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U.S. contractors, exemption from Afghanistan taxes

The U.S. Department of Defense, General Services Administration, and National Aeronautics and Space Administration today jointly released for publication in the Federal Register a proposed rule that would amend the Federal Acquisition Regulation (FAR) to add two new clauses to notify contractors of requirements relating to Afghanistan taxes or similar charges when the contracts are being performed in Afghanistan.

The [proposed rule](#) [PDF 327 KB] concerns an exemption from tax in Afghanistan for the U.S. government and its contractors and subcontractors (other than those that are Afghan legal entities or residents)—that is, an exemption from paying any tax or similar charge assessed on activities associated with contracts performed within Afghanistan. The proposed rule would add two new FAR clauses to notify contractors of the exemption.

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