



АГЕНТСТВО РАЗВИТИЯ
МЕЖДУНАРОДНОГО
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Tax Benefits of Kyrgyz Residency



Globally active investors spending much time traveling and thus not having a single obvious tax domicile can greatly benefit from arranging their tax domicile in Kyrgyzstan.

Advantages of Kyrgyz domicile for global investors

- Territorial tax system for those spending less than half a year in the country.
- Kyrgyzstan is not a member of the CRS (automatic exchange of financial information in tax matters) and currently has no plans to join.
- 10% Income Tax on residents' local income, fixed tax available for certain activities.
- 0% Income Tax on certain investments listed at the local stock exchange.
- Registering individual tax domicile is fairly straightforward, and official confirmation of the tax number and domicile status is easily obtainable.

Ease of travel

- Holders of passports from most developing nations do not require a visa or get it on arrival; nationals of many other countries can easily obtain an e-visa online with no need to attend a Kyrgyz consulate. Russians can use a domestic passport when traveling.
- Multiple daily flights from Istanbul and Moscow, which serve as transfer hubs for most other popular destinations. Several flights a week from Dubai.
- Availability of international hotels (Hyatt etc.) and secure, high quality accommodation apart from global hotel chains.

Individuals may acquire a residence permit in the Kyrgyz Republic by declaring their intent to do so and presenting a prescribed set of documents. For holders of the Russian passport the procedure is even simpler: there are no immigrant quotas and no requirement to obtain a work permit (in reciprocity to

the same treatment of Kyrgyz nationals by Russia). Holders of other nationalities can establish legal presence in Kyrgyzstan through a slightly lengthier procedure.

To maintain the residence permit once it is issued Kyrgyzstan does not require any specific number of days to be spent in the country (unlike the UAE or many EU nations, for example).

Taxation of income of a Kyrgyz residence permit holder becomes an issue only when the individual spends over 183 days in Kyrgyzstan in a single calendar year (10% income tax rate). Otherwise Kyrgyz tax (10%) is applied only to the locally sourced income.

The Kyrgyz Republic does not participate in the system of exchanging financial account information for tax purposes with other countries (CRS). Consequently, no data on bank or brokerage accounts of Kyrgyz residents gets automatically passed to Kyrgyzstan.

As a matter of practice, the holders of Kyrgyz residence permits not spending over half a year in Kyrgyzstan can still file their tax declarations in Kyrgyzstan, report some income and pay the Kyrgyz 10% tax on it. The Government will surely not contest such a discretionary donation.

There are no 'controlled foreign company' rules in Kyrgyzstan, and thus Kyrgyz residents are taxed only on the distributed income of their foreign structures (such as companies, foundations or trusts). Even zero-tax zero-substance structures present a barrier against their income being attributed to the controlling individual or entity.

Kyrgyz residents and companies are free to open bank accounts around the world which further adds flexibility to the use of Kyrgyzstan in international planning.