



### Note

Afghanistan Revenue Department tax offices and Mustufiats provide forms, guides, and instructions to taxpayers free of charge, available both as printed and as downloadable versions from a new website <http://www.ard.gov.af>. The website also provides locations, contact numbers and hours of operation for Afghanistan Revenue Department tax offices and Mustufiats. Taxpayers also can download other useful information including various public announcements and rulings, questions & answers regarding wage withholding tax, the Income Tax Law 2009, and an Income Tax Manual. The manual discusses separately each article of the law, along with relevant regulations, often with helpful examples.



د افغانستان اسلامي جمهوریت  
د مالی وزارت  
د عوایدو لوی ریاست  
۱۳۹۰

Islamic Republic of Afghanistan  
Ministry of Finance  
Afghanistan Revenue Department  
1390

Website: <http://www.ard.gov.af>

جمهوری اسلامی افغانستان  
وزارت مالیه  
ریاست عمومی عواید  
۱۳۹۰

## Guide 18

## Taxpayer Identification Number (TIN)



### Introduction

Anyone required to pay taxes or customs duties, or anyone with a bank account, must apply for a Tax-payer Identification Number (TIN) (Article 86). The purpose of the TIN is twofold: it 1) assures proper crediting of payments and 2) contributes to more efficient tax administration. The Income Tax Law 2009 provides for additional taxes and penalties should a person fail to apply for a TIN without 'reasonable cause' (Article 105).

### Note

There are no fees or charges payable to the Ministry of Finance or its Revenue Department or the Mustufiat for any Tax Guides or Forms or at any stage of the tax assessment collection or enforcement processes.

### What is a Taxpayer Identification Number?

A Taxpayer Identification Number is a unique 10-digit number used to identify

a specific taxpayer. Each taxpayer should have only one TIN. A taxpayer is defined as an individual (natural person) or legal entity (legal person) who has an obligation to report income, expenses, or business activity and/or pay tax.

### Who must obtain a Taxpayer Identification Number?

Article 86 of the Income Tax Law 2009 specifies that the following taxpayers must obtain a TIN:

- Individuals, companies and organizations which are, according to the Income Tax Law 2009 and the Customs Law, required to pay taxes or customs duties
- Social, non profit and welfare organizations which are required to withhold taxes from the salaries or wages of their employees
- Persons who have an account or open an account with a bank or other financial institution; and

- Employees whose incomes are subject to income tax withholding under provisions of the Income Tax Law 2009

*Example 1: Wahid is an employee of a non-governmental organization. Wahid earns AFN 5,000 per month. Wahid does not have any other income. Wahid is not subject to income tax under Article 4. Wahid does not have to obtain a Taxpayer Identification Number.*

*Example 2: Wahid has received a promotion at his job and now earns AFN 15,000 per month. Wahid is subject to tax under Article 4. Wahid must obtain a Taxpayer Identification Number because he is subject to tax. The non-governmental organization must also obtain a Taxpayer Identification Number because it is obliged to withhold tax from its employees wages.*

*Example 3: Company A is an Afghan corporation that has generated losses every year that it has operated. Although Company A has generated losses, it is still required to pay Business Receipts Tax. Hence, Company A is required to obtain a Taxpayer Identification Number.*

*Example 4: Company B is an Afghan corporation that is engaged in construction work in Herat. During*

*its first year of operation, Company B imported goods that were subject to customs duty. Company B did not have any revenue in its first year of operation. Company B did not have any profit during its first year of operation. Even though Company B does not have to pay income tax or Business Receipts Tax during its first year of operation, it must obtain a Taxpayer Identification Number because it paid customs duties.*

### **How do I obtain a Taxpayer Identification Number?**

Taxpayer Identification Numbers can be obtained in Kabul at the Afghanistan Revenue Department or at the Mustufiat offices in Herat, Jalalabad, Kandahar, Kunduz and Mazar-e-Sharif. For more information regarding requirements for the TIN or how to apply, or to receive forms, visit the TIN Offices mentioned. TIN applications are also available online at <http://www.ard.gov.af>.

### **Enforcement provisions**

Failure to comply with the requirements of the Income Tax Law 2009 may result in the Ministry of Finance using administrative powers within the tax law to ensure compliance. These provisions are contained in Chapters 14 and 16 of the Income Tax Law 2009 and include fines and penalties.

A person required to have a Tax Identification Number under Article 86 of the Income Tax Law 2009 who fails to apply for a Tax Identification Number without 'reasonable cause' is subject to pay additional income tax of AFN 5,000 if is a natural person or AFN 20,000 if a legal person. The following examples illustrate 'reasonable cause'.

*Example 1: Asiyeh lives in a small village in Badakhshan province. She is employed by an international non-governmental organization as a mid-wife. Asiyeh's employer withholds a portion of her wages as required under the law for the tax year 1389. Under Article 86, Asiyeh is required to have a Taxpayer Identification Number in tax year 1389. Asiyeh is illiterate and has failed to obtain and fill out the proper forms to obtain a Taxpayer Identification Number. Nor has her employer provided her with any information about obtaining a Taxpayer Identification Number. Moreover, Asiyeh would be required to travel for days to find the office that has the forms that will enable her to obtain a Taxpayer Identification Number. When the Afghanistan Revenue Department investigates and informs Asiyeh that she needs a*

*Taxpayer Identification Number, Asiyeh agrees to sign the correct forms and obtain her TIN. Asiyeh has 'reasonable cause' for failing to obtain a Taxpayer Identification Number and will not be subject to additional tax for failure to obtain a TIN.*

*Example 2: Sarika lives in Kabul province. She is employed by an international non-governmental organization as a mid-wife. Sarika's employer withholds tax from Sarika's wages during the tax year 1389. Sarika asks her employer why the employer is withholding tax. The employer informs Sarika that she is subject to income tax and that she needs to obtain a Taxpayer Identification Number. In Kabul province, Sarika has access to the Internet from which she can obtain tax forms. She is also able to travel to the Afghanistan Revenue Department offices in Kabul from which she can obtain tax forms. Sarika does not obtain a Tax Identification Number, because it will cost money either to use the Internet or to travel by taxi to the tax office. Sarika does not have a 'reasonable cause' for not obtaining a Taxpayer Identification Number. Sarika is subject to the AFN 5,000 additional tax.*