

**APPROVED**  
**by Order No. 5 of the Minister of Economic**  
**Development and Trade of**  
**the Republic of Tajikistan**  
**dated March 18, 2009**

**CHARTER**  
of the State Institution  
“Administration of the Free Economic Zone Panj”

Dushanbe – 2009

# 1. GENERAL PROVISIONS

- 1.1. The State Institution “Administration of the Free Economic Zone Panj” (hereinafter referred to as the “Institution”) shall carry out its activities in accordance with the Constitution of the Republic of Tajikistan, the Law of the Republic of Tajikistan “On Free Economic Zones in the Republic of Tajikistan”, the Regulation “On Free Economic Zones in the Republic of Tajikistan” approved by Resolution No. 191 of the Majlisi Namoyandagon of the Majlisi Oli of the Republic of Tajikistan dated December 5, 2005, the Regulation “On the Free Economic Zone Panj” approved by Resolution No. 1147 of the Majlisi Oli of the Republic of Tajikistan dated October 29, 2008, Resolution No. 103 of the Government of the Republic of Tajikistan dated March 5, 2008 “On Priority Measures for the Establishment of Free Economic Zones in the Republic of Tajikistan”, Resolution No. 145 of the Government of the Republic of Tajikistan dated March 7, 2009 “On the Establishment of the State Institutions Administrations of the Free Economic Zones Panj and Sughd”, international legal instruments recognized by the Republic of Tajikistan, regulatory legal acts of the authorized state body on the organization, management and operation of free economic zones in the Republic of Tajikistan, this Charter, and other regulatory legal acts of the Republic of Tajikistan.
- 1.2. The Institution is the governing body of the Free Economic Zone Panj (hereinafter referred to as “FEZ Panj”) and shall ensure its operation and development.
- 1.3. The full name of the Institution is:
- in the State language: Муассисаи давлатии маъмурияти минтақаи озодаи иқтисодии «Панҷ»;
  - in English: State Institution “Administration of the Free Economic Zone Panj”.
- 1.4. The registered address of the Institution is:
- Karadum Area, Kum Sangir District, Khatlon Region, Republic of Tajikistan.
- 1.5. The Founder of the Institution is the Government of the Republic of Tajikistan, while the powers of its administration and oversight are vested in the Ministry of Economic Development and Trade of the Republic of Tajikistan.

The Institution is an organization subordinate to its Founder and operates on the basis of this Charter.

The Institution is a legal entity and operates in the organizational and legal form of a republican state institution. It possesses separate property under the right of operational management, maintains an independent balance sheet, settlement, foreign currency and other bank accounts, has a round seal bearing the inscription “Free Economic Zone Panj” in the State and English languages, stamps, letterheads, its own emblem and other particulars approved in accordance with the established procedure, acquires property

and non-property rights, assumes obligations, and may appear in court as either a plaintiff or a defendant.

- 1.6. The Institution does not pursue profit-making as the purpose of its principal activities. However, it may engage in income-generating activities, including entrepreneurial activities, solely to the extent necessary to achieve its statutory objectives. Income and property derived from such activities shall be fully vested in the Institution and accounted for on a separate balance sheet.
- 1.7. The Institution may, on a voluntary basis and with the consent of the Founder, become a member of unions, associations of legal entities established on a territorial or other basis, as well as international organizations. In doing so, the Institution shall retain its independence and the rights and powers of a legal entity.
- 1.8. Within the scope of its authority, the Institution may enter into transactions and other civil-law agreements with legal entities and individuals both within and outside the territory of the Republic of Tajikistan.
- 1.9. The Institution shall have the exclusive right to use its emblem for advertising and other purposes and may, on the basis of an agreement, authorize such use by other legal entities and individuals. With the consent of the Founder, the Institution may establish other legal entities.
- 1.10. The Institution shall carry out its activities in cooperation with the republican and local state authorities of the Republic of Tajikistan.  
The Institution shall maintain close cooperation with the administrations of other free economic zones in the Republic of Tajikistan for the purpose of coordinating activities and taking into account the interests of other free economic zones of the Republic, and shall promote the implementation of international standards of business conduct and business ethics throughout the territory of the Republic of Tajikistan.

## **2. OBJECTIVES AND FUNCTIONS OF THE INSTITUTION**

- 2.1. The Institution is established to achieve the following objectives and perform the following functions:
  - to promote the development of the economic potential of the Khatlon Region of the Republic of Tajikistan, including the attraction of domestic and foreign investment and the introduction of advanced management methods and practices;
  - to facilitate the effective integration of the regional and national economy into the international division of labor, expand trade and economic cooperation with foreign countries, and enhance the export potential of the Republic;
  - to support urban development in the territories adjacent to FEZ Panj and to create modern engineering, transport, telecommunications, industrial, and social infrastructure;

- to establish a network of environmentally friendly industries and organize the production of competitive export-oriented goods;
  - to promote employment in the region and the Republic, create additional jobs, improve living standards, increase purchasing power, contribute to the development of the domestic market through the growth of incomes of employees engaged in FEZ Panj, and address other socio-economic challenges of the region.
- 2.2. In accordance with the applicable legislation and for the purpose of achieving its statutory objectives, the Institution shall perform the following functions:
- to develop the economic potential of the region through the integration of foreign investment with the material and financial resources of domestic enterprises and organizations operating under various forms of ownership;
  - to attract foreign investment, modern equipment and technologies, international management experience, and innovative business practices;
  - to facilitate the introduction of domestic and foreign scientific and technological developments and inventions into production, with the subsequent application of their results in other regions of the country;
  - to ensure the socio-economic stability of the region;
  - to reduce production costs and promote the efficient utilization of available labor, natural, and other local resources for the production of export-oriented goods and the satisfaction of domestic market needs;
  - to develop and improve the territory of FEZ Panj and to ensure environmental protection and conservation.
  - to establish, within the territory of FEZ Panj, production infrastructure that complies with international standards, including communications, transport, utilities, and other related facilities;
  - to formulate and maintain the independent budget of FEZ Panj;
  - to coordinate the activities of the entities operating within FEZ Panj;
  - to perform legally significant acts within the scope of its authority for the achievement of the objectives and the fulfillment of the functions set forth in this Charter.

### **3. RIGHTS, POWERS AND RESPONSIBILITIES OF THE INSTITUTION**

- 3.1. The Institution shall have the following rights and powers:
- to establish joint organizations with the participation of domestic and foreign investors;
  - to conduct economic activities on the basis of contracts, freely select its partners and the subject matter of contracts, determine contractual obligations, and establish other terms and conditions of economic relations;

- to independently carry out foreign economic activities, engage in commodity exchange (barter) and intermediary transactions, as well as reinvestment activities, provided that the nature of such activities does not contradict the legislation of the Republic of Tajikistan;
- to obtain, without restriction, loans and credits from banks, companies, and organizations of the Republic of Tajikistan and foreign states, and to engage foreign insurance companies for the conclusion of any types of insurance contracts;
- to make any investments within free economic zones that are not prohibited by the legislation of the Republic of Tajikistan;
- to exercise rights of land use, land lease, lease of property, property rights and rights of use on the basis of mutual agreement between the parties to a lease agreement or their legal successors, as well as to exercise other property and non-property rights;
- to employ foreign nationals and citizens of the Republic of Tajikistan on a contractual basis;
- to carry out any other activities not prohibited by the legislation of the Republic of Tajikistan;
- to develop and implement the development strategy and development program of FEZ Panj, including the Master Plan of the Zone;
- to adopt documents relating to the management and coordination of activities within FEZ Panj;
- to prepare the independent budget of the Zone, submit it for approval in accordance with the established procedure, and ensure its implementation;
- to develop a plan for the allocation of FEZ entities within the territory of FEZ Panj, taking into account their proposals, including the financial expenditures of each FEZ entity, and submit such plan to the authorized state body responsible for the administration of free economic zones.
- to prepare cost estimates for the improvement and development of designated areas within FEZ Panj;
- to coordinate plans for the placement of customs infrastructure facilities with the authorized state customs authority;
- to ensure the integrity and effective operation of FEZ Panj;
- to promote the development of FEZ Panj through the attraction of domestic and foreign investors, as well as financial resources from domestic and foreign organizations in the form of concessional loans, borrowings, and grants, subject to coordination with the authorized state body responsible for the administration of free economic zones and the authorized state financial authority;
- to establish information and analytical systems to support the operation and economic development of FEZ Panj;
- to protect the interests of FEZ entities;

- to create favorable conditions for attracting domestic and foreign investment and other forms of resources;
- to monitor compliance with the legal regime of FEZ Panj, prepare draft amendments and supplements to this Charter, and submit them for consideration in accordance with the established procedure;
- to ensure inspections and state supervision regarding the efficient use of natural and labor resources within FEZ Panj and compliance with laws and regulatory legal acts relating to the development of the territory of FEZ Panj;
- to lease land plots and other FEZ facilities to FEZ entities;
- to establish information centers, business incubators, warehouses, administrative buildings, production facilities, and other structures necessary for the efficient operation and development of FEZ Panj;
- to coordinate the activities of scientific, design, industrial, construction, and other domestic and foreign organizations engaged in the establishment and operation of FEZ Panj;
- to review proposals submitted by domestic and foreign investors and make decisions thereon, as well as regulate the economic relations of the free economic zone with international markets;
- to review business plans and investment projects submitted by applicants;
- to issue documents to applicants confirming their location and legal address within FEZ Panj;
- to coordinate the relations of FEZ Panj with international markets.
- to organize the training, retraining, and professional development of personnel for FEZ Panj, and to participate in the implementation of state policy in the areas of workforce development, employment, youth policy, and migration within the region;
- to organize conferences, meetings, seminars, and other events;
- to conclude agreements with FEZ entities;
- to maintain the register of issued certificates;
- to maintain the register of FEZ entities;
- to issue certificates to FEZ entities;
- to register FEZ entities;
- to organize the state registration of legal entities, branches and representative offices of legal entities, individual entrepreneurs established within the territory of FEZ Panj, as well as branches and representative offices of institutions or organizations located outside the territory of FEZ Panj, where such registration is carried out in accordance with the legislation of the Republic of Tajikistan within the framework of state registration procedures;
- to register joint activity agreements involving foreign investors;

- to establish rules governing entrepreneurial activities within FEZ Panj, provided that such rules do not contradict the legislation of the Republic of Tajikistan;
- to improve the forms and methods of economic administration of FEZ Panj and to carry out such administration with due regard to the economic efficiency of the use of state-owned and privately owned land within the territory of FEZ Panj;
- to ensure the effective utilization of financial resources allocated to projects of regional significance;
- to participate, on a commercial basis, in the expansion and reconstruction of facilities located outside the territory of the Zone;
- to provide services related to obtaining and processing entry and exit visas, subject to coordination with the Ministry of Foreign Affairs of the Republic of Tajikistan;
- to issue access permits for entry into the territory of FEZ Panj;
- to organize and supervise the activities of security units responsible for the protection of FEZ Panj facilities. The structure and staffing levels of such units shall be determined by the Institution in coordination with the relevant ministries of the Republic of Tajikistan;
- to assess the effectiveness of the establishment and operation of FEZ Panj;
- to exercise other powers provided for by regulatory legal acts;
- to possess and use, under the right of operational management, property and monetary funds (including foreign currency) in accordance with the legislation of the Republic of Tajikistan and this Charter;
- to engage in entrepreneurial activities in accordance with the legislation for the purpose of achieving its statutory objectives;
- in its own name, to acquire property rights and personal non-property rights, assume obligations, enter into contracts, and conduct other transactions with legal entities and individuals on the grounds and in the manner prescribed by law;
- from its own and attracted funds, to provide loans to legal entities and individuals and to lease property;
- with the authorization of the Founder and for the purpose of fulfilling its statutory objectives, to establish organizations possessing the rights of legal entities;
- with the consent of legal entities and individuals, to attract their financial resources for the implementation of the Institution’s objectives and the financing of its programs;
- to exercise other powers provided for by the Law of the Republic of Tajikistan “On Free Economic Zones in the Republic of Tajikistan”, the Regulation “On the Free Economic Zone Panj” approved by Resolution No. 1147 of the Majlisi Oli of the Republic of Tajikistan dated October 29, 2008, and other regulatory legal acts of the Republic of Tajikistan.

- 3.2. The Institution shall have the following principal responsibilities:
- to ensure the implementation of the decisions of the Founder;
  - to ensure the fulfillment of obligations arising from the legislation of the Republic of Tajikistan and from agreements concluded by the Institution;
  - to provide mandatory social, medical, and other forms of insurance for its employees, and to ensure working conditions in accordance with the requirements of applicable legislation and any collective bargaining agreement;
  - to submit timely reports on the Institution’s income and to ensure the payment of taxes in the amounts prescribed by the legislation of the Republic of Tajikistan;
  - to prepare proposals concerning the operating regime of FEZ Panj;
  - to review submitted documents and prepare opinions on investment projects, and to submit such investment projects to the Founder for consideration in accordance with the established procedure;
  - within three days of receiving a decision or a copy of the minutes of the commission of the authorized state body responsible for the administration of free economic zones, to notify applicants—individuals and legal entities of the Republic of Tajikistan, as well as foreign individuals and legal entities—of the decision taken regarding an investment project;
  - following the execution of a lease agreement with a FEZ entity concerning a facility or a land plot within the territory of the Zone, to submit a copy of the agreement concluded between the Institution and the applicant to the Founder;
  - to prepare economically substantiated proposals regarding the list of services to be provided by the Institution and the fees payable for such services;
  - to prepare economically substantiated proposals concerning rental rates and maximum lease rates for land plots and facilities in respect of which the Institution possesses rights of use;
  - to submit, on a monthly basis and in accordance with the established procedure, information regarding foreign nationals arriving to work in FEZ Panj;
  - to submit to the Founder the required reports in the prescribed forms;
  - to coordinate with the Founder matters relating to the transfer of a portion of the Institution’s powers to a management company;
  - to ensure compliance by the management company with the terms of the relevant agreement and the performance of its obligations;
  - in the event of a breach of contractual terms or improper performance of obligations by the management company, to submit to the Founder a proposal for the revocation of the relevant certificate and termination of the agreement;
  - to prepare and submit to the Founder, in accordance with the established procedure, proposals supported by a feasibility study regarding the advisability of extending the period of operation of the free economic zone or its liquidation.

## 4. FUNDS AND PROPERTY OF THE INSTITUTION

- 4.1. The right of operational management over the property assigned to the Institution shall arise from the moment such property is transferred to the Institution, unless otherwise provided by law, other regulatory legal acts, or a decision of the Founder.
- 4.2. Income derived from the use of property held under the right of operational management, as well as property acquired by the Institution under contracts or on other legal grounds, shall be transferred into the operational management of the Institution in accordance with this Charter and other regulatory legal acts governing the acquisition of property.
- 4.3. The right of operational management over property shall terminate on the grounds and in accordance with the procedure established by this Charter and other regulatory legal acts governing the termination of ownership rights, as well as in cases where property is lawfully withdrawn from the Institution by decision of the Founder.
- 4.4. The Institution shall be liable for its obligations only to the extent of the funds at its disposal.
- 4.5. The Institution shall not have the right to alienate property assigned to it or property acquired using funds allocated under the budget estimate for its acquisition, nor otherwise dispose of such property.

The Institution shall exercise the rights of possession, use, and disposal of the property assigned to it within the limits established by law, in accordance with the purposes of its activities, the assignments of the Founder, and the designated purpose of such property.

- 4.6. The activities of the Institution shall be based on the principle of self-financing. For the purpose of ensuring the operation of FEZ Panj, an independent budget of FEZ Panj shall be established.
- 4.7. The independent budget of FEZ Panj shall constitute a form of accumulation and expenditure of the financial resources of FEZ Panj and shall be used to finance the achievement of the objectives and functions of FEZ Panj.
- 4.8. The following revenues shall be credited to the independent budget of FEZ Panj:
  - income from the lease of land plots, buildings, and structures under the administration of the FEZ Administration;
  - the total amount of payments made by FEZ entities for obtaining certificates authorizing entrepreneurial activities within FEZ Panj;
  - registration fees;
  - fees for the entry of motor vehicles into the territory of FEZ Panj;
  - fees charged to personnel carrying out activities within FEZ Panj for access to the territory of FEZ Panj (excluding employees of the Institution);
  - income derived from the provision of any types of services;

- other revenues provided for by law;
  - four percent (4%) of the profit of the management company derived from the provision of various services;
  - revenues from other payments for services rendered by the Institution to FEZ entities in accordance with the legislation on the State Budget for the relevant fiscal year and the Regulation on FEZ Panj;
  - voluntary contributions, donations, and funds allocated by legal entities and individuals;
  - income derived from entrepreneurial, research, and other activities carried out in accordance with this Charter;
  - funds allocated from the State Budget in accordance with the approved budget estimate;
  - other sources not prohibited by the legislation of the Republic of Tajikistan.
- 4.9. Within the limits established by this Charter, the Institution shall independently conduct its activities and administer its property, including monetary funds remaining after the fulfillment of all mandatory payments and obligations.
- 4.10. Income derived from entrepreneurial activities and other revenues shall be used exclusively for the achievement of the statutory objectives of the Institution.

## **5. GOVERNING BODIES**

- 5.1. The Institution shall be headed by a Director.  
The procedure governing the activities of the Director shall be determined by the Regulation “On the Free Economic Zone Panj” approved by Resolution No. 1147 of the Majlisi Oli of the Republic of Tajikistan dated October 29, 2008, resolutions of the Government of the Republic of Tajikistan, decisions of the Founder, and this Charter.
- 5.2. The Director and Deputy Directors shall be appointed to and dismissed from office by the Government of the Republic of Tajikistan upon the recommendation of the Founder. The official salaries of the management of the Institution shall be determined by the Government of the Republic of Tajikistan.
- 5.3. A person appointed as Director of the Institution shall possess a higher education degree in law or economics and have not less than five (5) years of managerial experience.
- 5.4. The Director of the Institution shall:
- ensure the exercise of the rights and the fulfillment of the obligations of the Institution;
  - represent FEZ Panj before domestic, foreign, and international organizations, enterprises, banks, and institutions;
  - bear personal responsibility for the performance of the duties assigned to him or her;

- approve the staffing schedule of the Institution;
  - prepare the staffing structure, recruit and dismiss employees of the Institution, as well as employees of its branches and representative offices;
  - manage the funds and property of the Institution, conclude agreements, including employment contracts, in accordance with this Charter, and issue powers of attorney;
  - open settlement and other bank accounts;
  - issue orders and directives binding upon the employees of the Institution;
  - determine the remuneration conditions of employees within the limits of the approved budget of the Institution;
  - approve internal documents of the Institution;
  - ensure the implementation of decisions of the Founder.
- 5.5. In addition to his or her other duties, the Director shall coordinate the activities of the Institution with local executive state authorities on matters relating to the establishment and development of FEZ Panj.

## **6. REPRESENTATIVE OFFICES OF THE INSTITUTION**

- 6.1. A Representative Office shall be a separate subdivision of the Institution located outside its registered place of business, which represents and protects the interests of the Institution and performs transactions and other legal acts on its behalf.
- 6.2. Representative Offices shall not be legal entities. They shall be established by the Institution and shall operate on the basis of separate Regulations governing their activities.
- 6.3. Heads of Representative Offices shall be appointed by the Director of the Institution and shall act on the basis of powers of attorney issued to them.
- 6.4. Representative Offices of the Institution shall be established in the capital of the Republic of Tajikistan, the city of Dushanbe, as well as in the Member States of the European Union, the People's Republic of China, the Islamic Republic of Iran, the Russian Federation, and the United Arab Emirates.

## **7. TERMINATION OF THE ACTIVITIES OF THE INSTITUTION**

- 7.1. The Institution shall be liquidated by decision of the Founder in the cases provided for by the Regulation “On the Free Economic Zone Panj” approved by Resolution No. 1147 of the Majlisi Oli of the Republic of Tajikistan dated October 29, 2008.