

# 52.229-13 Taxes—Foreign Contracts in Afghanistan.

As prescribed in [29.402-4\(a\)](#), use the following clause:

Taxes—Foreign Contracts in Afghanistan (Nov 2021)

(a) *Definition.* *U.S. Forces*, as used in this clause, means the entity comprising the members of the force and of the civilian *component*, and all property, equipment, and materiel of the *United States* Armed Forces present in the territory of Afghanistan.

(b) *Tax exemption.* This *acquisition* is covered by the Security and Defense Cooperation Agreement (the Agreement) between the Islamic Republic of Afghanistan (Afghanistan) and the *United States* of America signed on September 30, 2014, and entered into force on January 1, 2015.

(1) The Agreement exempts the *United States* Government, and its contractors and subcontractors (other than those that are Afghan legal entities or residents), from paying any tax or similar charge assessed by the Government of Afghanistan on activities associated with this contract within Afghanistan if the activities are on behalf of or in support of U.S. Forces. The Agreement also exempts the *acquisition*, importation, exportation, reexportation, transportation, and use of *supplies* and services in Afghanistan, on behalf of or in support of U.S. Forces, from any taxes, customs, duties, fees, or similar charges imposed by the Government of Afghanistan.

(2) The Contractor *shall* exclude any Afghan taxes, customs, duties, fees, or similar charges from the contract price, other than those charged to Afghan legal entities or residents.

(3) The Agreement does not exempt Afghan employees of Government contractors and subcontractors from Afghan tax laws. To the extent required by Afghan law, the Contractor *shall* withhold tax from the wages of these employees and remit those payments to the appropriate Afghan taxing authority. These withholdings are an individual's liability, not a tax against the Contractor.

(c) Subcontracts. The Contractor *shall* include the substance of this clause, including this paragraph (c), in all subcontracts including subcontracts for *commercial products* or *commercial services*.

(End of clause)

**Parent topic:** [52.229 \[Reserved\]](#)