business receipts tax paid if:
 1. goods are held as trading stock at the end of the last business day before the beginning of the first Value Added Tax period;
 2. if the goods were acquired not more than 4 months before the beginning of the first Value Added Tax period;
 3. if the person can provide the Ministry of Finance with the documents related to the payment of the business receipts tax paid on the goods held.

- (2) No tax credit can be allowed under paragraph (1) of this Article for business receipts tax paid in respect of the acquisition of any goods if Value Added Tax imposed on a supply or import in acquisition of those goods after the commencement of this Law would not qualify for a full tax credit under Article 19 of this Law.
- (3) A person claiming a tax credit under paragraph (1) of this Article shall submit a list of the trading stock with the person's first Value Added Tax return to the Ministry of Finance, supported by documents of the payment of business receipts tax for the relevant trading stock.
- (4) If a registered person has concluded a contract before the commencement of this Law without regard to the Value Added Tax, the Value Added Tax shall be applicable to the contract after the commencement of the Law from the date of registration.
- (5) After the commencement of this Law, paragraphs (1), (5) and (6) of Article 64, Article 65, paragraphs (2), (3), (4) and (6) of Article 66 and Article 67 of the Income Tax Law, published in the Official Gazette No 976 of 2009 and the amendment of paragraph (2) of Article 64, amendment of paragraphs (1) and (5) of Article 66 and addition of paragraph (6) of it, published in the Official Gazette No 1103 of 2013 shall not apply to a Value Added Tax registered person.

Article 34

Regulations and procedures

The Ministry of Finance may, for better administration of the provision of this Law, propose regulations and impose procedures and manuals provided they are not contrary to the provisions of this Law.

Article 35

Enforcement date

- (1) This Law shall come into effect from the first day of Jadi 1399⁴.
- (2) After the commencement of this Law, paragraphs (3) and (4) of Article 64 and paragraph (3) of Article 67 of the Income Tax Law, published in the Official Gazette No 976 of 2009, shall be repealed.

⁴ Note: Paragraph (1) of this Article was amended by Official Gazette number 1244 dated 29 January 2017 with effect from that date. The provision was formerly:

(1) This Law shall come into effect from the first day of Jadi 1395.