

The last changes in tax legislation are :

Since 1 January 2006 such important steps were taken, as cancelling of the VAT for deliveries of agricultural production by agricultural commodity producers, 8 from 16 local taxes are cancelled. Imported commodities are released from the VAT. Non-agricultural land tax rate were increased.

The agreements with 18 countries on double taxation avoidance have already come into force and 10 other agreements are under negotiation (6 initiated , 4 ratified).

The basic actions of the tax reform are:

- adoption of the new Tax Code (it is directed to Parliament);
- stage-by-stage cancelling of taxes on liquidation of extreme situations and the tax for using highways;
- liquidation of all free economic zones, except those that are based in Bishkek.

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