

Rights and Privileges of Foreign Investors in Afghanistan Laws (A Summary)

Nowadays when investment and trade is increasingly getting professionalized, it is very important for investors to get a sense of the laws of the countries in which they intend to invest. We, in this piece, try to briefly indicate the rights, and obligations of foreign investors mandated by the Afghan trade and investment laws.

The rights and obligations of foreign investors, among other things, are expressly stated the aforementioned laws and are as follows:

1. **A hundred percent foreign ownership of foreign investment:** Foreign investor can own all of their investment with exception of land and do not need an Afghan shareholder.
2. **Nondiscrimination:** According to article sixteen of the Afghanistan Investment Law all business, having a business purpose, technical and financial capability of doing business, are subject to the same laws and regulations regardless of whether they are owned by foreign citizens or Afghans, unless there are specialized law adopted for special occasions.
3. **Tax Exemptions:** According to the Income Tax Law of Afghanistan those businesses that incur loss in a financial year are awarded tax exemption. A business that incurred loss may transfer that loss to incoming years and may deduct it from its taxable income in accordance with the provisions of the law.
4. **Custom duties exemptions:** According to article eighteen of Private Investment Law of Afghanistan, products, or export items of a business montaged in Afghanistan may be awarded custom duties exemptions within the limits of the law.
5. **Access to Banking services inside and outside of Afghanistan:** According to article sixteen of Private Investment Law of Afghanistan, a registered business can open a foreign currency bank account in Afghanistan, and such business may receive their debts and credits in foreign currencies from foreign countries.
6. **The right to transfer investment and business profits:** After resolving its legal obligations such as taxes, a registered business may transfer out of Afghanistan, its initial investment plus the profit incurred. The business can also transfer out of Afghanistan all income from sale of business, and interest it received on foreign currency loans (according to the current exchange rate).
7. **The right to execute long term real estate lease agreements:** a registered investment can make lease agreements of real estate for up to 90 years.