



PATENT and CERTIFICATE

Entrepreneur! This information is for YOU!

IF YOU WANT TO BECOME AN INDIVIDUAL ENTREPRENEUR YOU HAVE TO OBTAIN A PATENT OR A CERTIFICATE FROM THE TAX COMMITTEE.

To be issued a Patent or a Certificate an individual is required to submit the following documents:

1. One copy of the civil passport.
2. Two 3x4 cm sized photographs.
3. Copy of the Taxpayer Identification Number and the Social Insurance Number.
4. Receipt for payment of the state fee.
5. For a patent holder, the receipt for payment of the patent fee.
6. For a certificate holder, copy of the Taxpayer Identification Number and place of residence for each of his/her workers.

The PATENT is to be issued on the basis of the entrepreneur's place of activity.

1. The patent shall be issued for the space used under trading activity up to 30 square meters, but for every additional 6 square meters (or portion thereof) one additional patent fee is due to be paid.
2. Patent holders shall **not be allowed** to:
 - Engage in import or export activities
 - Use wage workers
 - Generate an excess of 200,000 TJS in turnover from the sale of commodities, products or services during the previous consecutive 12 calendar months
3. A patent holder shall not be obliged to declare his income from the activities, to submit a financial report or to use a cash register (Exception: entrepreneurs selling excised goods must maintain a cash register).
4. A patent holder shall pay to the budget a fixed fee, which includes three kinds of taxes (social tax, income tax and in the event of retail trade – tax on retail sales).
5. Patent shall be issued for an unlimited term and the entrepreneur shall validate it through direct advance payment of its fee.



The **CERTIFICATE** is to be issued on the basis of the entrepreneur's place of residence.

Certificate holders shall be allowed to undertake all forms of activity, except for activities requiring special authorization (license). (Exception: for passenger transportation activities a patent shall be issued).¹

A certificate holder shall calculate taxes in accordance with either of the two taxation procedures below and pay to the Tax Committee:

1. In accordance with the simplified procedure:
 - 4% from the total turnover (on annual turnover less than 200,000 TJS)²
 - 5% from the total turnover (on annual turnover greater than 200,000 TJS)²
 - 0.2% of income as social tax, which must be not less than 95 TJS
 - In the event of retail trade – tax on retail sales between 1% and 3%
 - Value added tax - VAT (for entrepreneurs whose annual income exceeds 600,000 TJS)²

2. Under the standard procedure:
 - Minimum profit tax (1% of income)
 - 0.2% of income as social tax, which must be not less than 95 TJS
 - 0.5% or 2% of expenditures as road users tax
 - In the event of retail trade – tax on retail sales between 1% and 3%
 - 13% tax on annual income minus sum of all monthly payments for 1% minimum profit tax
 - Value added tax (VAT).

¹If your activity is connected with established special subdivisions your activity must be registered as a juridical person (legal entity) by the Ministry of Justice

²As of July 1, 2009



Should you quit your activity authorized by a patent or a certificate – you are to give written notice to the Tax Committee office at the place of issuance.

**Entrepreneurs
are required to pay
taxes voluntarily
and on time**