

The law on the guard of interests of business.

On the date - 18-th of March in Turkmenistan the new laws, called to promote development in the country of private business and to cooperation with foreign partners have come into force. As it was already informed during exit governmental meeting which has passed with the assistance of representatives of a domestic private sector, President Gurbanguly Berdimuhamedov has signed Laws «About foreign investments» and «About modification and additions in the Tax code of Turkmenistan»

As to the first of them it defines legal bases of activity of foreign investors and the enterprises with foreign investments in territory of Turkmenistan, and provides considerable expansion of investment possibilities of potential foreign partners in the Turkmen market.

As have explained by Mejlis of Turkmenistan, the given law, being based due to norms of international rights, provides firm guarantees of protection of the rights of foreign investors, including insurance protection etc. the Law not only declares possibility of repatriation of the capital, but also really stimulates foreign investment, promoting elimination of excessive administrative barriers to growth of activity of domestic businessmen and according to increase in volumes of private investments. The law has entered definitions new to the legislation, for example, such as «direct foreign investments», «the enterprises with foreign investments», «reinvestment», «payback period of investment projects», etc.

It is remarkable, that change of a legal regime of foreign investment can be carried out other acts only on the basis of norms of the accepted Law. Thereby, this document not only has eliminated all contradictions taking earlier a place with other laws of the country, including Tax and Customs codes, but also has established a duty to result all of the Law certificates in conformity with its norms.

The concept of the Law «About foreign investments» giving to foreign investors a number of advantages, will allow them to estimate on advantage real benefit from participation in long-term investment projects realized in Turkmenistan, that in turn will provide to our country confidently going on a way scale socially of economic reforms, wide attraction of high technologies and the best world experience.

Thus, economic mechanism constantly improved at legislative level creates all necessary preconditions for a favorable investment climate, development of private business and market relations. The second Law which has brought a number of essential changes and additions in the Tax code of Turkmenistan also is aimed at it. Directed on the further perfection of tax system, this document it urged to serve as powerful stimulus for growth of a class of the domestic commodity producers, capable to create a healthy competition between state and a private sector.

From time of the acceptance in 2004 the Tax code of Turkmenistan became the reliable tool providing stable receipts of a profitable part of the State budget of the country. Operating nowadays code position is defined by basic directions of a tax policy of the state, legislatively fix legal aspects of the taxation, the right and a duty of tax bearers and bodies of tax service, a measure on maintenance of payment of taxes, and also responsibility for their non-payment, create a favorable tax climate for domestic and foreign investors.

At the same time, as universal practice shows, the Tax code, being the effective legal tool of regulation tax legal relationship, requires constant perfection and completion according to time realities. Entering of new changes and additions in is caused, first of all, by necessity of perfection of process of administration of taxation, application of the established procedures connected with calculation and payment of taxes, and also measures on maintenance of payment of taxes and control functions of tax service.

The made changes are directed on perfection of an order of definition and calculation of tax base under separate taxes. First of all, it concerns the tax to the added cost where positions of universal practice of its application concerning separate taxable operations have been considered. In articles, the concerning profit tax (income) of legal bodies, discrepancies in definition of tax

base and the rules of law having ambiguous interpretation are eliminated. It concerns also amendments to the corresponding articles of the code establishing an order of calculation of the tax to the income of physical persons, including individual businessmen. Together with it, under such taxes as the profit tax, excises, have been made the amendments providing clearing for realization of the goods (works, services) within the limits of the humanitarian help, that already took place concerning the tax to the added cost.

It is necessary to notice, that the made amendments have brought into accord the revealed different interpretations of separate articles of the code and have corrected the discrepancies admitted in it, and also have provided clearer stylistic statement of separate articles of the code. The new Law does not mean increase of the sums of raised taxes or other infringement of interests of citizens and legal bodies of Turkmenistan, and also foreign investors. Remain invariable both kinds of applied taxes, and their rates, objects of the taxation, what not in small degree speaks about stability of bases of a tax policy of the country which in aggregate with the large-scale program of support of business initiated by President Gurbanguly Berdimuhamedov and constantly improved legislation gives essential privileges and state guarantees on observance of the rights and protection of legitimate interests of businessmen, creating a most-favoured-nation treatment for formation of a class of domestic private commodity producers.

(TDH).