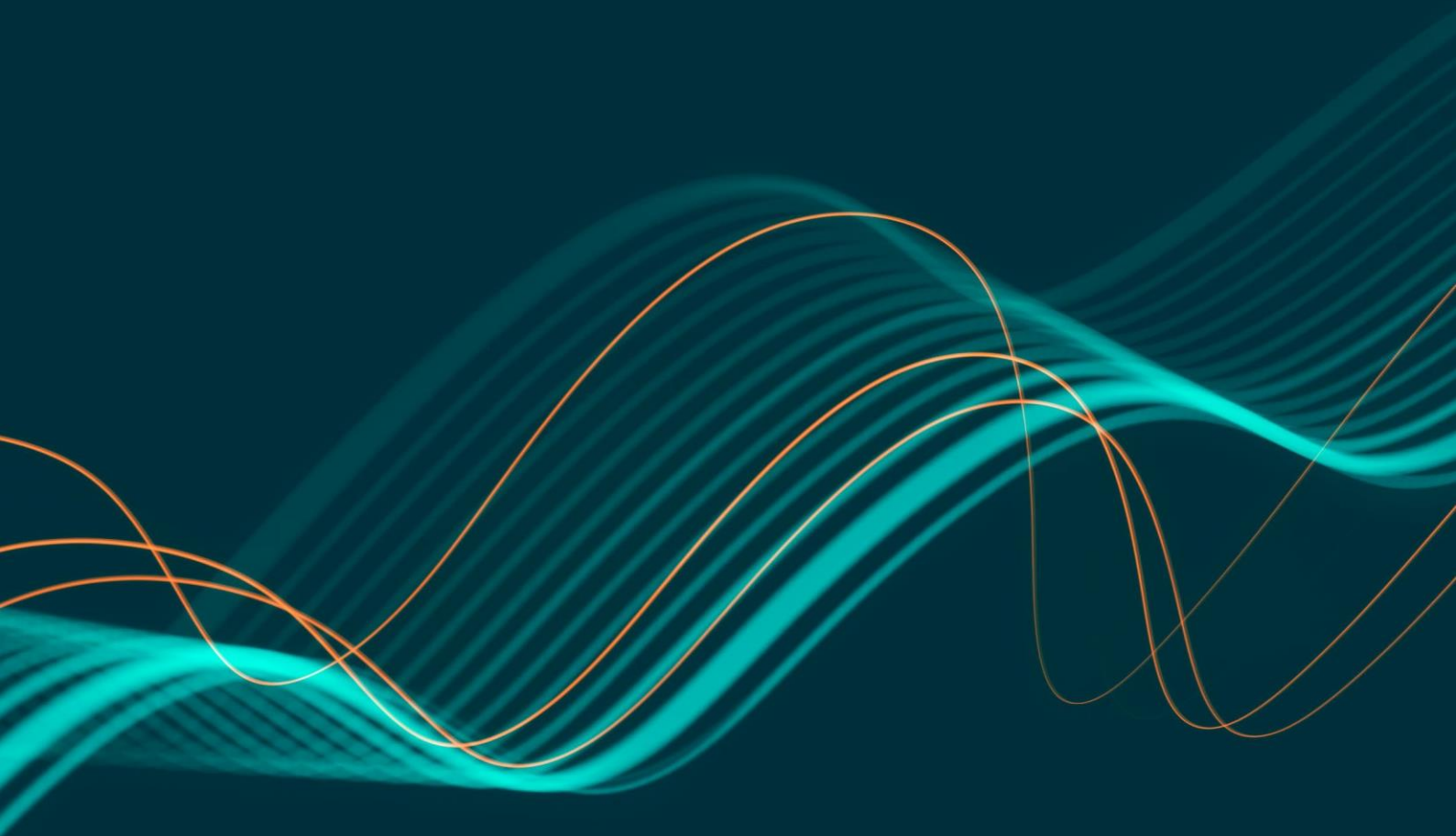




Brief Analysis of

Changes in business legislation  
announced on December 7<sup>th</sup> 2024

24<sup>th</sup> December 2024



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# Brief Analysis

## Law of Turkmenistan on currency regulation and currency control in foreign economic relations

The amendments designate the Central Bank of Turkmenistan as the sole authority responsible for foreign currency control within the country. Under the revised framework, the Central Bank is granted enhanced powers, including the authority to request information from residents and non-residents involved in foreign exchange transactions, as well as from currency control agents. Additionally, a detailed procedure for conducting inspections and imposing financial sanctions for violations will be established. These amendments refine the Central Bank's role in currency control and introduce new mechanisms for enforcing compliance through sanctions applicable to both residents and non-residents.



## Tax Code of Turkmenistan

The Tax Administration of the Ministry of Finance and Economy of Turkmenistan has been designated as a currency control agent. Within the scope of its authority and in accordance with the legislation of Turkmenistan, the Tax Administration is required to notify the currency control authority of any violations of currency legislation by residents and non-residents that come to its attention during activities aimed at ensuring compliance with foreign currency regulations.

A 0% value-added tax (VAT) rate is reintroduced for the export of products derived from the processing of crude oil and gas condensate purchased from non-resident entities. This preferential VAT rate applies only if the export is conducted directly by resident legal entities engaged in the processing of these products. For tax purposes, exports are defined as the movement of goods outside Turkmenistan, subject to confirmation, in the prescribed manner, of the goods crossing the country's customs border. These transactions are also exempt from excise taxes.

Furthermore, excise taxes on tobacco products and tobacco substitutes will be increased, effective January 1, 2025.

# Brief Analysis

## Labour Code of Turkmenistan

Recent amendments to the Labour Code of Turkmenistan have been enacted to strengthen measures against forced labor, enhance working conditions for employees, and improve provisions for maternity leave.

Additionally, under the Tax Code, individuals offering professional services without forming a legal entity or acquiring the status of an individual entrepreneur are now permitted to employ workers.



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