Letter for Contracts Covered by North Atlantic Treaty Organization Status of Forces Agreement

Place on Command Letterhead

Date

Ministry of Finance

Afghanistan Revenue Department

Government of the Islamic Republic of Afghanistan

SUBJECT: Name of Company:

Tax Exemption Status

Contract Number:

Date of Award:

Contract Period:

Contract Value:

Contract Services Rendered:

Dear Sir:

The purpose of this letter is to request the assistance of the Afghanistan Revenue Department of the Ministry of Finance in issuing the appropriate tax clearance and exemption letters on behalf of Name of company, JCXS ID, AISA license, and TIN under the contracts identified above. Name of company will provide the Ministry of Finance, Rulings and Tax Exemption Office, and the Afghanistan Revenue Department with a copy of this Tax Exemption Letter and the relevant contract(s).

Our records indicate subject contract was performed by Name of Contractor for North Atlantic Treaty Organization (NATO) Forces[[1]](#footnote-1). This contract was awarded by a Department of Defense (DoD) contracting office, using funds from Name funding organization, in support of the NATO operations in Afghanistan for the purposes and activities authorized in the NATO Status of Forces Agreement (SOFA) which entered into effect on January 1, 2015. In accordance with this agreement, we request the Afghanistan Revenue Department issue a tax exemption certificate in favor of Name of Contractor for subject contract.

The SOFA applies to NATO contractors[[2]](#footnote-2) and subcontractors, local contractors and subcontractors, and their employees. In accordance with the SOFA, a contract is any agreement to supply goods or services in Afghanistan to or on behalf of NATO Forces in support of NATO, NATO Members States, or Operational Partners.

Articles 14 and 15 of the SOFA contains broad tax exemptions:

“NATO Contractors may import into, export out of, re-export out of, transport, and use in Afghanistan any equipment, supplies, materiel, technology, training, or services. The authorizations in this paragraph do not cover the activities of NATO Contractors that are not related to the presence of NATO Forces in Afghanistan. Identifying documents shall be provided to indicate that such equipment, supplies materiel, technology, training, or services being imported by NATO Contractors are for NATO Forces' purposes and not for any private commercial purposes.”

“The importation, exportation, re-exportation, transportation, and use of any articles brought into Afghanistan …[by NATO contractor]… shall not be subject to restrictions, such as licensing, inspection or verification, except as provided in this Article, or taxes and customs duties or other charges assessed by government authorities in Afghanistan within the territory of Afghanistan.”

“NATO Contractors shall not be liable to pay any tax or similar or related charges assessed by the Government of Afghanistan within the territory of Afghanistan on their activities, and associated income, relating to or on behalf of NATO Forces under a contract or subcontract with or in support of NATO Forces. However, NATO Contractors that are Afghan legal entities shall not be exempt from corporate profits tax that may be assessed by the Government of Afghanistan within the territory of Afghanistan on income received due to their status as NATO Contractors.”

“NATO Contractors are subject to Afghan requirements regarding employer withholding of personal income tax from NATO Contractor Employees who normally reside in Afghanistan and from NATO Contractor Employees who are Afghan nationals for payment to Afghanistan as required by the laws and regulations of Afghanistan.”

“NATO Contractor Employees who do not normally reside in Afghanistan and NATO Contractor Employees who are not Afghan nationals shall not be liable to pay any tax or similar or related charges assessed by the Government of Afghanistan within the territory of Afghanistan on their activities, and associated income, relating to a contract or subcontract with or in support of NATO Forces.”

Based on the foregoing, I respectfully request that the Afghanistan Revenue Department facilitate the prompt issuance of a tax exemption letter(s) or certificate(s) to Name of company to help ensure the timely and successful implementation of the activities under the Agreement.

I thank you for your assistance in these matters.

Sincerely,

Name

Rank, Title

Chief of the Contracting Office

1. “NATO Forces” means the Members of the Force, Members of the Civilian Component, NATO Personnel and all property, equipment, and materiel of NATO, NATO Member States, and Operational Partners present in the territory of Afghanistan. [↑](#footnote-ref-1)
2. “NATO Contractors” means persons and legal entities who are supplying goods and services in Afghanistan to or on behalf of NATO Forces under s contract or subcontract with or in support of NATO, NATO Members States, or Operational Partners. [↑](#footnote-ref-2)