



Instructions for the Tax Declaration for Corporations and Limited Liability Companies with No Business Activity in the Tax Period – For Tax Years 1388 and Later

Version: 2010-02-003-001-E

Introduction

In order to simplify filing for business taxpayers, the Afghanistan Revenue Department has developed two new forms for corporations and limited liability companies – a simplified income tax form for those business taxpayers with simpler tax situations and a declaration for corporations and limited liability companies with no business activity. The normal (or full) income tax form for business taxpayers is still in use by selected taxpayer, mainly taxpayers under the Large Taxpayer Office of the Afghanistan Revenue Department.

Do You Have to File?

Have you had any business activity during the tax year? If so, then you must file a tax return. If you had no business income, but still had business expenses, you must file a return to show your loss. According to Article 87 of the Income Tax Law, even if you had no business income or expenses, you still have a requirement to file a tax return.

Which Form Should You Use?

Use the following chart to determine which form to use:

	Yes	No	
1 Did you have any business activity during the tax period?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, go to next question. If YES, go to question 3.
2 Will you be claiming any business expenses?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, file the Tax Declaration for Corporations and Limited Liability Companies with No Business Activity in Tax Period. If YES, go to the next question.
3 Did you have any income from foreign sources?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, go to next question. If YES, you must file the normal Annual Income Tax Return for Corporations and Limited Liability Companies.
4 Did you have income from the sale of any assets?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, go to next question. If YES, you must file the normal Annual Income Tax Return for Corporations and Limited Liability Companies.
5 Did you have any miscellaneous income not directly associated with your business activity?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, go to next question. If YES, you must file the normal Annual Income Tax Return for Corporations and Limited Liability Companies.
6 Did you have any transactions with connected persons?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, go to next question. If YES, you must file the normal Annual Income Tax Return for Corporations and Limited Liability Companies.
7 Did you have any casualty losses*?	<input type="checkbox"/>	<input type="checkbox"/>	If NO, you may file the Simplified Annual Income Tax Return for Corporations and Limited Liability Companies. If YES, you must file the normal Annual Income Tax Return for Corporations and Limited Liability Companies.

*Casualty losses are losses of property that is used for the production, collection, or preservation of income. The losses are caused by fire, wind, earthquake, casualty, or disaster of any kind and may be deducted to the extent that such loss was not reimbursed by insurance. To claim such a deduction, the owner must have kept records which clearly show the value or cost of the property lost. One third of the loss may be claimed in the current year and each of the succeeding two years (Article 18).

Tax Declaration for Corporations and Limited Liability Companies with No Business Activity in Tax Period

When and Where Should You File?

As previously stated, although you had no income or expenses during the tax period, you still have a requirement under the tax law to file a tax return. The due date for tax returns is 31 Jowza of the year following the tax year*. You may file any time after the end of the tax year (31 Hut). For Kabul taxpayers, tax returns may be filed in a drop-box at the bank or at the Afghanistan Revenue Department. Taxpayers from other provinces may file their tax returns with their local Mustufiat or Da Afghanistan Bank branch.

*If you have requested and received permission to use an alternate tax period, your tax return would be due on the last day of the third month following the end of your tax period. You may file anytime after the end of the tax period but no later than the last day of the third month.

Line by Line Instructions for the Tax Declaration for Corporations and Limited Liability Companies with No Business Activity in Tax Period

Taxpayer Identification Number (TIN), Name, and Address and Contact Information

Line 1 – Taxpayer Identification Number (TIN)

Enter your Taxpayer Identification Number (TIN). If you do not have a TIN, visit your Afghanistan Revenue Department or Mustufiat office to apply for one.

Line 2 – Name of Taxpayer

Enter the legal name of the business (as per Registration License).

Line 3 – Address of Taxpayer

Enter the street address of the business.

NOTE: Is This a Change of Information?

If you have changed the name of the business, the address, contact person, telephone number, or e-mail address, please circle 'YES'. If no changes, please circle 'NO'.

Line 4 – Nominated Contact Person Name

Enter the name of the person responsible for your tax affairs, for example, principle officer of the company, authorized agent.

Line 5 – Telephone Number

Enter the telephone number where we can reach the person responsible for your tax affairs if we need to.

Line 6 – E-mail address

Enter the e-mail address of the person responsible for your tax affairs if you have one.

Line 30 – For tax years 1387 and prior, number of days from due date to 30 Hut 1387 (difference in whole days between 31 Jowza of the year following the tax year and 30 Hut 1387)

Enter the number of whole days from the due date of the return up to and including 30 Hut 1387.

Line 40 – Number of holidays in the period between the due date and 30 Hut 1387

Enter the number of official state holidays and Fridays that fall within the period from the due date until 30 Hut 1387.

Line 50 – Number of penalty days between due date and 30 Hut 1387

Subtract line 40 from line 30.

Line 60 – Amount of penalty

Multiply line 50 by 1000 afghani.

Line 70 – Number of days in 1388 return is late

If the return is for tax years 1387 and prior, begin counting on 2 Hamal 1388 (1 Hamal is a holiday).

Line 80 – Number of holidays in the 1388, or subsequent tax year, period the tax return is late
Enter the number of official state holidays and Fridays that fall within the 1388, or subsequent tax year, period that the return is late.

Line 90 – Number of penalty days
Subtract line 80 from line 70.

Line 100 – Amount of penalty
Multiply line 90 by 500 afghani

Line 110 – Total amount of penalty
Add lines 60 and 100. Enter the amount here and on line 100 of the tax return.

Example 1: Afghan Plus Corporation is a solar-year taxpayer, so its 1388 return was due by 31 Jowza 1389. The company did not file until 15 Mizan 1389. The return was 107 whole days late (31 days each for Saratan, Asad, and Sunbala and 14 days for Mizan). There are five (5) state holiday days in the period that the corporation's tax return was late and 15 Fridays. The company would subtract 20 days (the five state holidays plus the 15 Fridays) from the 107, for 87 days subject to penalty. The company's total penalty for failure to deliver a tax return calculation would be 43,500 afghani (87 days x 500 afghani).

Failure to Deliver a Tax Return Calculation		طرز محاسبه جریمه تأخیر در ارائه اظهارنامه	
10	Income Tax Return Filing Due Date	31 Jowza 1389	آخرین تاریخ ارائه اظهارنامه مالیات برعایدات
20	Date Income Tax Return is Filed	15 Mizan 1389	تاریخ خانه پری و ارائه اظهارنامه مالیات برعایدات
30	For tax years 1387 and prior, number of days from due date to 30 Hut 1387 (difference in whole days between 31 Jowza of the year following the tax year and 30 Hut 1387)	-	برای سال مالی ۱۳۸۶ و ماقبل آن، تعداد روزها از تاریخ ارائه اظهار نامه الی ۳۰ حوت سال ۱۳۸۷. (تفاوت در مجموع روز ها میان ختم برج جوزا سال بعد از سال مالیاتی و ۳۰ حوت سال ۱۳۸۷)
40	Number of holidays in the period between the due date and 30 Hut 1387	-	تعداد روز های رخصتی میان تاریخ معینه ارائه اظهار نامه و ۳۰ حوت سال ۱۳۸۷
50	Number of penalty days between due date and 30 Hut 1387 (Subtract line 40 from line 30)	-	تعداد روز های جریمه میان تاریخ معینه ارائه اظهار نامه و ۳۰ حوت سال ۱۳۸۷ (سطر ۴۰ منفی سطر ۳۰)
60	Amount of penalty (Multiply line 50 by 1000 afghani)	-	مقدار جریمه سطر ۵۰ را ضرب ۱۰۰۰ افغانی نمائید.
70	Number of days in 1388, or subsequent tax period, the return is late (see instructions)	107	تعداد روز های تأخیر در ارائه اظهار نامه سال ۱۳۸۸ (به رهنمودها مراجعه گردد)
80	Number of holidays in 1388, and subsequent tax years, the tax return is late	20	تعداد روز های رخصتی در زمان تأخیر ارائه اظهار نامه سال ۱۳۸۸
90	Number of penalty days (Subtract line 80 from line 70)	87	تعداد روز های قابل جریمه (سطر ۸۰ منفی سطر ۷۰)
100	Amount of penalty (Multiply line 90 by 500 afghani)	43,500	مقدار جریمه (سطر ۹۰ ضرب ۵۰۰ افغانی نمائید)
110	Total amount of penalty (Add lines 60 and 100) (Enter here and on line 500 of tax return)	43,500	مقدارمجموعی جریمه (سطور ۶۰ و ۱۰۰ را جمع نمائید) (حاصل جمع در این سطر و سطر ۵۰۰ اظهار نامه مالیاتی درج گردد)
Failure to Pay the Tax Due by the Due Date		عدم پرداخت مالیات در موعد مقرر آن	

Penalty Calculation Worksheet		صفحه محاسبه جریمه	
Failure to Deliver a Tax Return Calculation		طرز محاسبه جریمه تأخیر در ارائه اظهارنامه	
10	Income Tax Return Filing Due Date		آخرین تاریخ ارائه اظهارنامه مالیات برعایدات
20	Date Income Tax Return is Filed		تاریخ خانه پری و ارائه اظهارنامه مالیات برعایدات
30	For tax years 1387 and prior, number of days from due date to 30 Hut 1387 (difference in whole days between 31 Jowza of the year following the tax year and 30 Hut 1387)	-	برای سال مالی ۱۳۸۶ و ماقبل آن، تعداد روزها از تاریخ ارائه اظهار نامه الی ۳۰ حوت سال ۱۳۸۷. (تفاوت در مجموع روز ها میان ختم برج جوزا سال بعد از سال مالیاتی و ۳۰ حوت سال ۱۳۸۷)
40	Number of holidays in the period between the due date and 30 Hut 1387	-	تعداد روز های رخصتی میان تاریخ معینه ارائه اظهار نامه و ۳۰ حوت سال ۱۳۸۷
50	Number of penalty days between due date and 30 Hut 1387 (Subtract line 40 from line 30)	-	تعداد روز های جریمه میان تاریخ معینه ارائه اظهار نامه و ۳۰ حوت سال ۱۳۸۷ (سطر ۴۰ منفی سطر ۳۰)
60	Amount of penalty (Multiply line 50 by 1000 afghani)	-	مقدار جریمه سطر ۵۰ را ضرب ۱۰۰۰ افغانی نمائید.
70	Number of days in 1388, or subsequent tax period, the return is late (see instructions)	107	تعداد روز های تأخیر در ارائه اظهار نامه سال ۱۳۸۸ (به رهنمودها مراجعه گردد)
80	Number of holidays in 1388, and subsequent tax years, the tax return is late	20	تعداد روز های رخصتی در زمان تأخیر ارائه اظهار نامه سال ۱۳۸۸
90	Number of penalty days (Subtract line 80 from line 70)	87	تعداد روز های قابل جریمه (سطر ۸۰ منفی سطر ۷۰)
100	Amount of penalty (Multiply line 90 by 500 afghani)	43,500	مقدار جریمه (سطر ۹۰ ضرب ۵۰۰ افغانی نمائید)
110	Total amount of penalty (Add lines 60 and 100) (Enter here and on line 500 of tax return)	43,500	مقدارمجموعی جریمه (سطور ۶۰ و ۱۰۰ را جمع نمائید) (حاصل جمع در این سطر و سطر ۵۰۰ اظهار نامه مالیاتی درج گردد)
Failure to Pay the Tax Due by the Due Date		عدم پرداخت مالیات در موعد مقرر آن	

Line-by-line Instructions for Self-Assessing Penalties Worksheet

Failure to Deliver a Tax Return Penalty Calculation

If you have filed your income tax return later than 31 Jowza of the year following the tax year, you should self-assess your penalty tax. The penalty will be 'Failure to Deliver a Tax Return'. This additional tax shall only apply if you do not have reasonable justification for the failure to file your tax return in a timely manner. If you believe you have reasonable justification, attach your explanation with any verification to your tax return. Your explanation will be reviewed and a decision made as to whether you are subject to the penalty or not. If it is determined that you should pay the penalty, the tax office will calculate it for you and notify you.

Line 10 – Income tax return filing due date

The due date for income tax returns is the last day of the third month following the end of the tax year. For most taxpayers this will be the last day of Jowza.

NOTE

If you have asked the ARD for an alternate tax year and your request has been granted, your return will be due three months after the end of your tax year.

Line 20 – Date income tax return is filed

Enter the actual date you file the tax return.

Principal Business and Principal Business Code

Line 7 – Principal Business

Enter your principal business activity (e.g. construction company, transport company, etc.)

Line 8 – Principal Business Code

Enter the principal business activity code for your business from the chart below. These are the same codes as used by the TIN Department when you registered for a Taxpayer Identification Number. It is your main or principal business.

Code	Description
01	Embassies of Foreign Countries
02	Local, Provincial or National Government Department
03	State-Owned Joint Venture (SherkatTazamoni Mokhtalat)
04	Currency Exchange
05	Customs Brokers
06	Hotels and Guesthouses
07	Restaurants, Cafes and Bars
08	Transport Rental (The rental of cars, motorcycles, aircraft)
09	Telecommunications Providers
10	Air Transport Companies
11	Financial Sector including banking, insurance, savings and Loan etc...
12	Mining Activities, such as mining minerals, gemstones, metals, coal, exploration activities (excluding petroleum, oil and gas services)
13	Extraction of crude petroleum and natural gas, and related exploration/ service activities
14	Construction/ Building activities including the sale of building supplies such as lumber, electrical fittings, plumbing fixtures etc...
15	Automobile and motorcycle sales, repair, sales of parts, sales of fuel
16	Textile Industry (carpet making, fabric making, manufacture of clothes)
17	Agriculture (farming, forestry, fishing)
18	Trucking /transport of goods
19	Import/Trader of goods
20	General Retail/Wholesale of goods and services not elsewhere specified
21	General Manufacturing/ Industry not elsewhere specified
22	Non- Governmental Organizations
23	Other Business Activities not elsewhere specified
24	International Organizations

Line 9 – Annual Tax Period

Enter the solar year tax period (or alternate tax year if you have received permission to use a different one) here.

Section 1: Self-Assessed Penalty Calculation

The Income Tax Law provides for penalties for, among other things, late filing of tax returns and late payment of tax. Other penalties can be assessed for failure to maintain or provide access to records

of business transactions, failure to withhold tax and failure to obtain a Taxpayer Identification Number. For tax year 1388, the penalty for late filing for a legal person is 500 afghani per day the return is late. For tax years 1387 and prior, the penalty for late filing is 1000 afghani per day the return is late up to and including the last day of Hut 1387 and 500 afghani per day beginning 1 Hamal 1388. Please use the Self-Assessment Penalty Worksheet, below, to determine your penalty amount if you have filed your tax declaration after the due date.

Example 2: Afghan Plus Corporation filed its 1386 return on 15 Mizan 1388. The return was a total of 472 whole days late (365 days from 31 Jowza 1387 to 31 Jowza 1388 plus 31 days each for Saratan, Asad, and Sunbala and 14 days for Mizan). Of these, 273 fell between the due date, 31 Jowza 1387, and 30 Hut 1387. There are eleven state holiday days in the period from the due date to 30 Hut 1387, and 39 Fridays. The company would subtract 50 days (the eleven state holidays plus the 39 Fridays) from the 273, for 223 days subject to penalty at the rate of 1000 afghani per day. The company's penalty for failure to deliver a tax return calculation would be 223,000 afghani (223 days x 1000 afghani) for 1387. The return was an additional 199 days late. There are seven state holiday days in the 1388 period and 28 Fridays. The company would subtract 35 days (the seven state holidays plus the 28 Fridays) from the 199 days, for 164 penalty days. The company's penalty for failure to deliver a tax return calculation would be 82,000 afghani (164 days x 500 afghani) for 1388. The total penalty for failure to deliver a tax return is 305,000 afghani (223,000 + 82,000).

صفحه محاسبه جریمه				
Penalty Calculation Worksheet				
طرز محاسبه جریمه تأخیر در ارائه اظهارنامه				
Failure to Deliver a Tax Return Calculation				
10	Income Tax Return Filing Due Date	31 Jowza 1389	آخرین تاریخ ارائه اظهارنامه مالیات برعایدات	۱۰
20	Date Income Tax Return is Filed	15 Mizan 1389	تاریخ خانه پری و ارائه اظهارنامه مالیات برعایدات	۲۰
30	For tax years 1387 and prior, number of days from due date to 30 Hut 1387 (difference in whole days between 31 Jowza of the year following the tax year and 30 Hut 1387)	-	برای سال مالی ۱۳۸۶ و ماقبل آن، تعداد روزها از تاریخ ارائه اظهار نامه الی ۳۰ خوت سال ۱۳۸۷. (تفاوت در مجموع روز ها میان ختم برج جوزا سال بعد از سال مالیاتی و ۳۰ خوت سال ۱۳۸۷)	۳۰
40	Number of holidays in the period between the due date and 30 Hut 1387	-	تعداد روز های رخصتی میان تاریخ معینه ارائه اظهار نامه و ۳۰ خوت سال ۱۳۸۷	۴۰
50	Number of penalty days between due date and 30 Hut 1387 (Subtract line 40 from line 30)	-	تعداد روز های جریمه میان تاریخ معینه ارائه اظهار نامه و ۳۰ خوت ۱۳۸۷ (سطر ۴۰ منفی سطر ۳۰)	۵۰
60	Amount of penalty (Multiply line 50 by 1000 afghani)	-	مقدار جریمه (سطر ۵۰ را ضرب ۱۰۰۰ افغانی نمایند).	۶۰
70	Number of days in 1388, or subsequent tax period, the return is late (see instructions)	107	تعداد روز های تأخیر در ارائه اظهار نامه سال ۱۳۸۸ (به رهنمودها مراجعه گردد)	۷۰
80	Number of holidays in 1388, and subsequent tax years, the tax return is late	20	تعداد روز های رخصتی در زمان تأخیر ارائه اظهار نامه سال ۱۳۸۸	۸۰
90	Number of penalty days (Subtract line 80 from line 70)	87	تعداد روز های قابل جریمه (سطر ۸۰ منفی سطر ۷۰)	۹۰
100	Amount of penalty (Multiply line 90 by 500 afghani)	43,500	مقدار جریمه (سطر ۹۰ ضرب ۵۰۰ افغانی نمایند)	۱۰۰
110	Total amount of penalty (Add lines 60 and 100) (Enter here and on line 500 of tax return)	AFS 43,500	مقدارمجموعی جریمه (سطر ۶۰ و ۱۰۰ را جمع نمایند) (حاصل جمع در این سطر و سطر ۵۰۰ اظهار نامه مالیاتی درج گردد)	۱۱۰
عدم پرداخت مالیات در موعد مقرر آن				
Failure to Pay the Tax Due by the Due Date				

Line 110 – Payment Due?

Please indicate whether you have a payment due by circling 'YES' or 'NO'.

Section 2: Declaration

The authorized officer must sign and date this declaration. By doing so, he / she declares that the taxpayer has had no business activity during the period covered by this declaration. Falsifying information on this or any other tax form can be subject to penalties and other sanctions.