3RD NATIONAL REPORT

ON THE IMPLEMENTATION OF THE TRANSPARENCY INITIATIVE IN THE EXTRACTIVE INDUSTRIES IN THE REPUBLIC OF TAJIKISTAN

For 2017-2018.

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LIST OF ABBREVIATIONS AND ACRONYMS

EITI	Extractive Industries Transparency Initiative
LTD.	limited liability company
UU	Unitary enterprise
STATE UNITARY ENTERPRISE	State Unitary Enterprise
OAO	Open Joint-Stock Company
NWO	Joint Closed Joint Stock Company
LTD.	Limited Liability Company
JV	Joint venture
GDP	Gross domestic product
RT	Republic of Tajikistan
HER	Geological and economic district
T	Tonne
HEA	Law of the Republic of Tajikistan
PRT	Government of the Republic of Tajikistan
NK	Tax Code
TC	Labour Code
LEZ	Free Economic Zone
VAT	Value added tax
PSA	Production sharing agreement
MSG	Multi-stakeholder group
EITI MS	International Secretariat of the Extractive Industries Transparency Initiative
FDI	Foreign direct investment
DO	Extractive industry
DP	Subsidiary
MN, MO	Majlisi Namoyandagon, Majlisi Oli
MF	Ministry of Finance of the Republic of Tajikistan
KFD	Quasi-fiscal activities
CFA	Quasi-fiscal assessment

1. GENERAL INFORMATION

1.1. Extractive Industries Transparency Initiative (EITI)

The EITI is an international standard for ensuring transparency of revenues from extracted natural resources. The initiative allows for the tracking of extraction and exploration and standardisation, through a multi-stakeholder group, of all profits from the sector.

EITI is a thorough yet flexible methodology that ensures compliance with the international standard in all countries implementing EITI. The EITI Board and the EITI International Secretariat are responsible for ensuring compliance with this methodology. But its implementation is the responsibility of each country individually. In short, the EITI is a global standard that promotes revenue transparency at the local level. The EITI Rules set out the methodology that countries must follow to comply with the EITI requirements.

The EITI is a coalition of government, extractive companies, civil society, investors and international organisations. This is reflected not only in EITI processes locally, nationally, but also internationally: the EITI Board consists of 20 members representing governments, companies, civil society organisations, and is appointed every three years at the EITI International Conference.

1.2. EITI in the Republic of Tajikistan

The Republic of Tajikistan started the process of joining the Extractive Industries Transparency Initiative in June 2011 after an international conference on the EITI. In order to improve management practices in the extractive industries, improve the investment climate in the country, strengthen the fight against corruption, and ensure the participation of civil society in controlling the completeness of funds received by the state budget from activities related to the extraction of minerals, the President of the Republic of Tajikistan, Chairman of the Government of the Republic of Tajikistan Emomali Rahmon signed the Resolution of the Government of the Republic of Tajikistan No. 449 on 31 August 2012.
"On Accession of the Republic of Tajikistan to the Extractive Industries Transparency Initiative".

Pursuant to Resolution No. 449 of the PRT, the EITI Council of the RT was formed on a parity basis from among representatives of government agencies, mining enterprises and civil society organisations interested in EITI implementation.

On 26-27 February 2013, the 22nd meeting of the Extractive Industries Transparency Initiative Board was held in Oslo, Norway, where the application of the Republic of Tajikistan to become an EITI candidate country was approved.

The three parties - the Government, CSOs and companies - have endeavoured to make information about the EITI available to the general public, it is available on the following websites:

- Website of the Ministry of Finance of RT - www.minfin.tj
- EITI Council website - www.eiti.tj
- Website of the RT CSO Coalition "Transparency for Development" - www.tfd.tj
- The Facebook page is. www.facebook.com/eiti.tajikistan

In April 2015, the country's status was suspended as it failed to produce its first EITI Report by 26 February 2015. Tajikistan's first National EITI Report (hereinafter - EITI Report) was published in November 2015 and covered 14 companies in the extractive sector and their payments for 2014. On 1 July 2016, Tajikistan started its first validation. On 8 February 2017, the EITI Board suspended Tajikistan's status due to the overall lack of progress in meeting the 2016 EITI Standard. The Board imposed seventeen corrective actions for the following requirements: company participation (#1.2), civil society participation (#1.3), licence issuance (#2.2), licence register (#2.3), contract disclosure (#2.4), government participation (#2.6), production data (#3.2), export data (#3.3), completeness of coverage (#4.1), in-kind revenues (#4.2), infrastructure provisions and barter agreements (#4.3), SOE transactions (#4.5), data quality assurance (#4.9), mandatory social expenditures (#6.1), quasi-fiscal expenditures (#6.2), public discussions (#7.1), and the results and impact of EITI implementation (#7.4). The Board requested Tajikistan to implement these corrective actions, which were to be assessed in the second validation starting 8 September 2018.

Tajikistan has taken a number of actions to implement corrective measures:

- On 26 December 2016, the EITI Board approved the Open Data Policy document.
- On 30 January 2017, the EITI Board approved the 2016 Preliminary Study.
- On 30 January 2017, the EITI Board approved the ToR for the 2015-2016 EITI Report and engaged the Independent Administrator on 31 March 2017.
- In April 2017, the Transparency for Development CSO Coalition, with support from PPP ("Publish What You Pay"), developed an action plan to
implementation of corrective measures in the sphere of civil society.
- In June 2017, Tajikistan hosted an EITI meeting with company stakeholders, where company stakeholders developed and endorsed the
plan of action.
- On 16 June 2017, the EITI Board approved the 2016 Annual Progress Report (APR).

- In February 2018, Tajikistan published its second EITI Report for the 2015-2016 fiscal year. In August 2018, additional information was included in the Report and the Report was sent to the EITI International Secretariat.
- On 2 May, the EITI Board approved the 2018 EITI work plan.
- On 1 June 2018, the EITI Board approved the 2017 GOP.
- In August 2018, CSO members of the EITI Board prepared and published an assessment of corrective measures.

In addition to implementing corrective measures, the EITI Council has conducted a number of studies, including on quasi-fiscal expenditures, legal assessment, government commitments to transparency, and others.

On 8 September 2018, the second validation in Tajikistan commenced. The EITI International Secretariat assessed progress in implementing the above seventeen corrective actions that were identified by the EITI Board following the first validation of 2016 in Tajikistan.
The International Secretariat's preliminary assessment is that Tajikistan has complied with fifteen of the 17 corrective measures and has made "meaningful progress" towards meeting the relevant requirements.

2. CONTEXTUAL INFORMATION ON THE EXTRACTIVE SECTOR IN TAJIKISTAN

Tajikistan is a mountainous country located in Central Asia, with absolute altitudes ranging from 300 to 7495 metres. Up to 93 per cent of the country's territory is occupied by mountains, including those belonging to the highest mountain systems - Pamir and Tien Shan.

The Republic of Tajikistan possesses rich and diverse natural resources, large production and mineral and raw material potential, which creates favourable conditions for economic development. More than 600 deposits and 800 occurrences of minerals have been identified, explored and partially prepared for industrial development. Tajikistan possesses deposits of antimony, mercury, lead, zinc, silver and rock salt, which are considered to be among the largest in the CIS. Mining activities are carried out for more than 70 types of minerals, including gold, silver, tungsten, coal, lead, tin and other minerals. As can be seen, Tajikistan's mining sector has enormous potential.

Given the importance of industry in addressing socio-economic issues and job creation, Tajikistan has declared accelerated industrialisation as the fourth national development goal starting from 2019. The mining sector, which has huge potential, is fundamental to the realisation of this strategic goal.

To achieve this goal, the Government of Tajikistan has taken special control over the implementation of the adopted sectoral programmes and investment projects, including in the mining sector of the country, and ensuring their efficiency and quality.

2.1. GRANTING LICENCES (REQUIREMENT 2.2)

Licences for subsoil use are issued in accordance with the laws of the RT "On Subsoil" (Article 5), "On Licensing of Certain Types of Activities" (Article 18) and on the basis of the following laws
"Regulations on the Specifics of Licensing of Certain Types of Activities" (Chapter 59), approved by Resolution No. 172 of the PRT dated 03 April 2007.

According to the current legislation in Tajikistan, there are two systems of granting licences for subsoil use rights - on the basis of a tender and through direct negotiations. Thus, Article 14 of the "Regulation on Licensing of Certain Types of Activities" (hereinafter referred to as the Regulation) stipulates that "The granting of licences for the right to use subsoil is carried out through direct negotiations, as well as through a competition (tender) in the established order".

Article 15 of the same Regulation states that "the selection of a competitive (tender) method of granting a licence is carried out when there are several applicants for the same facility".

According to Article 18(3) of the Law of the RT "On Licensing of Certain Types of Activities"
licences may be issued on the basis of a Production Sharing Agreement. A licence to carry out activities arising from a Production Sharing Agreement between the state and the investor is issued after 30 days from the date of signing of the said agreement (as amended by Law No. 399 of 18.06.2008)

- without requesting additional documents or materials,

- without any additional approvals.

The licensing authority in the Republic of Tajikistan is the Government of the Republic of Tajikistan, and the licensing executive bodies:

- on search, evaluation and exploration of geological subsoil and collection of mineralogical, palaeontological and rocks - the Main Department of Geology under the Government of the Republic of Tajikistan;
- on oil and gas production - Ministry of Energy and Water Resources of the Republic of Tajikistan;
- on coal mining, use of other minerals of mining and non-mining nature, including the use of production wastes of mining industry and their processing - the Ministry of Industry and New Technologies of the Republic of Tajikistan (Resolution of the Government of the Republic of Tajikistan dated 31.12.2014, No. 830).

In accordance with Article 9 of the Law of the Republic of Tajikistan "On Licensing of Certain Types of Activity", in order to obtain a licence, both for participation in a tender and in case of direct negotiations, the following documents must be submitted by the applicant to the relevant executive body on licensing:

- an application for granting a licence specifying the type of activity to be licensed, which shall include:
    i. for a legal entity - name and legal form, legal address and location, number of settlement account and bank branch;
    ii. for an individual entrepreneur - surname, name, patronymic, place of residence, passport, number and date of its receipt (as amended by ZRT of 28.07.2006, No. 195);

as well as the licensable type of activity, which the individual entrepreneur and legal entity intend to carry out, and the period during which the said type of activity will be carried out (as amended by ZRT of 28.07.2006, No. 195);

- copy of the certificate of state registration of a citizen as an individual entrepreneur - for an individual entrepreneur;
- copy of the certificate of registration of the licence applicant with the tax authority;
- a document confirming the payment of the licence fee for the licensing authority's review of the application for a licence;
- information on the qualifications of the licence applicant's employees.

In addition to the documents specified in paragraph 1, the "Regulations on the peculiarities of licensing certain types of activities" provide for the submission of other documents confirming the compliance of a licence applicant with the established requirements and conditions.

It is not allowed to demand from the applicant of the licence to present documents not provided by the Law of RT "About licensing of separate kinds of activity" (article 9 p.3) and "Provision about peculiarities of licensing of separate kinds of activity" (in edition of the Law of RT from 28.07.2006, №195).

All documents (Art.9 p.4) submitted to the relevant licensing authority for granting a licence shall be accepted on an inventory, a copy of which shall be sent (delivered) to to the licence applicant with a note on the date of acceptance of documents by the specified body (in the wording of the Law of the RT from 28.07.2006ã. №195).

To obtain licences, including through direct negotiations, in accordance with Article 16 of Chapter 59 of the "Regulations on Licensing of Certain Types of Activities", after acceptance of the application, the subsoil user is provided with brief geological information on the subsoil area for the applicant company to prepare a business plan or technical and economic calculations of work.

On the basis of Article 17 of the Regulation "The executive body of licensing within one month shall notify the Committee on Environmental Protection under the Government of the Republic of Tajikistan, the Main Department for State Supervision of Safe Conduct of Works in Industry and Mining Supervision under the Government of the Republic of Tajikistan and the State Fund of Geological Information on Subsoil of the Republic of Tajikistan about the issued licence, and a copy of the complete set of documents shall be submitted to the State Fund of Geological Information on Subsoil of the Republic of Tajikistan.

Article 18 of the Regulations determines that "After granting a licence, its holder has the right to receive the necessary volume of geological information on the submitted subsoil area on a paid basis. In the absence of a free report, a copy of the materials (reports) reproduced at the expense of the licensee".

Licence for use of subsoil is issued by order of the Government of the Republic of Tajikistan on the proposal of the executive licensing body.

For commonly occurring minerals, the decision on granting a licence is made by the Ministry of Industry and New Technologies of the Republic of Tajikistan, and the licence is issued by this body.

Proposals for issuing a licence for the use of subsurface resources shall be coordinated with the following ministries and agencies:

- on prospecting, evaluation and exploration of geological subsoil and collection of mineralogical, paleontological and rocks with the Ministry of Economic development and trade of the Republic of Tajikistan, the Ministry of Justice of the Republic of Tajikistan, the Ministry of Finance of the Republic of Tajikistan, the Committee for Environmental Protection under the Government of the Republic of Tajikistan and the Main Department for State Supervision of Safe Conduct of Works and Mining Supervision under the Government of the Republic of Tajikistan (Regulations in edition of the Decree of the Government of the Republic of Tajikistan from 1.10.2009, № 566);
- on oil, gas and coal extraction, on the use of other mineral and non-mineral subsoil resources, including the use of waste products of mining minerals and their processing, with the Ministry of Economic development and Trade of the Republic of Tajikistan, the Ministry of Justice of the Republic of Tajikistan, the Ministry of Finance of the Republic of Tajikistan, the Committee on Environmental Protection under the Government of the Republic of Tajikistan, the Agency for Land Management, Geodesy and Cartography under the Government of the Republic of Tajikistan, the Main Department for State Supervision of Safe Work and Mining Supervision under the Government of the Republic of Tajikistan and the Main Geological Department under Government of the Republic of Tajikistan.

Republic of Tajikistan (Regulation in the wording of the Resolution of the Government of the Republic of Tajikistan dated 1.10.2009, № 566).

In accordance with the licence, subsoil is transferred for use in the form of sections representing geometrized blocks of subsoil fixed by a mining or geological allotment.

The amount of licence fees for issuing a licence for the types of activities envisaged by Article 18 of the Law is determined by the Government of the Republic of Tajikistan, for each type of activity in the "Regulations on the peculiarities of licensing certain types of activities" (as amended by the LRT of 28.07.2006, No. 195).

The Resolution of the Government of the RT "On Issues of the Procedure for Conducting Tenders for the Right to Use Subsoil" dated 2 March 2013 No. 89 defines the Procedure and conditions for conducting a tender to determine the winner of the tender that meets the conditions of the tender and possesses the necessary financial and technical means. The said Procedure contains a more specific wording, according to which, if only one application is submitted for the tender, the licence is issued to the applicant through direct negotiations.

A prerequisite for participation in the Tender and in the direct negotiations format is the legal, financial and technical soundness of the participant, which determines the legal eligibility as well as the financial, technical, managerial and organisational capacity of the participant in the Tender. The bid package of the participants shall consist of the following documents:

- the form of the financial proposal of the Tender participant reflecting the proposed size of the signature bonus and his/her obligations to spend the funds on the socio-economic development of the region, development of its infrastructure and training of national personnel;
- certified copy of the registration certificate and constituent documents of the participant certified by the authorised body;
- a certificate of absence of any arrears of tax liabilities issued by the authorised tax authority in whose jurisdiction the participant was registered;
- a list of each shareholder or participant holding more than 5% of the participant's shares or interests, certified by an authorised person of the Tenderer. Such list shall contain, for each Owner, the full name of such shareholder or participant and the number of shares or the size of the stake in percentage terms;
- copies of financial statements for the last 3 financial years, balance sheet, profit and loss statement (copies of financial statements should be: with a stamp of tax authorities - for legal entities of the Republic of Tajikistan, certified in the prescribed manner - for foreign legal entities);
- confirming document on financial solvency of the Tenderer issued by a servicing bank or other financial institution (the statement must be made within 6 months prior to submission of bids);
- information on experience managing or performing feasibility studies, engineering designs, construction, development, delivery of to the

operation and exploitation of field facilities for at least the last 5 (five) years;

- other information, documents and requirements, which are reflected in the tender documentation.

The documents are considered by a special Government Commission, the activities of which are regulated by the "Procedure for conducting tenders for the right to use subsurface resources", approved by the Resolution of the Government of the Republic of Tajikistan dated 2 March 2013, No. 89 (as amended by the Resolution of the Government of the Republic of Tajikistan dated 13.03.2014, No. 185, dated 23.08.2016, No. 355). Meetings of the Government Commission are closed. At the meeting of the Government Commission, the Secretary of the Government Commission shall hand over to the Chairman of the Government Commission the package of proposals of the participants in a sealed form. The Chairman of the Governmental Commission in the presence of members of the Commission shall open the packages of bids. After opening of the bids packages, the Government Commission shall make sure that the documents specified in paragraph 18 are available.
"Procedure for conducting tenders for the right to use subsurface resources" (as amended by Resolution No. 355 of the Government of the Republic of Tajikistan dated 23.08.2016).

In case one bid was submitted, the Government Commission has the right to re-announce the Tender or make a decision on granting the right to use subsurface resources through negotiations with the participant of the Tender. Negotiations with the participant of the Tender shall be conducted by the Government Commission.

The decision of the Government Commission is the basis for the executive body on licensing when submitting to the Government of the Republic of Tajikistan the draft order of the Government of the Republic of Tajikistan on granting a licence for the right to use subsoil to the winner of the Competition and has a recommendatory character when the Government of the Republic of Tajikistan makes a decision on granting or refusal to grant a licence for the right to use subsoil to the winner of the Competition.

In order to ensure transparency in the sphere of subsoil use and to improve access to information related to subsoil use and licence conditions, a norm "Transparency in Subsoil Use" was introduced into the Draft Law "On Subsoil and Subsoil Use". According to this addition to the Draft Law "all interested parties have the right to familiarise themselves with the authorised state body:

- with the terms and conditions of the tender for subsoil use rights and the content of the decision on its results;
- with the fulfilment of the tender conditions for the concluded contracts".

Licences issued in 2017 - 2018

In 2017 and 2018, subsoil licences were mostly issued through direct negotiations. This is due to the fact that the Government of the country plans to improve the subsoil legislation of the Republic to exclude the possibility of fraudulent schemes in the future, and sets a number of conditions for applicant companies, including foreign ones, to obtain licences for the development of deposits.

The Government of Tajikistan is preparing a list of conditions and requirements that must be met by companies obtaining licences for the exploration and development of a particular mineral deposit or occurrence. These conditions, in particular, provide for receipt of a bonus (premium) on receipt of a licence, timelines providing a feasibility study of the project and field development and other.

The Government of the Republic of Tajikistan issued licences for the right to carry out geological exploration works through direct negotiations:

A) In 2017, to the following three companies:

i. LLC "Faridun-2016" for the right to conduct geological exploration of Barfi corundum deposit in Murgab district of Gorno-Badakhshan Autonomous Region, licence validity period from 28.04.2017 till 28.04.2022.

ii. CJSC "Faroz" for the right to carry out geological exploration works of Ukobkhona gold ore field of Ayni district of Sughd region, licence validity period from 29.12.2017 till 29.12.2022.

iii. CJSC "Faroz" for geological study of antimony manifestation Pahndara of Ayni district of Sughd region, licence validity period from 29.12.2017 till 29.12.2022.

B) In 2018 to the following two companies:

i. Kulla LLC for the right to conduct geological exploration at Tabospin gold deposit in Mastchin district of Sughd region, licence validity period from 29.12.2018 to 29.12.2028.

ii. Avesto Odina LLC for geological exploration works at Dashtako gold occurrence in Khovaling district of Khatlon region, licence validity period from 28.04.2018 till 28.04.2023.

<u>The register of licences for the right to conduct geological exploration works issued in 2017-2018 is attached (Annex No. 1)</u>

The Government of the Republic of Tajikistan, through the authorised body of the Ministry of Industry and New Technologies has issued licences for the right to conduct mining of mineral resources to the following companies:

A) in 2017:

i. CJSC Talco Gold for the group of deposits Konchoch and Skalnoye (Chulboi), licence validity period from 01.04.17 till 28.11.40.

ii. LLC "Kudrat 2010" for Guzn deposit of Matchinsky district, coal mining; licence validity period from 27.05.17 till 27.05.27.

iii. Talco Fluorite LLC Kuli Kalon deposit i n Penjikent for fluorite mining, licence validity period from 27.05.17 till 27.05.42.

iv. Talco Fluorite LLC Kaznok deposit of Ayni district for fluorite mining, licence validity period from 27.05.17 till 27.05.42.

v. Talco Fluorite" LLC Makhdat deposit Vahdat mining of fluorite, licence validity period from 27.05.17 till 27.05.42.

vi. Talco Fluorite LLC Maykhura deposit, Varzob district, tungsten mining, licence validity period from 27.05.17 till 27.05.42.

vii. Nakhsh LLC Yokhsu deposit of Khovaling district for alluvial gold mining, licence validity period from 29.08.17 till 29.08.22.

viii. LLC Almos 17" Turon deposit of Matchinsky district for iron mining, licence validity period from 29.08.17 till 29.08.27.

ix. FT LLC "S.A.Minerals" Yakjilva deposit of Murghab district for silver mining, licence validity period from 29.09.17 till 29.09.37.

x. LLC "TVEA Dushanbe Mining Industry" Kumarg deposit of Ayni district for gold mining, licence validity period from 29.08.17 till 29.08.32.

xi. LLC "Shimsho" deposits Kofirbacha and Obiravnov of Darvaz district for alluvial gold mining, licence validity period from 29.08.17 till 29.08.22.

xii. LLC "Vokhidien" of Kharangon deposit of Varzob district for magnetite mining, licence validity period from 26.10.17 till 26.10.22.

xiii. LLC "Aprelevka" deposit Ikkijelon of Matchinsky district for gold and silver mining, licence validity period from 25.02.17 till 25.02.22.

B) in 2018:

i. JV LLC "Zarafshon" Taror deposit i n Penjikent for extraction of gold and associated elements, licence validity period from 05.02.18 till 05.02.23.

ii. JV LLC "Zarafshon" Jilav deposit i n Penjikent for gold and silver mining, licence validity period from 05.02.18 till 05.02.23.

iii. LLC Kulla field Tabospin gold mining in Mastchino district, licence validity period from 01.03.18 till 01.03.28.

iv. Namakdon" Ltd. of spring No.14 of Khojamumin deposit of Hamadoni district salt extraction, licence validity period from 01.03.18 till 01.03.28.

v. ZOIR A LLC of Emomta'rif spring in Voseisky district salt extraction, licence validity period from 01.03.18 till 01.03.28.

vi. JSC "Chamast" Patru deposit of Shahrinav district marble mining, licence validity period from 01.03.18 till 01.03.28.

vii. Ittifokchien" Ltd. Khojamumin deposit of Hamadoni district salt mining Licence validity period from 21.06.18 till 12.06.28.

The register of mining licences issued in 2017-2018 is attached (Annex No. 2)

The Government of the Republic of Tajikistan through direct negotiations, through the authorised body of the Ministry of Energy and Water Resources for the right to extract oil and gas in 2017 no licences were issued, and in 2018 licences were issued to the following companies:

i. JSC Sugdnaftugaz wells #2 of South Patar field,№№ 2, 3 "Rawat-North Patar," #10, 16, 18 "Mahram," #9 "Madaniyat," #53 "Obi Shifo,"№ 184 "Sel-Roњo,"№ 18, 29 "Niyozbek," #5 "North Kanibadam,"№ 21,

№ 37 "Kanibadam", No. 1 "Khoja Bakirgan" square Isfara and Kanibadam city; licence validity period from 01.03.2018 till 01.03.2023.

ii. Naftu Gas OJSC wells Nos. 17,19,21,23,593 and 540 of "Pushioni Shimoli" fields in Vose district. Licence validity period from 30.04.2018 to 30.04.2023.

The register of oil and gas production licences issued in 2018 is attached (Appendix No. 3).

In accordance with Chapter 12 p.1 of the "Regulations on Licensing of Certain Types of Activities", the transfer of a licence to another individual or legal entity is prohibited.

No non-trivial deviations from the statutory procedures for awarding licences were noted during the reporting period.

For more complete information as required by the Standard on the above licences issued in 2017-2018, please refer to the respective Licence Registers (Appendices No. 1, No. 2, No. 3).

In order to strengthen the implementation process, taking into account the recommendation of the EITI International Secretariat, this EITI Report provides below a set of comments on the effectiveness of the current licensing system.

During the survey of companies conducted by NGOs to prepare information on the practice of obtaining licences by companies in the extractive industry of the Republic of Tajikistan, they noted that the licensing process needs to be improved in the context of simplifying the process of applying for and obtaining a licence. As noted, the main difficulties in obtaining licences are (a) bureaucracy of the process, (b) prolongation of the document review process, (c) closed and non-transparent process, and (d) high licence fees.

On the part of the interviewed state structures it was noted that some companies do not fulfil their obligations within the framework of the obtained licences. Accordingly, those companies that do not fulfil their obligations under the statute should be deprived of their licence. Representatives of state structures also recommend that companies should be trained to complete and submit the necessary documents to obtain a licence, or hire qualified specialists or specialised legal organisations to prepare the documents, as not all companies can cope with this task on their own.

In order to ensure transparency in the sphere of subsoil use, the Draft Law "On Subsoil and Subsoil Use" introduced the norm "Transparency in Subsoil Use", which is aimed at improving access to information related to subsoil use and licence conditions. According to this addition to the Draft Law, "all interested parties have the right to get acquainted in the authorised state body: - with the terms and conditions of the tender for the granting of subsoil use rights and the content of the decision on its results; - with the fulfilment of the tender conditions under the concluded contracts".

It should be noted that in the normative legal acts in the sphere of licensing of certain types of activities 73 names of activities for the implementation of which a licence is provided. At the same time, these licences are issued by 24 authorised state bodies.

Analysis of the implementation of the legislation of the Republic of Tajikistan in the field of licensing of certain types of activities and, in this regard, assessment of the state of licensing of certain types of activities has shown that the legislation does not define the authorised state body in the field of licensing.

In order to facilitate the administration and regulation of the licensing system of the country, to determine the authorised state body in the field of regulation of the licensing system, to create and maintain a single state electronic register of licences, the Law of the Republic of Tajikistan dated 20 June 2019, No. 1625 "On Amendments and Additions to the Law of the Republic of Tajikistan "On Licensing of Certain Types of Activities" was adopted.

The said amendments are aimed at regulating the licensing system and simplifying licensing procedures, informing legal entities and individual entrepreneurs about the licensed activities, the purpose of licensing activities and its legal basis, licensing bodies, department, office, division, sector or structures responsible for issuing licences, addresses, telephone numbers and other information necessary to simplify licensing procedures.

Also within the framework of the Law the authorised body in the field of licensing will submit annual reports to the Government of the Republic of Tajikistan on monitoring the implementation of normative-legal acts of the Republic of Tajikistan in the field of licensing of certain types of activities, check the activities of licensing bodies regarding the implementation of the requirements of the legislation in the field of licensing system, summarise the experience of regulating business by issuing licenses, develop proposals to improve the legislation in the field of licensing and licensing of certain types of activities.

In order to provide state support for the activities of business entities in the spheres of production, create jobs, strengthen the industrial and export potential of the Republic, reduce inspections and create favourable conditions for entrepreneurship and investment, the Decree of the President of the Republic of Tajikistan dated 16.01.2018 № 990 declared a moratorium on all types of inspections of the activities of business entities in the spheres of production of the Republic of Tajikistan until January 1, 2021 (in the wording of the Decree of the President of the Republic of Tajikistan dated 15.01.2019 № 1181).

In addition, the draft Law of the Republic of Tajikistan "On Amendments and Additions to the Tax Code of the Republic of Tajikistan" was approved by the Resolution of the Government of the Republic of Tajikistan No. 427 dated 30 August 2019 and submitted to the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan for consideration.

In accordance with these amendments, a subsoil user who has obtained a licence to conduct geological exploration works is exempt from paying the subscription bonus.

Subscription bonus is paid by the person who became the winner of the tender for the right of subsoil use or received the right of subsoil use on the basis of direct negotiations and (or) received a licence (permit) for the extraction of mineral resources in accordance with the legislation of the Republic of Tajikistan.

The approved amount of the subscription bonus is paid by subsoil users after obtaining a licence for the right to extract mineral resources within the following timeframes:

(a) For commonly occurring minerals and mineral resources (except for entities operating in the field of coal mining):

- thirty per cent of the approved amount of the subscription bonus within 30 calendar days from the date of receipt of the licence (permit) for the right to mine minerals;
- Seventy per cent of the remaining approved signing bonus amount from the date of commencement of mining operations for a period of one (1) year in equal instalments for each month of the reporting period;

b) for coal mining depending on the amount of accrued subscription bonus:

- if the amount of the subscription bonus is up to 200,000 calculation indicators, over two (2) years in instalments for each reporting month;
- if the amount of the signing bonus is between 200,000 and 500,000 calculation figures, over four (4) years in equal instalments for each reporting year of the month;
- if the amount of the signing bonus is between 500,000 and one million calculation figures, over a period of six (6) years in equal instalments for each reporting year of the month;
- if the amount of the signing bonus is more than one million calculation figures, during the first ten (10) years of activity, in equal instalments for of each reporting month.

A subsurface user can pay the full amount of the calculated subscription bonus in one lump sum.

2.2. LICENCE REGISTER (REQUIREMENT 2.3)

According to Article 15 of the LRT "On Licensing of Certain Types of Activities" (as amended by the LRT No. 195 of 28.07.2006), the licensing authority maintains the Register of Licences. In accordance with Requirement 2.3.b Tajikistan has been maintaining publicly available registers with information on all active mining and exploration licences since 2015.

The register of licences shall be compiled in chronological order according to the date of registration of the licence and assignment of its registration number.

The head of the licensing authority shall be responsible:

- for timely and correct maintenance of the licence register;
- for the timely transfer of data from this register to interested parties upon their request.

As part of the second EITI National Report for 2015-2016, Registers of licences for the right to conduct geological exploration, for the right to conduct mineral extraction and for oil and gas production issued during 2015– 2016 were prepared, including:

- Unified register of licences issued by the Government of Tajikistan for the right to carry out geological exploration works in the Republic of Tajikistan.
- Unified register of licences issued by the Government of Tajikistan for the extraction of mineral resources.

- Unified register licences for rights mining minerals minerals, including commonly occurring minerals.
- Unified register of licences issued by the Government of Tajikistan for oil and gas production.
- Summary register of licences issued up to 2016.

These registers are posted and available on the websites of the relevant ministries and agencies of the country, among others:

- http://www.ijozat.tj/images/spisok.pdf
- http://gst.tj/images/docs/Ruykhati-omuzishi-geologi.pdf
- http://eiti.tj/ru/dokumenty
- http://minfin.tj/index.php?do=static&page=IPDO

This Report presents the Summary Register of licences issued in 2017-2018 with all parameters in accordance with the requirement 2.3 of the EITI Standard (Annex №4)

However, the requirement to disclose information on the coordinates of the land plot on which the licence activity is allowed cannot be implemented. In accordance with paragraph 15 of Article 16 of the Law of the Republic of Tajikistan "On State Secrets" (dated 26 July 2014, No. 1095) "information in the field of industry, disclosing the results of topographic, geodesic or cartographic activities of important defence or economic importance, are classified as state secrets".

In this regard, at the meeting of the EITI Council (Minutes of October 07, 2019, No. 2-2019) it was decided to prepare an appropriate proposal to the Government of RT on possible declassification of data on coordinates of land plots of licences issued in 2017-2018.

Therefore, in order to fully describe the requirements of the EITI Standard in this EITI National Report, the Ministry of Finance of Tajikistan has sent a proposal to the Government of Tajikistan to declassify information related to production, export and import of precious metals and stones, as well as coordinates of land plots for 2017-2018.

Within the framework of the private sector competitiveness project and with the assistance of GAFAG, the implementation of the licence registry in the licensing authorities, as well as the introduction of a unified state electronic licence registry, applications for various types of licences will be accepted electronically, including for minerals (i.e. prospecting and evaluation, geological exploration, field development), registration and updating of mineral rights each time the rights are awarded or the holder of the rights changes (i.e. the granting of licences).

The above system is responsible for managing mining property, incentives for exploration and exploitation. It also ensures transparency, publicity, general applicability and non-discrimination. Furthermore, the system should contain all information relevant to existing mining rights, pending applications and granted rights, as well as all historical information. Regarding cancelled licences or licences returned by holders to the State.

At the same time, work is under way to create an electronic portal for permits, licences and inspections of business entities, which will host a unified State electronic register of licences.

Also, this portal is aimed at informing business entities and investors about the order and procedures of issuance, names of permits and licence types of activities, state payments and fees, normative legal acts in the field of permitting and licensing system, inspection of the activities of business entities, changes and amendments in the legislation regulating the specified area.

Within the framework of the private sector competitiveness enhancement project through GAFAG, the Mining Cadastre is technically fully equipped and specialists of the Main Department of Geology under the Government of the Republic of Tajikistan are trained.

According to this EITI Board-approved form for completing the Licence Register, the authorised ministries and agencies have submitted the relevant Licence Registers, which have been included in this report.

2.3. CONTRACTS (REQUIREMENT 2.4)

In accordance with Requirement 2.4.b, Tajikistan maintains a public record of the government's policy on disclosure of licences and contracts governing oil, gas and mineral exploration and production activities.

Under Tajik law, a subsoil user that has obtained a subsoil use licence is obliged to conclude a subsoil use contract in accordance with the "Rules for Determining the Amount of Subscription Bonus, Amount of Commercial Discovery Bonus and Conclusion of Subsoil Use Contracts" approved by the Resolution of the PRT dated 30 August 2011 No. 426. This contract is concluded between the Authorised Body for Contract Conclusion and the subsoil user. The authorised body for contract conclusion is the Main Department of Geology under the Government of the Republic of Tajikistan.

In 2017-2018, draft contracts were submitted to the Commission on Mandatory Tax Expertise under the Ministry of Finance of the Republic of Tajikistan to establish the signature bonus, commercial discovery bonus and royalties.

In 2017, the Main Department of Geology signed contracts for the establishment of subscription bonus, commercial discovery bonus and royalties in the amount of TJS 5,700,500.9. These subscription bonuses and commercial discovery bonuses were signed with 62 companies.

In 2018, the Main Department of Geology signed contracts for the establishment of subscription bonus, commercial discovery bonus and royalties in the amount of TJS 369,066,084.66. The contracts were signed with 56 companies.

The Main Department of Geology maintains a register of concluded contracts, but it is not publicly available. These contracts are an addendum to the licence and they determine only the tax regime for the subsoil user, so apparently there is no need to place the register of contracts in the public domain, as well as in the existing

The legislation nowhere specifies that these contract registers must be made publicly available.

Tajikistan has the following legislative acts regulating activities in the field of exploration and production of oil, gas and minerals.

- Law of the RT "On Production Sharing Agreements"
- Law of the RT "On Investment Agreements"
- Law of the RT "On Concessions"

Concession agreements

According to the LRT "On Concessions" dated 28 December 2011, local and foreign individuals and legal entities, except for state organisations and institutions, may act as a concessionaire. The granting of objects in concession is carried out on the basis of a tender or on the basis of direct negotiations between the Government of the Republic of Tajikistan and the potential investor. Unlike the mechanisms of investment agreements and PSAs, the concession agreement does not establish special incentives, such as tax or customs privileges. Meanwhile, in accordance with Article 11 of the Law of the RT "On Concessions" and Article 2 of the Tax Code of the RT, the concession agreement contains requirements for payment of established tax and other payments in accordance with the legislation of the Republic of Tajikistan. In this case, the concession agreement is approved by the Parliament of the Republic of Tajikistan - Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan.

In 2017-2018. No subsoil use concession agreements were concluded.

Production sharing agreements

In accordance with Chapter 48 of the Tax Code of the Republic of Tajikistan, an investor who has concluded a production sharing agreement (PSA) with the Government of the Republic of Tajikistan is entitled to a favourable tax regime. Such a regime is beneficial to both the investor and the state: the former has favourable conditions for investing funds in prospecting, exploration and extraction of mineral resources; the state, in turn, acquires guarantees of receiving part of the profits from this activity. The favourable treatment is applied during the entire term of the PSA. The following tax incentives are provided under PSAs:

- exemption from value added tax and excise duty on the supply of manufactured products;
- exemption from income tax;
- exemption from value added tax when importing goods to perform work under the PSA. Other taxes and obligatory payments under PSAs
  paid by the investor.

Investment agreements

The State Committee on Investments and State Property of the Republic of Tajikistan maintains register of all signed investment agreements between

Government of the Republic of Tajikistan and companies. Information on the register of all signed investment agreements is available at https://investcom.tj/tj/sarmoya/faolijati-sarmojaguzor/89-rjhati-sozishnomaoi- sarmojaguzor.html.

Information on investments posted at sarmojaguzor/27-omori-sarmojaguzorii-horihttps://investcom.tj/tj/sarmoya/faolijati-.html.

In the mining sector, two Investment Agreements were signed during the reporting period:

1) Investment agreement for the construction of a plant for the production of industrial emulsion explosives on the territory of Danghara district of Khatlon region between the Government of the Republic of Tajikistan and KM Muosir Limited Liability Company was signed on 19 July 2017 for a period of 5 years. This Agreement was ratified by the Parliament of the country and entered into force on 29.11.17, #940.

2) The Investment Agreement for the development of the Pokrud deposit between the Government of the Republic of Tajikistan and Criso Resources Limited and Pakrut LLC was signed on 10 April 2017. The term of the Agreement is 10 years. On behalf of the Government of the RT, the Agreement was signed by the Chairman of the State Committee on Investments and State Property of the RT, which was ratified by the Parliament of the country and entered into force on 31.01.2018, #982.

According to this Investment Agreement, the following works are envisaged for the development of the Pokrud field:

- construction and exploitation of the ore deposit,
- efficient operation of the concentrator (first stage - processing of 660 thousand tonnes of ore per year, and the second stage - another 660 thousand tonnes per year),
- improvement of road infrastructure, engineering and other facilities related to the investment project

It should be noted that the work on the industrial development of the Pokrud deposit began in 2012, and during this period 53 km of roads, 73 km of high-voltage power lines - 110 kW, 5 old bridges were repaired and 2 new bridges were built in the city. The non-ferrous metal production enterprise and the enrichment plant of Pakrut LLC were commissioned in 2016 with the participation of the President of the country Emomali Rakhmon. The total number of newly created jobs as of 31 December 2018 is 761, of which 541 Tajik citizens (71.1%) and 220 citizens of the People's Republic of China are employed. (28,9%). It should be noted that with the full launch of these enterprises it is possible to provide permanent jobs and good wages for about 2 thousand people. The average salary at the enterprise as of 31.12.2018 is 3593 somoni.

According to the plan, the attraction of foreign direct investment in the company will totalled $256 million. It should be noted that "Pakrut" LLC has been granted more than $192.4 million of foreign direct investment to promote its investment activities in the Republic of Tajikistan. In particular, the volume of investment in 2014 amounted to 112.9 million dollars

US$ 54.3 million, 2015 US$ 54.3 million, 2016 US$ 54.3 million. - USD 54.3 million, 2016 - USD 54.3 million, 2016 - USD 17.1 million, 2017 - USD 5.8 million, 2018 - USD 2.1 million. - USD 17.1 million, 2017 - USD 5.8 million, 2018 - USD 2.1 million.

For the period 2013-2018, the Company has paid more than 150 million somoni in taxes, various payments and fees to the budget of the Republic. The Company paid more than 150 million somoni in the form of taxes, various payments and fees to the budget of the Republic. In particular, the amount of taxes paid in 2013 totalled TJS 8.6 million, 2014. - 53.8 million TJS, 2015. - 21.5 million TJS, 2016. - 23.9 million TJS, 2017. - 17.0 million TJS, for the period 2018-25.5 million TJS.

As a result of natural disasters, heavy rains and avalanches in 2016, the Company suffered material damage of more than 80 million somoni. Some facilities at the plant, mines, power lines, roads were damaged, which led to delays in production. Currently, the damage caused by natural disasters has been eliminated and the Company has started production.

Government Republic of Tajikistan constantly pays attention policy on disclosure of Agreements and contracts signed between the Government of the country and companies, в including. governing geological exploration exploration works и extraction mineral resources. Thus, on the website of the State Committee on Investment and State Property there is Summary on projects c with a view to attract investment (https://investcom.tj/tj/sarmoya/faolijati-sarmojaguzor/89-rjhati-sozishnomaoi- sarmojaguzor.html).

For example, a mining CV for the Shokhkadambulak field contains the following information:

Project initiator	
Full title	JSC Faroz
Contact details	State Committee on Investments and State Property Management of the Republic of Tajikistan 734000 Tajikistan Dushanbe, 27 Shotemur St., Tel: (+992) 37 221-48-60, 221-73-37,
Form of ownership	Private enterprise
sector	Industry
Project Objective	Developing the mining industry, increasing the country's export potential, producing competitive products and creating jobs
End result of the project implementation	To meet the needs of local industrialists and increase the country's export potential

Planned production capacity	Total ore reserves: over 153 million tonnes, average Fe content up to 42%. Ore production at this deposit is carried out by open-pit mining. In the first year, the objective will be to mining 3 million tonnes of ore, followed by 5 million tonnes per year for five years, then up to 10 million tonnes per year for the next 10 years.
Planned export volumes of products to the countries of the region	Iron ore is the main commodity used in the steel industry and its value is highly dependent on the cost of transport. Exports of iron concentrate will mainly be made by to steel mills in Kazakhstan, Russia, Uzbekistan and China.
Project implementation period	3 years

Project documentation	There is documentation on the ongoing geological exploration of the iron-bismuth deposit
Cost of the project	***222.0*** **million USD. US$ 222.0 MILLION**
These include:	*Equity:* USD *20.0* million. US DOLLARS
	Investment amount: USD *202.0* million. US DOLLARS
Profitability	22%
Payback period	18 years old
Form of investment	Direct investments
Possible implementation mechanisms	Establishment of a joint venture, implementation of the project on the basis of an investment agreement,
Benefits and preferences	- Moratorium on inspections of the activities of entities Entrepreneurship in manufacturing over two years (2018-2020*)* - Special licensing regime under an investment agreement (including a simplified regime for issuance, reissuance, extension of licences provided for in the investment agreement, issuance of licences for a period of time, exceeding the maximum licence validity period, full or partial exemption from payment of licence fees and duties) - Special tax treatment may be granted in accordance with an investment agreement (including exemption from all taxes, other tax benefits not provided for by law) - Issuance of a licence under a production sharing agreement, within 30 days of its signing, without submitting additional documents or obtaining additional harmonisations - Supply of manufactured products by the investor at fulfilment of the production sharing agreement is exempt from VAT and excise duties - An investor is exempt from profit tax when fulfilling a production sharing agreement - Import of production and technological equipment and its component parts forming a unified the technological set is exempt from customs duties - Possibility of attracting foreign workers under the investment agreement in excess of the established quota - Other preferences may be stipulated

Technical data sheet of the plant	
Actual address of the facility	Shokadambulak iron-bismuth deposit, is located in the northern part of Tajikistan, on the southern slopes of the Kuramin Range in the Bobojon Gafurov area, near the economic and industrial city of Khujand.
Total Area of the site plant	More than 80 hectares
Area of production halls	Planned for 25 ha
Planned number of jobs	More than 800 jobs
Infrastructure	
Electricity supply	Not available, it is planned to build a power line and install its own transformer
Water	Not available, a water line is planned
Gas supply	Not available
Other	Availability of own experimental sites
Transport links	
Motorway	It is planned to construct an 8 km road from the field to the main motor road
Airport	14 km from Buston International Airport (Chkalovsk)
The railway	18 km from the railway station B. Gafurova
Other	To Khujand city 16 km

Information on the project of integrated development of the North Zarnisor field LLC "Tajik-Chinese Mining Company".

The Investment Agreement between the Government of the Republic of Tajikistan and China-Tajik Mining Company was signed on 24 July 2014 and approved by the Decree of the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan dated 25 February 2015.

According to this document, the Mining and Industrial Company of Tajikistan and China will develop the reserves of the North Zarnisor deposit and expand the enrichment plant with a capacity of 1 million tonnes of ore per year (the capacity of the existing plant was increased to 2 million tonnes) and the construction of metallurgical plants for processing lead and zinc with a production capacity of 50,000 tonnes of ore per year. The total direct investment for full realisation of the projects amounts to USD 200 million. The total direct investment for full realisation of the projects amounts to USD 200 million, which will create about 2,000 permanent jobs.

The construction of an enrichment plant with an annual capacity of 1 million tonnes of ore was implemented in Matcha district in the first half of 2016, and a new metallurgical plant with an annual capacity of 50 thousand tonnes of lead was put into operation on 16 November 2017, on the occasion of the 25th anniversary of the 16th session of the Supreme Council of Tajikistan.

Since its operation, Tajik-Chinese Mining and Industrial Company LLC has invested more than USD 510 million in the project. Including 50.6 million in 2014.

USD $64 million, 2015 USD $64 million, 2016 USD $113.96 million, 2017 USD $75.4 million and 2018-111.8 million.

As of 31 December 2018, the project has created 4,225 jobs, employing 2,948 local workers and 1,277 foreign workers, with an average salary of TJS 3,404.14.

For 2014-2018, the company paid 2.3 billion TJS to the budget in the form of taxes and various payments, including 131.1 million TJS in 2014, 2015. - TJS 220.9 million, 2016. - 397.4 million TJS, 2017. - 764.8 million T J S , 2018 - 744.7 million TJS. Every year, the Company allocates the necessary financial resources to improve the social sphere of Gulistan and Istiklol cities of Sughd region.

2.4. STATE PARTICIPATION (REQUIREMENT 2.6)

The rules applicable to financial relations between the government and state-owned enterprises (hereinafter referred to as SOEs), including any subsidiary SOEs of the extractive industry, are regulated by the Law of the RT "On State Enterprise", the Law of the RT "On Joint Stock Company", the Tax Code and the Civil Code of the country. No specifics in financial relations for mining enterprises are provided for in the regulatory and legal documents.

The founder of a SE may be a state body that took the decision to establish the enterprise or a state management body authorised by the Government of the Republic of Tajikistan.

The founder, who made a decision on the establishment of a state enterprise, has the right to authorise the relevant state bodies to exercise part of the founding rights in relation to state enterprises. The rights and obligations of the authorised body in relation to the state enterprise are determined by the relevant decisions of the Government of the Republic of Tajikistan or local authorities. The list of state enterprises is approved by the Government of the Republic of Tajikistan.

The subject matter and types of activities of a state enterprise are determined by its founder and reflected in the charter of the enterprise. It is not allowed to transfer state control or licensing functions by the founder or authorised body of the SOE. Carrying out by the enterprise of activities, as well as making transactions that do not correspond to the subject and types of its activities, reflected in the charter of the enterprise, is allowed only from the moment of introduction of relevant amendments and additions to the charter of the SE in accordance with the procedure established by the legislation. The conclusion by a SE of a transaction that contradicts the objectives of its activities defined by its charter may be recognised by the court as invalid in accordance with the procedure established by the legislation in force.

In accordance with the Law of the RT "On State Enterprises" (as amended by Law No. 426 of 6.10.2008 and No. 659 of 29.12.2010), state enterprises include:

I. state unitary enterprises possessing state property under the right of economic management;

[1]Law on State-Owned Enterprises//http://mmk.tj/ru/legislation/legislation-base/

II. treasury enterprises with the right of operational management.

A state unitary enterprise (hereinafter - SUE) is a commercial organisation that is not vested with the right of ownership of the property assigned to it by the owner.

The activities of a SUE are financed from its own income according to a financial plan approved by the owner. A state unitary enterprise is maintained at the expense of its own income from its own activities. The profit remaining after taxes received by the unitary enterprise is distributed by it independently in the order stipulated by the charter of the state unitary enterprise.

Only state unitary enterprises have the right to establish subsidiary state enterprises. A subsidiary state enterprise belonging to the republican property is established with the consent of the owner of the parent enterprise. A subsidiary state enterprise belonging to communal property shall be established with the consent of the owner of the parent enterprise.

Subsidiary state enterprise is created in the form of state unitary enterprise and enjoys the rights established by the Law of the RT "On state enterprises", signed by the President of the RT, 28.02.2004, № 10, for this type of state enterprises. Responsibility of the subsidiary state enterprise on its obligations, as well as the responsibility of the parent enterprise that founded it on the obligations of the subsidiary enterprise comes in accordance with the requirements of the Civil Code of the Republic of Tajikistan.

During the 2017-2018 reporting period, state-owned enterprises did not receive third-party financing and no reinvestment practices were observed.

In 2017, 99.7 million somoni was allocated from the national budget for the development of the extractive sector. - 99.7 million somoni, and in 2018. - 102 million somoni, including:

- Main Department of Geology under the Government of the Republic of Tajikistan for exploration and geological works in 2017 - 12.9 somoni and in 2018
  - 10.4 million somoni;
- for ore mining to the Specialised State Enterprise "Tilloi Tojik" in 2017 - 82.4 million TJS and in 2018 - 88 million TJS. - 88 million TJS;
- for Naftu Gas OJSC in 2017. - 4.4 million TJS and in 2018. - 3.6 million TJS.

Subsidies for maintenance of expeditions of the Main Department of Geology for 2017-2018, thousand KGS.

№	**Name of the company**	**Actual funding for implementation of works in 2017.**	**Actual funding for implementation of works in 2018.**
1.	Unitary Enterprise (UE) "*Geological prospecting and surveying expedition"*	2,400.00	1,418.00
2.	UE "*Southern Geophysical Expedition*"	1,324.99	1,029.84
3.	UE "*Kayrakkum Complex Geological Expedition"*	925.00	1,109.91
4.	*UE "Magianskaya geological and exploration expedition"*	1,460.00	1,136.00
5.	*UE Pamir Geological Exploration Enterprise expedition*	2,049.99	1,584.69

6.	Geological Exploration Expedition radioactive material	2,100.00	1,991.54
7.	State Unitary Enterprise "Geological Exploration Expedition on precious and ornamental stones."	1,200.00	900.00
8.	Southern geological exploration expedition	1,159.99	904.99
9.	*State Commission on Mineral Reserves of the Main Commission for Mineral Reserves of the Department of Geology at Government of the Republic of Tajikistan*	200.00	230.00
10.	JSC Geophysical Expedition	150.00	150.00
11.	Tashkhisgokhi Geologi OJSC (TG)	30.00	-
	Total:	**12,999.99**	**10,454.97**

The terms and conditions of ownership of the state interest are reflected in company charters, investment agreements, concession agreements and production sharing agreements. Profits are distributed in accordance with the ownership interest.

During the reporting period 2017-2018, changes in ownership occurred at the following enterprises:

- JV Zaravshon LLC, in 2018, instead of 75 per cent of shares, the Chinese side began to own 70 per cent, and Tajikistan's state ownership increased from 25 to 30 per cent.
- CJSC "Talco Gold", of the 100% stake owned by the Aluminium Company in 2017, in 2018. 50% was sold to the Chinese company Kuhui Huayu.

Table No. 3

List of enterprises with state ownership share

Name of enterprises		**Share of the state properties**			
		2015	**2016**	**2017**	**2018**
1	Sementi Tojik OJSC	100	100	100	100
2	JV "Aprelevka"	51	51	51	51
3	JV Zarafshon LLC	25	25	25	30
4	JSC Mining and Processing Division Tacob	100	100	100	100
5	JSC Chamast	100	100	100	100
6	SCP Tilloi Tojik	100	100	100	100
7	Subsidiary Fon-Yagnob Mine SUE "Anguishti Tojik"	100	100	100	100
8	Subsidiary Angishti Coal Mine Coal mine Ziddi" of Angishti Tojik State Unitary Enterprise	100	100	100	100
9	Subsidiary Angishti Coal Mine Coal mine Shuroobodd" of Angishti Tojik State Unitary Enterprise	100	100	100	100
10	Subsidiary Angishti Coal Mine Coal mine Istiḱolol" of Angishti Tojik State Unitary Enterprise	100	100	100	100
11	OJSC Angisht	100	100	100	100
12	Vostokredmet State Unitary Enterprise	100	100	100	100
13	Subsidiary Nazar Aylok Coal Mine of Angishti Tojik State Unitary Enterprise	100	100	100	100
14	OAO Naftu Gas	100	100	100	100

15	State Commission on Mineral Reserves of the Main Department of Geology under the Government of Tajikistan	100	100	100	100
16	Unitary Enterprise "Magianskaya Geological and Exploration Expedition" Main Department Geology under the Government of the Republic of Tatarstan	100	100	100	100
17	Unitary Enterprise "Pamir Geological and Exploration Expedition" Main Department Geology under the Government of the Republic of Tatarstan	100	100	100	100
18	OJSC Southern Geological Exploration Expedition Main Department of Geology under the Government of the Republic of Tatarstan	100	100	100	100
19	Geophysical Expedition OJSC Main Department of Geology under the Government of the RT	100	100	100	100
20	Unitary enterprise "South Hydrogeological Expedition" Main Department of Geology under the Government of the Republic of Tatarstan	100	100	100	100
21	Unitary enterprise "Kayrakkumskaya Complex Geological Expedition" Main Department of Geology under the Government of the Republic of Tatarstan	100	100	100	100
22	Unitary Enterprise "Geological prospecting and surveying expedition" Main Department Geology under the Government of the Republic of Tatarstan	100	100	100	100
23	State Unitary Enterprise "Geological Exploration Expedition on of precious and ornamental stones."			100	100
24	State Unitary Enterprise "Geological Exploration Expedition of radioactive raw materials"			100	100
25	Tashkhisgokhi Geologi OJSC (TG)	100	100	100	100
26	Petroleum Sugd J L L C	42,5	42,5	42,5	42,5
27	CJSC Talko Gold			100	50
28	Talco Resources Ltd.	30	30	30	30

For the period from 2017 to 2018, for both geological exploration and production and extraction, no loans or loan guarantees were issued to mining and oil and gas companies operating domestically, and no guarantees were provided by the government.

2.5. PRODUCTION (REQUIREMENT 3.2)

Products from the mining sector accounted for 21.62% of total industrial output in 2017, and in 2018. - 19,63%. At the same time, the growth rate of mining sector production in 2017 by 0.4% and in 2018 by 4.5% outpaced the growth rate of total industrial output (Table 4.).

Table No. 4

Production volume[2]

	2017		2018	
	million KGS	**growth rate 2017/2016**	**million KGS**	**growth rate 2018/2017**
All industry	20,918.6	121.3	23,872.4	111.8
Mining	4,523.5	121.7	4,685.9	116.3
Extraction of energy materials	297.5	137.1	330.7	109.4
Non-energy mining materials	4,226.0	120.3	4,355.2	117.4

The share of energy materials in 2017 was 6.58%, while in 2018 it was already 7.06%. The share of non-energy materials decreased from 93.42% to 92.94% from 2017 to 2018. The key performance indicators of the mining industry are shown in Table 5 and Figures 1 and 2.

Table No. 5

Main indicators of the mining industry in Tajikistan[3]

	Number of enterprises		Volume of production (million KGS)		Number of employees (thousand people)	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
Industry - total	1,999	2,161	20,918.6	23,872.4	86.8	85.6
Mining industry	229	249	4,523.5	4,685.9	9.6	10.2
Extraction of energy materials, incl.	29	30	297.5	330.7	1.6	1.6
Coal mining	20	20	256.5	287.2	1.0	1.1
Oil and natural gas extraction; services related to oil and gas extraction, except for survey work	9	10	41.0	43.5	0.6	0.5
Non-energy mining of raw materials, incl.	200	219	4,226.1	4,355.2	7.9	7.6
Mining of metal ores	*20*	*21*	*4,128.9*	*4,229.2*	*6.2*	*6.8*
Other mining industries. industrial and quarrying	*180*	*198*	*97.2*	*126.3*	*1.8*	*1.7*

[2]According to the Ministry of Economic Development and Trade of RT

[3]According to the Ministry of Economic Development and Trade of RT

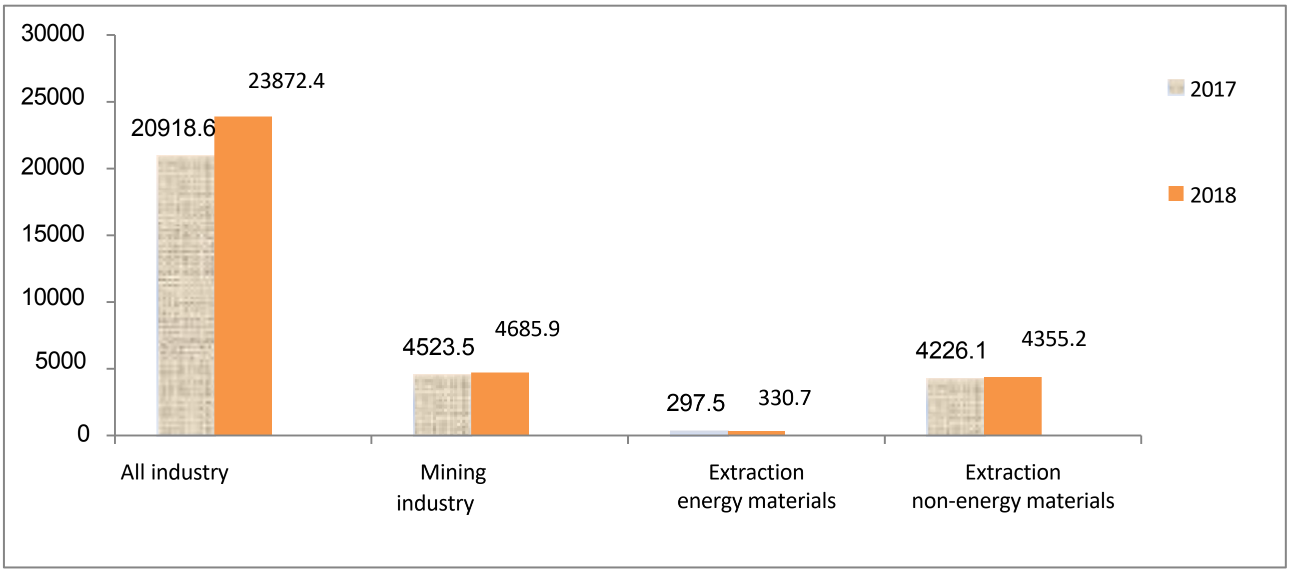


Fig.1 Dynamics of industrial production volume, million KGS.

The total number of mining companies increased by 20 over the period under review (from 229 in 2017 to 249 in 2018), while the number of people employed increased by 0.6 thousand.

While in 2017 the mining sector employed 11.06% of the total employment in the industry, already in 2018. - 11.92%. The dynamics of changes in the number of employed is reflected in Figure 2.

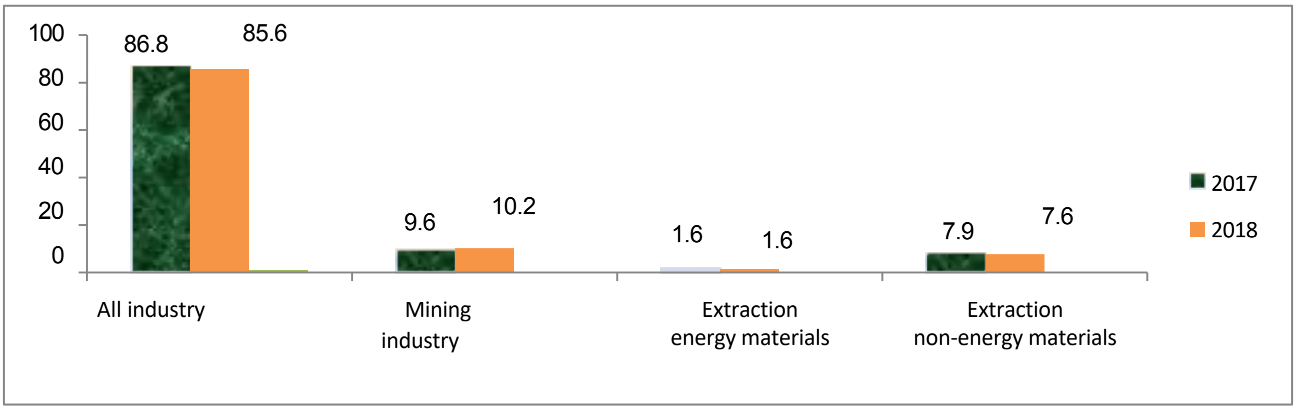
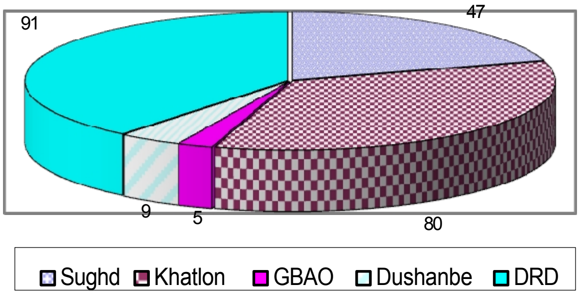


Fig.2. Dynamics of the number of employed, thousand people.

Mining enterprises are unevenly distributed across the country. A significant part of them - 37.8% are located in the districts of republican subordination (94 enterprises in 2018); 35.3% (88 enterprises) are located in Khatlon region, 20.1% (50 enterprises) in Sughd region and an insignificant part of them 4% (10 enterprises) in Dushanbe city and 7 enterprises - 2.8% in GBAO (Table 6, Figures 3 and 3).
№4).

Territorial distribution of PO enterprises in 2017, units.



Territorial distribution of POs in 2018

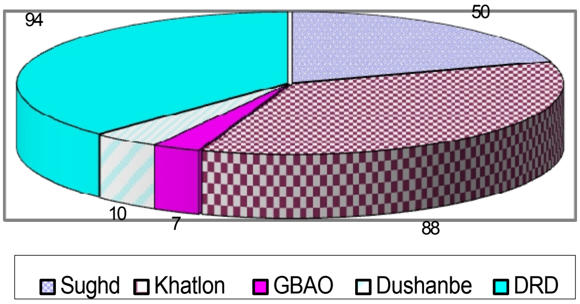


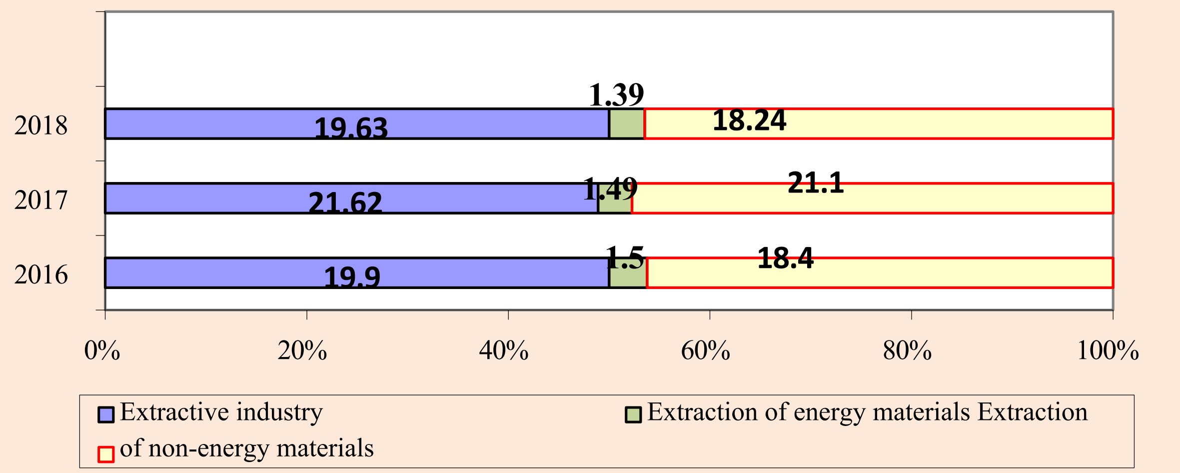
Table No. 6

Distribution of mining sector enterprises by territory of the Republic of Tajikistan

	2016		2017		2018	
	Packs enterprises	%	Packs enterprises	%	Packs enterprises	%
Total for Tajikistan	232	100	229	100	249	100
Sughd region	47	20.2	48	21.0	50	20.1
Khatlon province	80	34.5	81	35.4	88	35.3
GBAO	5	2.2	5	2.2	7	2.8
Dushanbe	9	3.9	9	3.9	10	4.0
DRD	91	39.2	86	37.5	94	37.8

Of the 19.63% share of the extractive industry in total industrial production in 2018, the share of energy materials extraction was 1.39% and non-energy materials extraction was 18.24% (Figure No. 5).

Fig.5. Change in the structure of the mining sector, in %



Among energy materials, h a r d and brown coal, oil and gas are mined, while non-energy materials are mainly non-metallic building materials, sand and gravel mix, sand, crushed stone, gravel and salt.

Of the total volume of coal production for 2018 - 91.36% is extracted in Sughd region. The second most significant region in terms of coal production is the districts of republican subordination, which account for 8.5%. Taking into account the gradual growth of the country's needs for coal, its production in 2018 increased 1.084 times compared to 2017 (Tables No. 7 and No. 8).

Table #7.

Coal production in 2017[4]

	Total		**Stone**		**brown**	
	tonnes	**thousand KGS**	**tonnes**	**thousand KGS**	**tonnes**	**thousand KGS**
Total	1,759,700	256,555.3	1,705,300	245,078.9	54,400	11,476.4
GBAO	-	-	-	-	-	-
Hatlon	2,100	447.7	2,100	447.7	-	-
Sogd	1,507,100	225,131.8	1,454,400	213,774.4	52,700	11,357.4
DRD	250,500	30,975.8	248,800	30,856.8	1,700	119

Table No. 8

Coal production in 2018g[5].

	Total		**stone**		**brown**	
	tonnes	**thousand KGS**	**tonnes**	**thousand KGS**	**tonnes**	**thousand KGS**
Total	1,907,000	288,905	1,841,900	1,705.3	65,100	14,830
GBAO	-	-	-	-	-	-
Hatlon	2,600	345.9	2,600	345.9	-	-
Sogd	1,742,300	269,257.3	1,681,200	1,454.4	61,100	14,430.2
DRD	162,100	19,301.8	158,100	18,902	4,000	399.8

The changes in oil and gas production volumes are shown in Figures 6 and 7

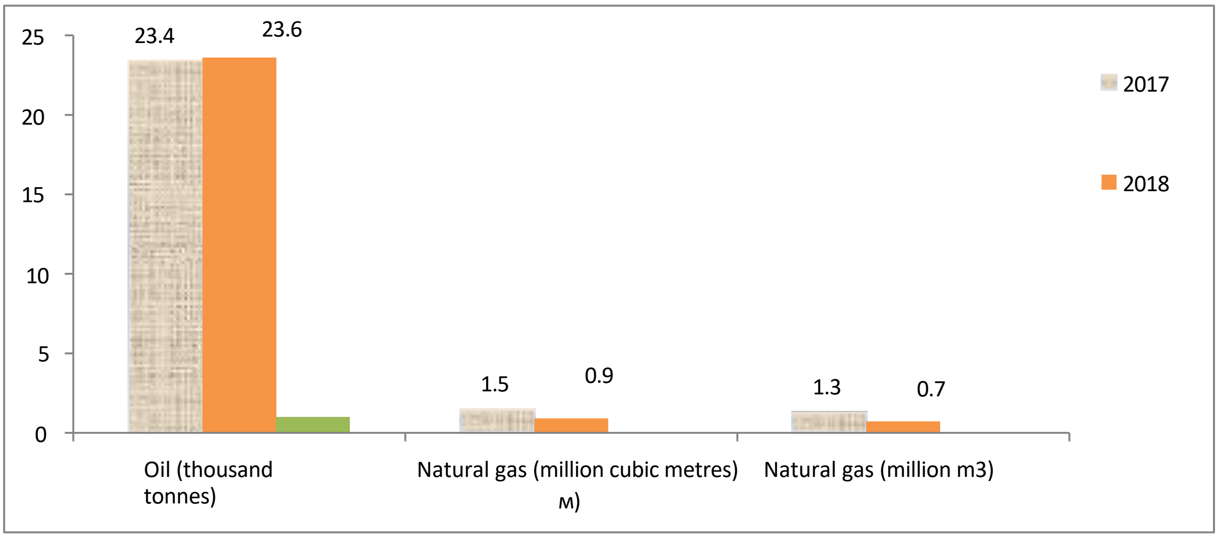


Figure 6. Oil and gas production

[4]According to the Statistical Agency under the President of Tajikistan
[5]According to the Statistical Agency under the President of the Republic of Tajikistan

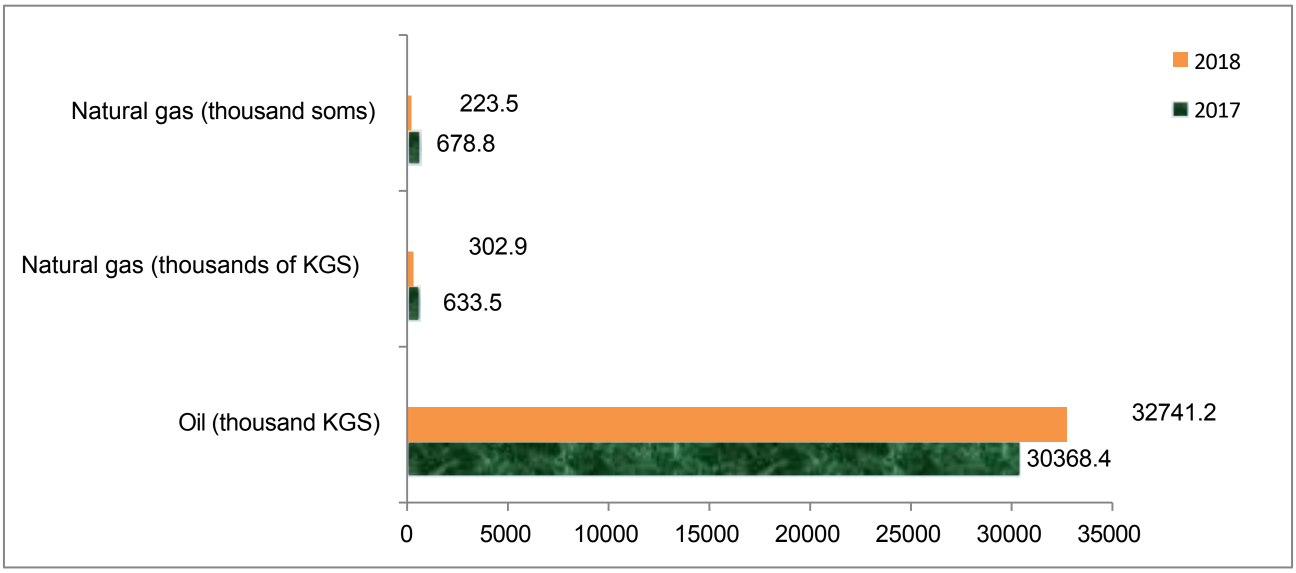
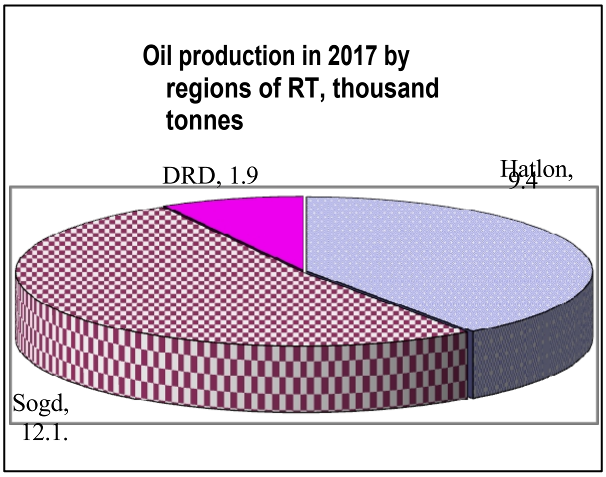
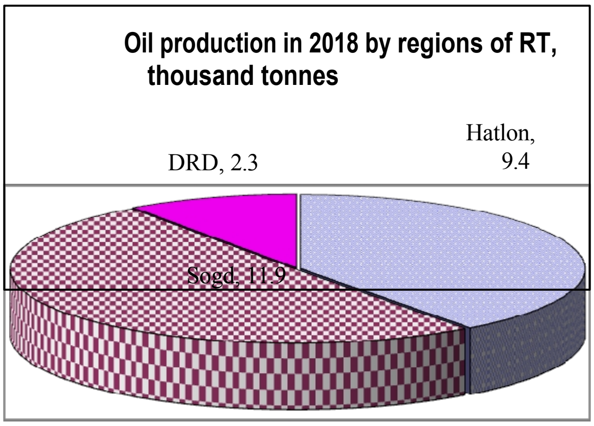


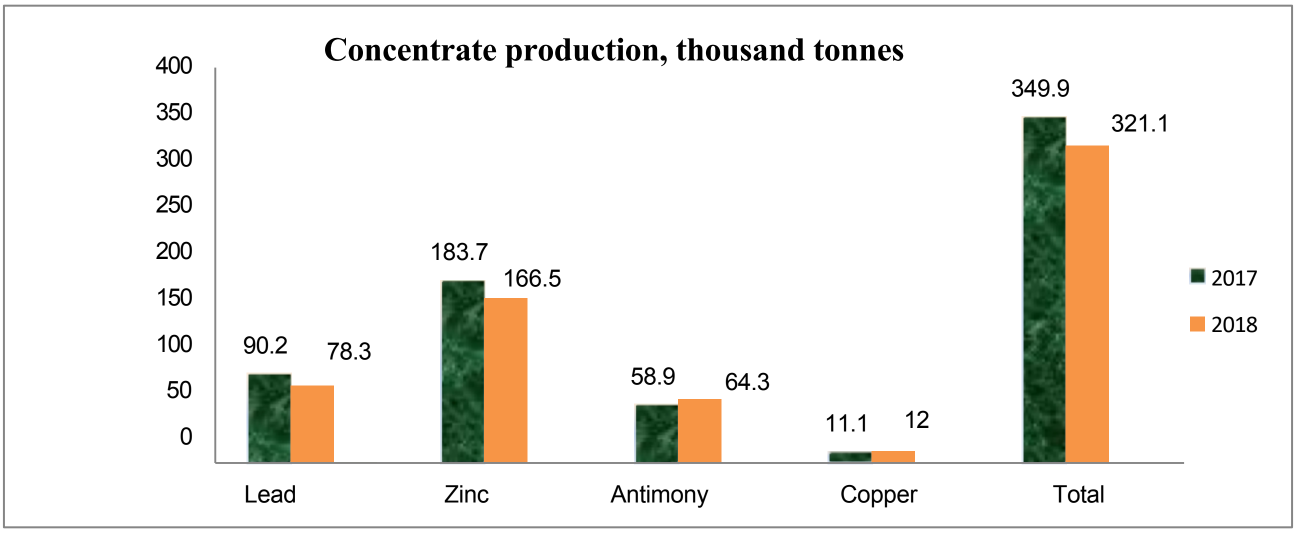
Fig.7. Oil and gas production, million KGS.

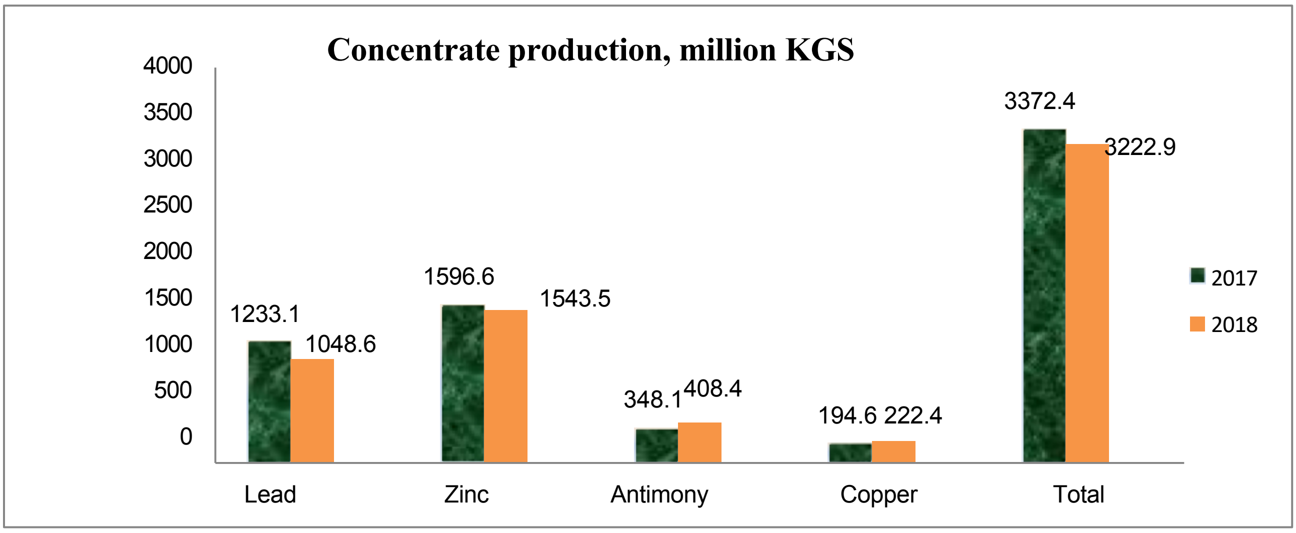




Production and extraction of both natural and natural gas in 2018 was mainly - 93.3% produced in Sughd region and 6.7% in Khatlon region.

Production of concentrates for the period from 2017 to 2018 decreased by 22.8 thousand tonnes, or in value terms - by KGS 149.5 million. During the period under review, lead, zinc, antimony, copper concentrates were produced 100% only in Sughd region of the country.





Gold production for the period from 2017 to 2018 in value terms increased by KGS 381,061.2 thousand. At the same time, the main gold producer is Sughd region, which accounts for 78.63% of the total gold production (table below).
№9). The main gold production company is JV Zarafshon LLC (69.85% of total production in 2018), located in Sughd region (table below).
№10).

The share of Khatlon region in gold production and mining in 2018 compared to 2017 decreased by 2.5% to 12.79%. In DRD in 2018, 7.32% of the total gold production was produced. In GBAO in 2017 - 2.71%, and already in 2018 - accounted for 1.26% of the total gold production in the country.

Table No. 9

Gold and silver production[6]

	2017				2018			
	Gold		silver		gold		silver	
	thousand. somoni	%	thousand. somoni		thousand. somoni	%	thousand. somoni	%
Total	1,860,923.7	100	16,270.2	100	2,241,984.9	100	25,633.9	100
GBAO	50,483.1	2.71	-	-	28,140	1.26	-	-
Hatlon	284,620.1	15.29	240.8	1,48	286,650.5	12.79	220.8	0.86
Sogd	1,525,820.5	82.00	16,029.4	98,52	1,763,041.8	78.63	25,413.1	99.14
DRD	-	-	-	-	164,152.6	7.32	-	

Table No. 10

Gold production in Tajikistan by company[7]

List of main companies	2017		2018	
	thousand somoni	%	thousand somoni	%
Total	1,860,923.7	100	2,241,984.9	100
JV Zarafshon LLC	1,323,482	71.12	1,565,957.8	69.85
LLC STK "Aprelevka"	202,338.5	10.87	197,084	8.79
SCP Tilloi Tojik	205,536.7	11.04	226,950.3	10.12
Pakrut Ltd.	-	-	164,152.6	7.32
A/S "Odina"	42,985.9	2.31	36,286.4	1.62
Shimsho Ltd.	-		13,461.3	0.60
Barakati Istiklol LLC	25,004	1.34	13,461.3	0.60
Tacom Gold Ltd.	50,483.1	2.71	14,678.7	0.65
Guli Murod Ltd.	11,093.5	0.60	3,473	0.15
Nahsh Ltd.	-	-	6,479.3	0.29

Silver production for the period from 2017 to 2018 increased by KGS 9,363.7 thousand. At the same time, 99.14% of silver is produced in Sughd region by JV Zarafshon LLC, which produced 62.95% of total silver in 2018. 62.95% of the total volume of silver and STK Aprelevka LLC -36.19%.

Khatlon region accounted for 1.48% of total silver production in 2017, and 0.86% in 2018.

Table No. 11

Silver production

	2017		2018	
	thousand TJS	%	thousand somoni	%
Total	16,270.2	100	25,633.9	100
Hatlon	240.8	1.48	220.8	0.86
Sogd	16,029.4	98.52	25,413.1	99.14

[6]According to the Ministry of Industry of the Republic of Tajikistan

[7]According to the Ministry of Industry of the Republic of Tajikistan

Table No. 12

Silver production by company

List of main companies	2017		2018	
	thousand. somoni	%	thousand. somoni	%
Total	16,270.2	100	25,633.9	100
JV Zeravshan LLC	8,367.5	51.43	16,135.8	62.95
LLC STK "Aprelevka"	7,661.9	47.09	9,277.3	36.19
Tilloi Tojik SCRS	182.8	1.12	179.6	0.70
A/S "Odina"	58.0	0.36	41.2	0.16

According to Article 16 "Information in the field of economy, finance, industry, science and technology classified as state secrets" of the LRT "On State Secrets", in Tajikistan, information on the volume of gold and foreign currency reserve, (22) disclosing forecast data on the production of gold for a period of one year or more in physical terms in the Republic of Tajikistan as a whole; (33) on planned volumes of import or export in physical or monetary terms of gold, silver, precious stones in the Republic of Tajikistan as a whole, is secret. These restrictions do not allow to ensure disclosure of relevant information in EITI Reports according to the requirements of the Standard.

In order to resolve the issue, the Ministry of Finance of the Republic of Tajikistan by its letter (obtain the number and date from Jahongir and put it in this bracket) requested the relevant competent authorities of the country to consider lifting the stipulated restrictions in the Law of the Republic of Tajikistan "On State Secrets."

Data on aggregate gold and silver production will be provided after the issuance of the Presidential Decree on declassification of data on production and export of precious metals for 2017-2018 in the country.

2.6. EXPORT (REQUIREMENT 3.3)

Of the total industrial exports, the share of extractive industries in industrial exports increased from 41.58% in 2017 to 51.73% in 2018. (table №13).

All exported ore concentrates are exported from Sughd region of RT.

Table 13

Exports of Extractive Industries and Industry as a Whole, $ million[8]

	2017	2018
Industrial products total	1,171.5	1,052.3
Products of extractive industries	487.1	544.4

[8]According to the Ministry of Industry of the Republic of Tajikistan

The dynamics of changes in exports of mining sector products are shown in Table 14

Table No. 14

Exports of extractive industries[9]

Types of concentrates	2017 г.			2018 г.		
	thousand tonnes	price per a tonne, $	Thousand dollars.	thousand. tonnes	price per a tonne, $	Thousand dollars.
Lead	52.1	1414	73,656.9	86.5	1,377.9	119,230
Zinc	211.4	858.4	181,522	192.1	877.8	168,609
Antimony	28.7	1,155.5	33,146	30.6	1,171.7	35,847
Copper	13.4	1,982.6	26,636	38.4	1,959.1	75,278
Silver	2.9	181.9	525.9	6.1	191.78	1,163.7

The main countries where mining sector products are sold are Kazakhstan, Uzbekistan, Russia and China.

The share of mining sector exports increased sharply to Uzbekistan from 20.39% in 2017 to 49.52% in 2018. Kazakhstan's share decreased from 21.02% in 2017 to 12.77% in 2018.

Table No. 15

Country exports of extractive industry products, ths. $

	2017	**2018**
Production of extractive industries, total, in including by country:	487,100	544,400
Kazakhstan	316,994	292,224
Russia	2	-
PRC	29,087	31,469
Uzbekistan	46,041	108,600
Netherlands	4,072	4,465
Other countries	90,904	107,642

Antimony ores were mainly exported to PRC, copper ores and lead 100% were exported to Kazakhstan.

Information on import or export in kind or in money terms of gold, silver, precious stones, etc. can also be provided after the Decree of the President of Tajikistan on removal of the secrecy from the above information for the reporting period.

The mining sector's share of the total investment in the industry in 2017 was 58.74% and in 2018. - 61.66%. However, despite this, in

[9]According to the Ministry of Economy of the Republic of Tajikistan

In absolute terms, the volume of investments in the mining sector in 2018 compared to 2017 decreased by 33,237 thousand USD. (Table No. 16)

Table No. 16

Investments in POs th. $

	2017	2018
Total to industry	308,548.3	275,311.3
Total to the mining industry, incl.	181,228.1	169,752.8
Extraction of energy materials, incl.	227.0	122.5
Coal mining	201.2	122.5
Extraction of oil and natural gas; services related to oil and gas production, except for survey work	25.8	-

2.7. SOCIAL EXPENDITURE (REQUIREMENT 6.1)

In Tajikistan, subsoil user companies, in addition to taxes and other mandatory payments, often make significant so-called social payments and transfers to the government or local authorities and self-governments, communities, NGOs or other third parties. Such payments can take various forms: donations, grants, including cash payments and asset transfers, for the construction of roads, schools, sports and cultural facilities, support of education and social infrastructure, provision of services in the form of training, medical care, and charitable purposes.

In 2018, a study was conducted, on the basis of which the Analytical Note "Review of existing practices of social (quasi-fiscal) expenditures of companies in the extractive industry and their accounting in local budgets of the regions of the Republic of Tajikistan, as well as the practice of issuing licences" (hereinafter - the Review) was prepared. The document is available on the website of the Coalition of Civil Society Organisations "Transparency for Development" https://tfd.tj/ analytical note and the website of the Ministry of Finance of the Republic of Tajikistan http://minfin.tj/downloads/аналитическя note.pdf.

The Review notes that the laws of Tajikistan do not formulate the concepts of "social obligations" and "social expenditures". Also, there are no norms obliging subsoil user companies to incur social expenditures and submit reports on such expenditures. The current investment agreements (signed in accordance with the Law of the Republic of Tajikistan "On Investment Agreements") do not provide for any obligations on social expenditures.

Despite the fact that the concept of "social expenditures" is not legally enshrined in any law of the Republic of Tajikistan, the relevant wording and norms can be found in a number of legal acts.

Thus, according to the legal act "Procedure for conducting tenders for the right to use subsurface resources" approved by the Resolution of the Government of the Republic of Tajikistan dated 2 March 2013, No. 89, bidders submit a package of documents. Including the form of the financial proposal of the bidder reflecting the proposed size of the signature bonus, and commitments to spend the funds on socio-economic development of the region, development of its infrastructure and training of national staff. However, how, and

The document does not define how much these obligations are expressed, whether there is any reporting on their fulfilment, and how this will be monitored. This government act, on the one hand, requires social expenditures, otherwise the bid will not be accepted, on the other hand, the fulfilment of this obligation is regulated by the company itself.

The laws of RT contain a number of norms providing for the voluntary participation of legal entities in the socio-economic development of regions, subsoil use territories, and the solution of social problems.

Thus, the Law of the RT "On Mountain Regions of the Republic of Tajikistan" (2013) provides local executive bodies of state power with the opportunity to form local trust funds for the development of mountain regions; to participate in the regulation and use of natural resources (Article 9). Further, Article 11 of this Law establishes that
"Financing of activities on the development of mountain regions is carried out at the expense of the state budget, funds of individuals and legal entities, as well as other sources not prohibited by the legislation of the Republic of Tajikistan". Possibilities of creation of such local development funds are provided by the legislation of the Republic of Tajikistan on local public authorities.

The Law of the Republic of Tajikistan "On State Finances", the Constitutional Law of the RT "On Local Bodies of State Power" (2004) and the Law of the RT "On Self-Government Bodies of Villages and Settlements" (2009) generally determine that the revenues of the republican, local and state trust funds may be formed from voluntary contributions of individuals and legal entities.

Tax legislation of the RT motivates business entities to make social expenditures in favour of the state or in the form of humanitarian aid. In particular, in accordance with paragraph 7 of part 2 of Article 169 of the Tax Code of the RT, the gratuitous transfer (refusal) of goods in favour of the state, supply of goods, performance of work and rendering of services as humanitarian aid is exempt from value added tax. According to Article 113 of the Tax Code of the RT, the deduction for payments for charitable activities is allowed in the amount of actually made payments, but not more than 10 per cent of taxable income. Expenses of persons who, in order to eliminate the consequences of natural disasters or solve other social problems, create necessary facilities that are transferred free of charge to the relevant state bodies are exempt from road user tax according to the requirements of Chapter 37 of the TC of the RT.

According to the results of the survey, the obligation to incur social expenditures is set out in general terms in company contracts, i.e. without specifying projects, objects, amounts, etc., and is not specifically monitored or summarised by anyone. There is no separate form or separate column in the current forms of state statistical reporting. There have been no requests for such information from any state bodies in the last three years.

Based on the findings of the above Review, the EITI Council determined that information on social expenditures cannot be subject to reconciliation, as the legislation of the Republic of Tajikistan does not define a single body, as well as the procedure for maintaining general coordination on disclosure of social expenditures of companies.

In order to achieve transparency and fulfil the relevant requirements of the EITI Standard, the EITI Board (Minutes of 03 October 2019, No. 2/2019) approved the social expenditure reporting form. At the same time it is determined that disclosure of social expenditures will be performed by those companies that were selected for reconciliation.

According to the information provided based on the form approved by the EITI Council, 19 private companies selected for reconciliation in 2017 incurred **social expenditures** in the amount of TJS 20,557.1 thousand and in 2018 in the amount of TJS 39,462.8 thousand (Table #17).

Table No. 17

Social expenses incurred by companies, which are included in the reconciliation for 2017 - 2018.

Enterprises	2017г.		2018г.	
	Amount of TJS	Purpose and location of consumption	Amount of TJS	Purpose and location of consumption
STK LTD. "Aprelevka."	1,355,778	Asphalting of roads, financial assistance to poor families, military units	2,917,949	Construction of a sports ground, material assistance to low-income families, military units
SP LTD. "Zeravshan"	9,177,127	Construction of a kindergarten, material assistance to educational institutions, etc.	21,858,351	Construction of a kindergarten, assistance to educational institutions institutions and road asphalting
Tajik-Chinese Mining Ltd. Company	9,521,105	Construction of a stadium, training centre in the city. Guliston, road repair, helping schools, etc.	11,755,445	Repair of the road in Istiklol district, Construction of the stadium, repair of the consular office building and School renovation and stadium in Guliston
Tajik Cement OJSC	-		1,841,987	Construction of sports grounds
Pakrut Ltd.	351,791	Funding of sporting events, financing the construction of a sports complex in Vahdat city	313,415	Financing of construction of sports grounds, financing of construction of sports grounds sports centre in Vahdat
Zarink Ltd.	40,180	Assistance to educational institutions	23,943	Help educational institutions
Gajur Ltd.	-		2,453,396	Material assistance to orphanages and construction of orphanages various social facilities

Petroleum Sugd JLLC	61,314	material assistance to low-income families, material assistance to educational institutions institutions	87,213	financial assistance to educational institutions institutions and material assistance for the construction of local public facilities
Total	**20,557,150**		**39,462,868**	

As an example of social assistance, below is an overview of social expenditures of SP LLC "Zeravshan".

This company to support the local population, development of the region, construction of social facilities in 2017-2018, incurred social expenditures of 31,035 thousand TJS, including for the following purposes:

- construction of kindergarten - 8,107 thousand TJS;
- Asphalting of roads - 11,721 thousand TJS;
- Provision of material assistance to schools - 500 thousand somoni.

In order to create a reliable reporting system to keep records of social infrastructure expenditures and other payments committed by companies during the tender, a special article "Provision of Information by Authorised State Bodies under the EITI" was introduced in the draft of the new RT Law "On Subsoil and Subsoil Use". According to this article, authorised state bodies annually submit, within the framework of the EITI, in accordance with the procedure and reporting forms approved by the Government of the RT, information, including on expenditures on support of education and social infrastructure required by law or under contract with the Government".

Also in the article of this draft law concerning the basic rights and obligations of a subsoil user, the following obligation of companies is additionally specified: "- providing information related to the fulfilment of contractual obligations in terms of local development, as well as the costs of training local specialists and expenditures for the socio-economic development of the region and the development of its infrastructure, which is not confidential". Adoption of this draft law will create a real opportunity to disclose information on social expenditures of companies in DPs.

2.8. QUASI-FISCAL EXPENDITURE (REQUIREMENT 6.2)

In January 2017[10] a special study was conducted on the issues of disclosure of quasi-fiscal expenditures of SOEs operating in the extractive sector of the country. As noted in the study, the Decree of the Government of Tajikistan of 19 September 2008, No. 454 established the Department of Monitoring of Financial and Economic Activities of Large State-Owned Enterprises (UMGP) within the structure of the Ministry of Finance. The tasks include

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[10] 28Quasi-fiscal costs of state-owned enterprises in the extractive sector of Tajikistan. I.Akhmedov,A.Mehtiev, 2017 https://eiti.org/sites/default/files/documents/tajikistan_quasi_fiscal-_report_final.pdf

This Office is responsible for identifying potential financial risks associated with state-owned enterprises. Starting from 2011. Since 2011, the UMPP prepares and issues the Report on Fiscal Risks Associated with State-Owned Enterprises, which discloses the KFO of large SOEs.

The content of these reports is limited to fiscal risks related to contingent liabilities, quasi-fiscal activities and debts of large SOEs that are in the category of "public interest entities" according to the definition of the Law of the Republic of Tajikistan№ 702 dated 25 March 2011 "On Accounting and Financial Reporting".

According to the Resolution of the Government of the Republic of Tajikistan of 3 April 2012, No. 154 "On additional measures to regulate accounting and financial reporting" to the category of
"subjects of public interest" include organisations (except for budgetary organisations and dekhkan farms) with gross income, including all taxes, not less than 30 (thirty) million somoni and/or the number of employees not less than 1,000 (thousand) people, as well as all banks, insurance organisations, stock exchanges, pension funds (except for budgetary organisations), subjects of natural monopolies, the fund for guaranteeing deposits of individuals, legal entities whose securities are listed on the stock exchanges of Tajikistan, as well as non-profit public associations, and also non-profit organisations.

It should be noted that state-owned enterprises covered by UMGP monitoring belong to 6 sectors of the economy of Tajikistan, including the extractive sector. According to the information of the Ministry of Finance (No. 7.18-26/457 dated 24.07.2017), currently 2 enterprises are included for monitoring from the extractive sector, these are JSC
"Naftu Gas" and JSC "Sementi Tojik". It should be noted that the draft of the relevant resolution of the PRT on inclusion of SUE "Angisht" in this list, prepared on the proposal of the IMF, is under consideration. The work on expansion of extractive companies in the monitoring will be continued.

The UMGP reports define QFD as follows: activities undertaken by financial and non-financial SOEs, at the direction of the government, that are essentially fiscal - that is, that in principle, they can be duplicated by specific fiscal measures such as taxes, subsidies, or other direct expenditures, although in some cases it may be very difficult to accurately measure the quantity. The QFD poses a significant fiscal risk because it can give rise to government liabilities. For example, the government may have to cover the full cost of the QFD from the budget or subsidise or recapitalise SOEs due to losses they incurred from the QFD[11].

In the main strategic document of the Republic of Tajikistan "National Development Strategy of the Republic of Tajikistan for the period up to 2030" (Decree of the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan dated 1 December 2016, No. 636), in the part of public finance management, a description of the problem with quasi-fiscal expenditures is also given. It indicates that quasi-fiscal operations of large state-owned enterprises (operating losses, growth of debt obligations, guarantees of the state on the

[11]World Bank. Report no. 89183-TJ. Republic of Tajikistan. Notes on public expenditure issues. Note no. 5 Fiscal risks associated with state-owned enterprises. June 2014

etc.) have a significant and negative impact on the sustainability of the state budget and the ability of the state to fulfil its social functions. In this regard, the main direction of action is to increase transparency and accountability by ensuring public accessibility of information, including through the inclusion of quasi-fiscal operations in financial reporting, improving parliamentary control and participation of civil society in the budget process.

The EITI Standard notes that "quasi-fiscal expenditures include measures through which state-owned enterprises make public social expenditures, such as payments for social services, public infrastructure, labour employment, fuel subsidies, public debt service and the like outside the state budget". In this regard, the standard sets specific tasks specifically for the MSG, stating that "the MSG should develop a reporting process with the expectation of achieving a level of transparency commensurate with other payment and revenue streams and should include representatives of subsidiaries and joint ventures with state participation".

To this end, as well as to achieve transparency using the relevant requirements of the EITI Standard, the EITI Board by its decision (Minutes of 03 October 2019, No. 2/2019) approved the reporting form for quasi-fiscal expenditures, and determined that the disclosure of quasi-fiscal expenditures will be performed by those companies selected for reconciliation.

After scoping (assessment) 26 companies were selected for reconciliation of payments. Based on the Law of the RT "On State Enterprises" (in the wording of the Law of the RT No. 426 dated 6.10.2008, No. 659 dated 29.12.2010), the following state enterprises fall under the consideration of quasi-fiscal expenditures out of these 26 companies: State Treasury Republican Enterprise "Tilloi Tojik", Mine "Fon-Yagnob" and a subsidiary of SUE "Angishti Tojik".

Based on the provided information, the mentioned state enterprises in 2017-2018 made quasi-fiscal expenditures in the amount of TJS 1,297.2 thousand and TJS 1,856.3 thousand, respectively (Table 18).

Table #18

Breakdown of companies that incurred quasi-fiscal expenses in 2017-2018.

Enterprises	2017г.		2018г.	
	Amount of TJS	**Purpose and location of consumption**	**Amount of TJS**	**Purpose and location of consumptio n**
State Treasury national enterprise "Tilloi Tojik."	840,236	Construction of a sports ground a children's playground in Sino district. Dushanbe city	1,198,860	Buildings sports fields in the Sino area. Dushanbe
Fon-Yagnob mine, subsidiary of SUE "Anguishti Tojik"	79,620	material assistance to low-income families, material assistance educational institutions	173,591	material assistance to low-income families, material assistance educational institutions

In 2017-2018 state enterprises of the Main Department of Geology under the Government of the Republic of Tajikistan made quasi-financial expenditures in the amount of TJS 376.9 thousand in 2017 and TJS 483.7 thousand in 2018, mainly for social purposes, such as assistance to boarding schools, disabled people, assistance to the population affected by natural disasters.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE IN THE REPUBLIC OF TAJIKISTAN

Report on actual results of payment reconciliation

For 2017-2018.

Tel: +992 4t bii 8833
F :: +9P2 44 bfU 8822
www.t'do.tj

Rudaki Ave. Rudaki
137 734(SW, ,
Tsushanbe, Tajikistan

28 November 2019.

To the Board of the Extractive Industries Transparency Initiative (EITI) in the Republic of Tajikistan

In accordance with the contract, dated 01 August 2019. (hereinafter referred to as the "Contract"), we are submitting our Agreed Procedures Report (hereinafter - "Report") в in respect of reconciliation cash flows flows, received by state authorities from companies in the mining sector in the Republic of Tajikistan for 2017-2018 rr.

Sources of information

This report contains information that was provided to us by the management of companies in the mining sector and government agencies of the Republic of Tajikistan in response to our written requests. We also received information from the management of the companies in the form of oral submissions.

Scope of work

The report contains information on cash flows for 2017-2018 rr. from 26 companies in the mining sector of the Republic of Tajikistan.

We performed our engagement in accordance with International Standard 4400, Engagements to Implement Harmonised Procedures on Financial Information.
Because these procedures do not constitute an audit or review conducted in accordance with International Standards on Auditing or International Standards on Review Engagements, they do not provide assurance that we would become aware of all significant matters that might be identified in an audit or review.

Had we performed the additional procedures required in an audit or review of financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, we may have drawn attention to other matters, which would have been reflected in our Report.

At your request, we have performed only those procedures outlined in the Contract and have included the results of those procedures in this Report. The scope of the assignment was determined solely by you and therefore we cannot and do not comment on their compliance and/or non-compliance in your particular case.

The purpose of this Report is to

Our Report is intended solely for the purpose set out in the Contract and to inform you. This Report is not intended to be used for any other purpose.

We will not be liable for the use of this Report by others to whom it may be shown or transmitted .

Iskreng

Bakhtiyor ста

partner

3.1. JOB DESCRIPTION

3.1.1 Purpose of the assignment

The purpose of this assignment is to conduct a reconciliation of payments made by companies in the mining sector of the Republic of Tajikistan for 2017– 2018 and prepare a Report on the results of the reconciliation.

3.1.2 Scope of the assignment

The scope of the assignment includes reconciliation of payments made by 26 companies in the mining sector of the Republic of Tajikistan for 2017-2018. The number and list of companies were determined by the EITI Council in the Republic of Tajikistan. The reconciliation also includes obtaining information on received payments from 4 state bodies of the Republic of Tajikistan.

The list of companies was identified following a scoping study carried out in September 2019, based on 2018 data, by an independent expert appointed by the MSGCP.

The purpose of this research was to provide the MSG with a professional view of the industries to be covered in the EITI report, which can be broadly categorised as the mining and oil and gas sector.

In order to identify key payment flows, an extensive analysis of revenues from Tajikistan's extractive industries was conducted. Data on a total of 339 extractive companies were analysed.

Based on the results of the study, the EITI Council was recommended a materiality threshold for total payments to the state budget of TJS 1.2 million per year for inclusion of companies in the list and disclosure of payments under the EITI. The materiality threshold is approximately 0.01% of the sum of all payments of companies participating in the reconciliation procedure for 2019. The full version of the scoping study is available on the website of the Ministry of Finance: http://minfin.tj/downloads/ochet%20oxvata%20IPDO.zip .

A total of 26 companies were selected based on the results of the survey, but after further data analysis by the EITI Council, according to the minutes dated 07 October 2019, No. 2-2019 two companies were excluded from this list, resulting in a total of 24 companies. The total tax and customs payments of these companies for 2017-2018 represent approximately 97% of the total tax and customs payments made by all companies in the mining sector of the Republic of Tajikistan in 2017-2018.

The final list of companies in the mining sector of the Republic of Tajikistan included in the payment reconciliation process is given below:

1	Sementi Tojik OJSC
2	JV Zeravshan LLC
3	Joint Tajik-Canadian LLC "Aprelevka"
4	Huaxin Garyur Cement Ltd.
5	Huaxin Gayur Sugd Cement Ltd.
6	OAO Naftu Gas
7	Huaxin Fayur Industrial Ltd.
8	TVEA Dushanbe Mining Ltd.
9	CJSC Talko Gold
10	Shimsho Ltd.
11	FSDMM S.A. Minerals in RT
12	Talco Fluorite Ltd.
13	Sementi Rushdi Khatlon Ltd.
14	Zarink Ltd.
15	Tajik-Chinese Mining Company LLC
16	TA JV Anzob LLC
17	LLC "Sangalt"
18	Gajur Ltd.

19	Petroleum Sugd J L L C
20	Pakrut Ltd.
21	Branch of C.N.P. Central Asia B.V. Ltd.
22	Tilloi Tojik State Joint-Stock Republican Enterprise
23	OJSC Takobsky GOK
24	Fon-Yagnob mine, subsidiary of Angishti Tojik State Unitary Enterprise

List of government agencies included in the payment reconciliation process:

№	Name of public authority	Payments Responsibility Branch
1	Tax Committee under the Government of the Republic of Tajikistan	Tax payments
2	Customs Committee under the Government of the Republic of Tajikistan	Customs duties
3	State Committee on Investments and State Property Management property of the Republic of Tatarstan	Dividends and proceeds from sale stocks
4	Agency for Social Insurance and Pensions under the Government of Tajikistan	Social tax (1%) from employees

3.1.3 Description of the approach and detailed procedures for data reconciliation

We performed the following procedures to perform the reconciliation and prepare the report:

- Familiarisation with EITI standards and reports on EITI Board activities in the Tajikistan through meetings with the EITI Council members, participation in in seminars, study of relevant reports and documents.
- Familiarisation with the list of mining sector companies that have been included in the reconciliation process by the EITI Council.
- Familiarisation with the list of state bodies involved in the reconciliation procedure.
- Familiarising and finalising the reporting format and instructions for providing information from companies and government bodies. To receive information for payments, different reporting formats were used for companies and for government agencies.
- Sending out requests with instructions to companies in the mining sector to provide them with information on payments for 2017-2018.
- Sending out requests with instructions to state agencies to provide payment information for 2017-2018.
- Obtaining information from companies on tax payments for 2017-2018, reviewing and reconciling the data with the data provided by the by government authorities on a cash basis.
- Obtaining information from companies on customs payments for 2017-2018, reviewing and reconciling the data with the data provided by the by government authorities on a cash basis.
- Obtaining information from companies on other material payments and additional expenditure for 2017-2018, reviewing and incorporating the data to the report. It should be noted that reconciliation was not performed for these payments due to the absence of the state body responsible for providing relevant information.
- If discrepancies in payments are identified, obtaining clarifications from companies and state authorities through meetings, by electronic means letters or phone calls.
- Documentation of material unexplained discrepancies and their reflection in the Report.
- Preparation of a Report on the results of payment reconciliation.

As required by the EITI standards (4.1), the types of payments for which companies were required to report data were identified. For this purpose, payments were categorised into 41 payment types that were approved by the EITI Board and further categorised into 4 main categories:

- tax payments;
- customs duties;
- other material payments;
- additional costs for companies.

Materiality thresholds for each payment stream have not been determined and the companies, who were included in the list had to provide information on all types of payments regardless of the amount of payment.

The following is a detailed breakdown of the types of payments included in the reconciliation process:

Tax payments	Line code
Income tax withheld from individuals	01
Social tax withheld from individuals (1%)	02
Social tax from employer (25%)	03
Income tax, including advance payments	04
Tax on net profit permanent establishment foreign entity	05
Tax on dividends	06
Tax on non-resident income from sources in Tajikistan	07
Value added tax on supply of goods, works and services	08
Value added tax withheld from non-residents	09
Excise tax on goods produced in Tajikistan	10
Land tax	11
Tax on real estate objects	12
Tax on users of motor roads	13
Motor vehicle tax	14
Subscription bonus for geological study of subsurface resources	15
Subscription bonus for mining	16
Commercial Discovery Bonus	17
Royalties on production	18
Water royalty	19
Tax paid by small businesses (tax under the simplified system)	20
Other taxes, including fines and penalties	21

Customs duties	Line code
Customs duties	22
Customs duties	23
Value added tax on goods imported into the territory of the Republic of Tajikistan	24
Excise tax on goods imported into Tajikistan	25
Other material payments	
Payments under compulsory types of insurance	26
Concession fee	27
Dividends paid on the state block of shares	28
Payment for the state share bought back by the company	29
State duty and fee for issuance of licences for subsoil use	30
Fees and charges for registration of land use rights	31
Compensation for loss of profit in the provision of land plots	32
Compensation losses from agricultural production и losses crop blight	33
Compensation of forestry production losses	34
Payments for expert reviews, permits and approvals of work projects (PDD, EIA)	35
Payment for environmental pollution and compensation for damage caused to the environment environment	36
Mandatory fees for issuing certificates and other authorisations documents	37
Payments established by agreements concluded with the Government of the Republic of Kazakhstan Republic of Tajikistan	38
Additional expenses of the companies	
Support for education	39
Support for social infrastructure	40
Mineral transportation costs	41
Quasi-fiscal expenditure	42

Tax and customs payments include all mandatory taxes and fees paid in accordance with the Tax and Customs Codes of the Republic of Tajikistan. In accordance with the tax and customs legislation of Tajikistan, all tax and customs payments are made only in monetary form in the national currency - somoni and are transferred to the state budget in full.

Other substantial payments include other mandatory state payments and fees not included in the tax and customs legislation of the Republic of Tajikistan, and are also made only in monetary form in the national currency - somoni and are received by the state budget in full.

The procedure for allocation of the State's share under the PSA and the body that accounts for and receives the State's share is specified in the PSA.

Additional costs include company expenditures to support education and social infrastructure required by law or contract with the government, and payments to the state or state-owned companies for the transportation of minerals. Additional costs can be incurred in cash or in kind, and mostly these payments go directly to suppliers of goods and services.

The average official exchange rate of TJS to USD in 2017-2018 was 8.5906 and 9.1707 TJS to one USD, respectively.

Distribution of tax and non-tax revenues between the republican and local budgets (subnational payments and subnational transfers)

EITI standards require the Report to provide information on subnational payments and subnational transfers. In Tajikistan, there are no legal or contractual requirements for direct payments to local government bodies in the form of subnational payments, except for tax payments made to the local budget.

Subnational transfers - defined in the Report as distribution of payments between the republican and local budgets.

All mandatory payments made by the companies and indicated in the Report, namely tax, customs and other significant payments (lines 1-38), go directly to the state budget and are distributed between the republican and local budgets in accordance with the law on the State Budget on an annual basis.

Thus, in accordance with the State Budget Law for 2017– 2018, the distribution of tax and non-tax revenues between the republican budget and local budgets is as follows:

Name of income	2017		2018	
Name of income	Republican budget	Local budget	Republican budget	Local budget
Tax on the sale of cotton fibre and primary aluminium	100 %	0 %	100 %	0 %
Customs duties	100 %	0 %	100 %	0 %
VAT and excise duties received through customs authorities	100 %	0 %	100 %	0 %
Other general governmental Mandatory payments and non-tax revenues (as well as penalties), the foreign travel fee of motor vehicles on the territory of the Republic of Tajikistan	100 %	0 %	100 %	0 %
For Barki Tojik Open Joint Stock Holding Company - tax on Value added tax, tax on The following taxes are levied on motorway users, income tax, and taxes for natural resources (water royalty) for HPPs "Sangtuda-1" and "Sangtuda-2" (only for 2017).	100 %	0 %	100 %	0 %
For the State Unitary Enterprise Tajik Railway Enterprise and Tajiktelecom Open Joint-Stock Company - value added tax and tax on profit	100 %	0 %	100 %	0 %
For the State Unitary Enterprise Tajik Aluminium Company" enterprise - value added tax	100 %	0 %	100 %	0 %

For the State Savings Bank of the Republic of Tajikistan "Amonatbank" - income tax expense	100 %	0 %	100 %	0 %
For investment project management centres, diplomatic missions, consulates and persons equated to them, - income tax	100 %	0 %	100 %	0 %
For mobile communication companies - value added tax and excise tax (except Tojiktelecom OJSC)	100 %	0 %	100 %	0 %
For the National Bank of Tajikistan - value added tax, income tax and other mandatory payments	100 %	0 %	100 %	0 %
payment of a one-time subscription bonus by subsoil users on account of production Mineral resources (except for commonly occurring minerals) fossils, groundwater and therapeutic mud) - only in 2018.	100 %	0 %	-	-
Value Added Tax (except Dushanbe and Vahdat for 2017 and except Dushanbe, Vahdat and Rogun for 2018).	0 %	100 %	0 %	100 %
Value added tax value added tax on the city of Dushanbe	55 %	45 %	60%	40 %
Tax on value added value added tax on the city of Vahdat	45 %	55 %	55 %	45 %
Tax on value added value added tax on the city of Roghun	47 %	53 %	-	-
Income tax (except Dushanbe for 2018)	0 %	100 %	0 %	100 %
Income tax for Dushanbe city	30 %	70 %	-	-
Income tax (except Sughd region, Dushanbe, Vahdat and Rogun cities for 2017 and except Sughd region, Dushanbe, Vahdat, Rogun and Rudaki district for 2018).	0 %	100 %	0 %	100 %
Income tax on Sughd region	30 %	70 %	24 %	76 %
Income tax by city of Dushanbe	50 %	50 %	55 %	45 %
Income tax by city of Vahdat	30 %	70 %	51 %	49 %
Income tax for the city of Roghun	100 %	0 %	100 %	0 %
Income tax in Rudaki district	13 %	87 %	-	-
Tax on users of motorways (except for Sughd Oblast, cities Dushanbe, Vahdat и Rudaki district for 2017 and except for Sughd.	0 %	100 %	0 %	100 %

of the oblast and Dushanbe city for 2018)				
Tax on road users in Sughd region	47 %	53 %	25 %	75 %
Dushanbe city road user tax on motorways	61 %	39 %	59 %	41 %
Tax on users of motor roads in Vahdat city	-	-	30 %	70 %
Road user tax on roads in Rudaki district	-	-	100 %	0 %
Excise duties	0 %	100 %	0 %	100 %
Special tax regime	0 %	100 %	0 %	100 %
Local taxes, other compulsory local payments and other non-tax payments local revenue	0 %	100 %	0 %	100 %

The distribution of payments for social taxes is as follows:

For 2017:

- - Gorno-Badakhshan Autonomous Oblast, oblasts and cities and districts of republican subordination - 100 per cent to the settlement account of the respective departments and divisions of the Agency for Social Insurance and Pensions under the Government of the Republic of Tajikistan;
- - for Dushanbe city - 28.5 per cent to the settlement account of the State Agency for Social Insurance and Pensions of the city and 71.5 per cent to the settlement account of the State Agency for Social Insurance and Pensions of the city. per cent to the settlement account of the Agency for Social Insurance and Pensions under the Government of the Republic of Tajikistan;
- - for Roghun city - 22.8 per cent to the settlement account of the department of the State Agency for Social Insurance and Pensions of the city and 77.2 per cent to the settlement account of the State Agency for Social Insurance and Pensions of the city. account of the Social Insurance and Pensions Agency under the Government of the Republic of Tajikistan.

For 2018:

- - Gorno-Badakhshan Autonomous Oblast, oblasts and cities and districts of republican subordination - 100 per cent to the settlement account of the respective departments and divisions of the Agency for Social Insurance and Pensions under the Government of the Republic of Tajikistan;
- - for the city of Dushanbe - 32 per cent to the settlement account of the Department of the State Agency for Social Insurance and Pensions of the city and 68 per cent to the settlement account of the State Agency for Social Insurance and Pensions of the city. account of the Social Insurance and Pensions Agency under the Government of the Republic of Tajikistan;
- - for the city of Roghun - 22 per cent to the settlement account of the department of the State Agency for Social Insurance and Pensions of the city and 78 per cent to the settlement account of the State Agency for Social Insurance and Pensions of the city. account of the Social Insurance and Pensions Agency under the Government of the Republic of Tajikistan.

The following questions were also included to obtain non-financial information from companies:

Name of indicators	Line code
Have your 2017 and 2018 financial statements been audited by an independent auditor?	43
Does the company have publicly available audited financial statements? If available, please describe how it can be obtained or provide a link to these statements.	44
The share of extracted products due to the government during the covered period in kind and in cash.	45
Share of the State in the Authorised Capital (in per cent).	46
Did you transfer and/or sell your licence during 2017-2018 (if yes, give more details).	47
Did you buy a government stake in any mining company during 2017-2018? If yes, please fill in the bottom lines:	48
Company name	48A
Transaction amount (in somoni)	48Б
Purchase share (in %)	48B

Sale of share of government production and other income

In accordance with the requirements of the EITI Standard, the above list of payments in line #38 "Payments established by agreements concluded with the Government of the Republic of Tajikistan" included payments from the sale of state production share and other income received in kind. Payments of this category in the Report are disaggregated to levels commensurate with the reporting of other payments and income streams. For 2017-2018, there were no in-kind sales of the state's share of production.

Social and infrastructure expenditures

Also, in accordance with the requirements of the EITI Standard, the list of payments on line 40 includes "Social infrastructure support" included payments for social expenditures required by law or contract with the government, as well as payments based on agreements involving the provision of goods and services (including leases, grants and infrastructure works) in exchange for exploration or production of oil, gas or participation in the mining industry. Payments in this category are disaggregated in the Report to levels commensurate with the reporting of other payments and revenue streams.

Companies reported expenditures on social facilities and/or expenditures of social importance totalling TJS 20,557.1 thousand and TJS 39,462.8 thousand for 2017 and

2018, respectively. These expenditures were incurred mainly for improvement - repair of buildings, roads of the residential village, kindergarten, material assistance to schools of the jamoat and the jamoat itself, where the company is located.

The table shows the social expenses of the companies that passed the materiality threshold and audit.

Table 19

Social expenses incurred by companies that are included in the reconciliation for 2017-2018.

Company	2017г.	2018г.
	Amount (somoni)	Amount (somoni)
STK LLC "Aprelevka"	1,355,778	2,917,949
JV Zeravshan LLC	9,177,127	21,858,351
Tajik-Chinese Ltd. Mining Company	9,521,105	11,755,445
OJSC Tajik Cement	-	1,841,987
Pakrut Ltd.	351,791	313,415
Zarink Ltd.	40,180	23,943
Gajur Ltd.	-	2,453,396
Petroleum Sugd JLLC	61,314	87,213
Total	**20,557,150**	**39,462,868**

Transport costs

Mineral transportation costs were included in line 41. This line should have included all payments for transportation made by the government and state-owned companies. For 2017-2018, there were no payments in this category related to the state or state-owned companies as required by Standard 4.4, although the company reported transportation costs of TJS 29,452,469 and TJS 31,763,854 for 2017 and 2018, respectively. Further analysis revealed that these figures are mainly intra-economic costs of transporting raw materials from the extraction site to the processing site. Therefore, we have excluded these expenses.

Audit and data validation procedures in companies and government agencies

The reconciliation also reviewed the audit and assurance procedures of companies and government agencies involved in the EITI reporting process, including relevant laws and regulations, any planned or ongoing reforms.

Protection of confidential information

Prior to commencement of the payment reconciliation procedures, MSG and the Independent Administrator agreed and provided the necessary conditions for protection of confidential information. The parties agreed that all data received from companies and government agencies during the reconciliation are confidential and should be kept by the Independent Administrator in appropriate conditions.

Audit and data validation procedures in companies

Regarding the audit of companies, it should be noted that in Tajikistan there is no mandatory audit requirement for companies in the extractive sector.

Companies are required to undergo a statutory audit if they only fall within the definition of "subject of public interest". The following organisations are recognised as subjects of public interest in accordance with the Resolution of the Government of the Republic of Tajikistan No. 154 of 03 April 2012:

(a) Banks, irrespective of their organisational and legal form and form of ownership;

b) insurance organisations, irrespective of their organisational and legal form and form of ownership;

c) stock exchanges, regardless of their organisational and legal form and form of ownership; d) the fund for guaranteeing deposits of individuals;

e) pension funds (except for budgetary organisations);

(e) Legal entities whose securities are traded on stock exchanges of the Republic of Tajikistan;

g) subjects of natural monopoly;

h) entities (except for budget organisations and dekhkan farms) whose financial and quantitative indicators for the previous reporting period (year) correspond to at least one of the following indicators:

- the volume of total assets is not less than 100,000,000 (one hundred million) somoni,
- the number of employees is not less than 1000 (thousand) people;

(i) Non-profit public organisations and foundations, total income which, including all taxes, for the last reporting period (year) is not less than 10,000,000 (ten million) somoni.

Subjects of public interest and other organisations that prepare financial statements in accordance with international standards are obliged to provide annual financial statements with the auditor's report to the depository of financial statements under the Ministry of Finance of the Republic of Tajikistan.

During the reconciliation process we did not request the above information from the companies, accordingly, we cannot assert whether any company participating in the EITI reporting falls under the definition of a public interest entity and whether they are obliged to audit financial statements in accordance with the requirements of the legislation of the RT. Obtaining information on financial statements and auditor's report of the companies participating in the reconciliation process from the depository under the Ministry of Finance of the Republic of Tajikistan is also not possible, as this organisation is not functioning yet.

In accordance with the requirements of the EITI standards, we sent the following questions to the companies regarding the audit of the financial statements and the availability of those statements to reflect this information in the Report.

Name of indicators	Line code
Have your 2017 and 2018 financial statements been audited by an independent auditor?	43
Does the company have audited publicly available financial statements? access? If available, please describe how to obtain it or provide a link to this reporting.	44
The share of extracted products due to the government during the covered period in kind and in cash.	45
Share of the State in the Authorised Capital (in per cent).	46
Did you transfer and/or sell your licence during 2017-2018 (if yes, give more details).	47
Did you buy a government stake in any exiting company during 2017-2018? If yes, please fill in the bottom rows:	48
Company name	48A
Transaction amount (in somoni)	48Б
Purchase share (in %)	48B

Information received from companies on the above issues is provided in the text of our Report.

Under Tajik legislation, it is not required to have an external auditor for all companies that were on the list of reporting companies, and obtaining a confirmation letter from the external auditor was problematic in practice. Accordingly, to ensure the completeness and accuracy of the data, it was decided by the Independent Administrator and the MSG that a senior company official should sign the completed reporting form for the data submitted to certify the completeness and accuracy of the data. The data submitted by the companies were authorised by the signatures of the senior executives and the seals of these companies.

Audit and data validation procedures with government agencies

Audit of the activities of state bodies is carried out by the Accounting Chamber. In accordance with the legislation of the Republic of Tajikistan, the Accounting Chamber is the supreme body of financial control of the Republic of Tajikistan, conducting an independent external audit to assess the implementation of the State Budget and prepares proposals for its improvement.

The powers of the Accounting Chamber to conduct an independent external audit shall apply to all branches of state power of the Republic of Tajikistan.

The following structures and activities are subject to audit by the Accounting Chamber:

- all bodies financed from the state budget, including structures that are partially or fully self-financed;
- all organisations where the state's share of capital is controlling;
- National Bank of Tajikistan and other state banks of the Republic of Tajikistan;
- extra-budgetary funds and national target programmes;
- State Agency for Social Insurance and Pensions;
- organisations of any form of ownership to which budgetary funds are allocated in the form of subsidies (on a non-refundable basis);
- implementation of intergovernmental agreements with financial and other economic implications;
- privatisation of state property, including the execution by the new owners of the privatisation contract with the state;
- management and use of natural resources of the Republic of Tajikistan, including implementation of production sharing agreements;
- use of services and servicing by the Government of the Republic of Tajikistan of funds of state loans and reserves in foreign currency;
- receipts to the state budget of funds from external sources of financing and their targeted use.

As the legal and regulatory framework for obtaining confirmation from the Court of Accounts regarding the provision of information by public bodies had not been developed at the time of the reconciliation, we could not request the reporting public body to provide certification of the accuracy of the data disclosed by that body from its external auditor, the Court of Accounts. Accordingly, to ensure the completeness and accuracy of the data, the Independent Administrator and the MSG decided that a senior official of the public body should sign the completed reporting form to certify the completeness and accuracy of the data provided.

The data provided by the state bodies were certified by the signatures of the first managers and seals of these organisations.

3.2. RECONCILIATION RESULT

3.2.1 Total aggregated cash flows by type of payments

Based on the reconciliation of payments, the total aggregated cash flows by type of payment for 2017 were TJS 1,339,421,252 - according to companies and TJS 1,469,308,214 - according to government authorities for 2018 were TJS 1,732,181,648 - according to companies and TJS 1,693,815,847 - according to government authorities. The reasons and details of unexplained data discrepancies are provided later in this Report. All payments were made in cash, there were no payments in kind during the reporting period. All payments were divided into four main categories, which are summarised in the table below:

Table 20

Breakdown of payments by category for 2017 (in somoni)

Types of payments	Adjusted amount in somoni		Discrepancies	Percentage of discrepancies
	According to the companies	According to government agencies		
Tax payments	1,123,466,498	1,330,623,293	207,156,794	18.44%
Customs duties	109,781,345	138,684,921	28,903,577	26.33%
Other material payments	55,235,334	-	-	-
Additional costs	50,938,075	-	-	-
Total	**1,339,421,252**	**1,469,308,214**	**236,060,371**	**17.62%**

Table 21

Breakdown of payments by category for 2018 (in somoni)

Types of payments	Adjusted amount in somoni		Discrepancies	Percentage of discrepancies
	According to the companies	According to government agencies		
Tax payments	1,414,124,259	1,654,730,457	240,606,198	17.01%
Customs duties	128,029,362	77,451,190	-50,578,172	-39.51%
Other material payments	77,218,066	-	-	-
Additional costs	74,444,159	-	-	-
Total	**1,693,815,847**	**1,732,181,648**	**190,028,027**	**11.22%**

Reasons for discrepancy

During the preliminary reconciliation, we noted the following matters that contributed to the discrepancies:

1. The Company and the state body (Customs Committee under the Government of Tajikistan and/or Tax Committee under the Government of Tajikistan) overestimated/underestimated data on payments/receipts or provided data only for the company's main place of business without taking into account SSR.
2. Out of 24 companies, 5 companies did not provide data. The total amount of tax and customs payments of these companies for 2017 and 2018 totalled 236,813,700 and 271,560,182 TJS, respectively, according to the Tax Committee and the Customs Committee.
3. Payments/receipts have been allocated to the wrong lines and/or aggregated. Specifically in our query format, mineral extraction tax is split into the following: Subsurface Geological Survey Subscription Bonus, Mining Subscription Bonus, Commercial Discovery Bonus, Mining Royalty and Water Royalty. Although in the system of tax authority, this type of tax is reflected as "m i n e r a l tax." We did not adjust them because they do not

influenced the final result, i.e. overlap with each other.

The Tax Committee reports all income taxes in one line "Income tax withheld from individuals", although in our format income tax is divided into the following types according to the entity:

i. Income tax withheld from individuals;
ii. Dividend Tax;
iii. Tax on non-resident income from sources in Tajikistan.

We also did not adjust them because they did not affect the final result, i.e., they overlap with each other.

4. The Tax Committee provided data on payments for 2017 and 2018, only for the main/head office of the company, although during the reconciliation and meeting with the company representatives, we found that some companies have representative offices in other regions of the country, and according to the Tax Committee, the tax authorities have not provided data on payments for 2017 and 2018.
legislation, they must pay taxes at their place of business. Companies have included all payments on the enquiry form, both main office and field representation.

5. Due to the fact that most of the companies included in the Reconciliation Register are considered "large tax payers", they are subject to an annual "comprehensive tax audit" and as a result of which additional taxes and penalties are assessed on the basis of the Act. In some cases, companies have not included these taxes paid on the basis of the Acts in the table or vice versa - these payments are not reflected in personal accounts of the company in the accounting system of the tax authority.

When material differences arose, we contacted the companies and asked for clarifications on them, as well as signed Reconciliation Acts with local tax and customs authorities and/or payment documents, on the basis of which we later corrected the data.

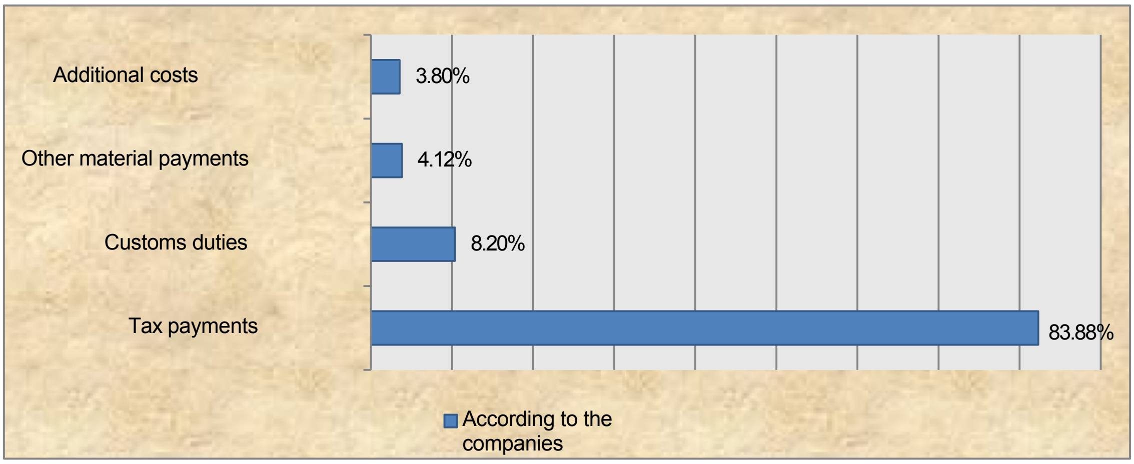
For 2017, the share of payments by type of payments is as follows:

Tables 21 and 22

Share of payments by type of payments for 2017 according to companies and government agencies (in TJS)

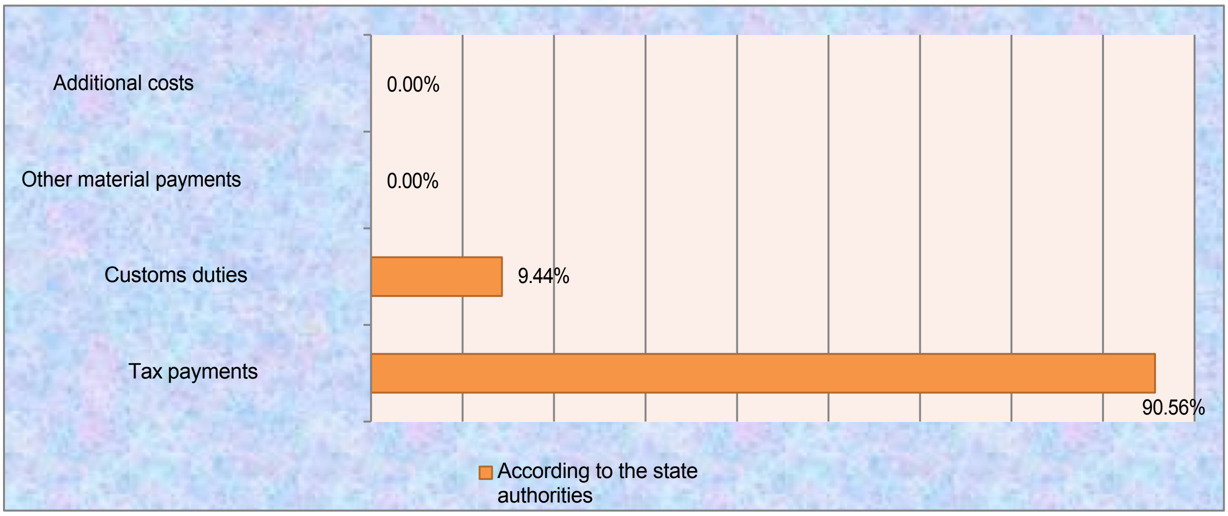
According to the companies:

Types of payments	According to the companies	
	somoni	%
Tax payments	1,123,466,498	83.88%
Customs duties	109,781,345	8.20%
Other material payments	55,235,334	4.12%
Additional costs	50,938,075	3.80%
TOTAL	**1,339,421,252**	**100.00%**



According to government agencies:

Types of payments	According to government agencies	
	somoni	%
Tax payments	1,330,623,293	90.56%
Customs duties	138,684,921	9.44%
Other material payments	0	0.00%
Additional costs	0	0.00%
TOTAL	**1,469,308,214**	**100.00%**

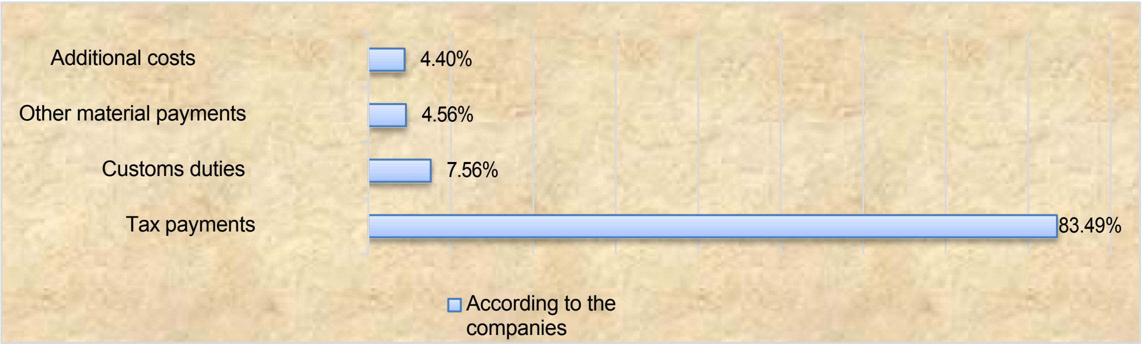


For 2018, the share of payments by type of payment is as follows:

Table 23 and 24 - Fractions of payments by type of payments for 2018 according to companies and government agencies (in somoni)

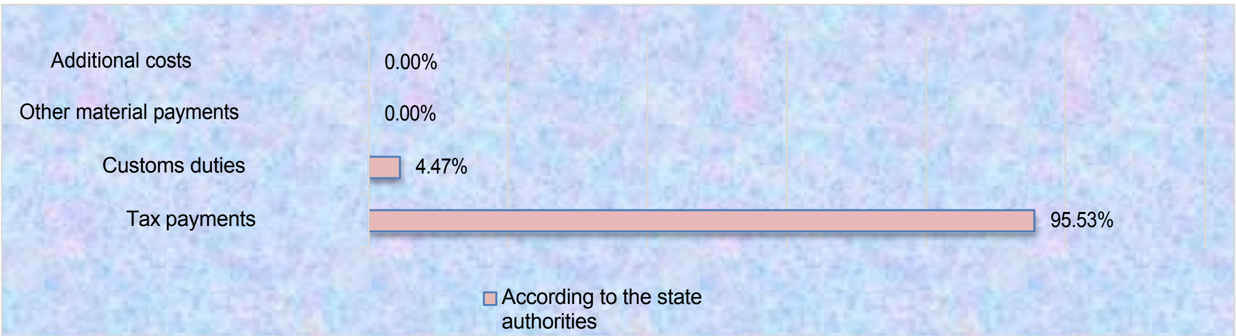
According to the companies:

Types of payments	According to the companies	
	somoni	%
Tax payments	1,414,124,259	83.49%
Customs duties	128,029,362	7.56%
Other material payments	77,218,066	4.56%
Additional costs	74,444,159	4.40%
TOTAL	**1,693,815,847**	**100.00%**



According to government agencies:

Types of payments	According to government agencies	
	somoni	%
Tax payments	1,654,730,457	95.53%
Customs duties	77,451,190	4.47%
Other material payments	0	0.00%
Additional costs	0	0.00%
TOTAL	1,732,181,648	100.00%



It should be noted that the total aggregated cash flows from government data do not include cash flows for other material payments and additional expenses of companies for 2017-2018, as no responsible government bodies have been designated for these data and would have information to present in the reconciliation process.

Based on the above, the data of state authorities on tax and customs payments in percentage terms exceeds the data provided by the companies due to the fact that the column "according to state authorities" includes five companies that did not complete and submit the approved EITI reporting form. At the same time, data on other material payments and additional expenses of the companies are not indicated and are shown as nil.

3.2.2 Unresolved discrepancies and companies that have not reported

As noted in the previous section, once we received the data from the companies and government agencies, we started the reconciliation process to identify discrepancies. During the reconciliation process, many discrepancies were identified as noted in the previous section. After a meeting with a representative of the Tax Committee under the Government, during which we discussed the differences and their possible causes, we started to correct the data of both the Companies and the Tax Committee based on the signed Reconciliation Acts for the end of 2017 and 2018 and payment orders provided by the Companies.

Unfortunately, there is no mandatory requirement of the Customs Code of the RT to sign the Reconciliation Act and in practice also the Companies do not sign the Reconciliation Acts due to the fact that all payments within the customs clearance process are made in advance, therefore significant differences exist in customs payments and we were unable to obtain reasonable and complete audit evidence as to the accuracy of the data presented.

The following is a breakdown of tax payment discrepancies by company for 2017:

Name of companies	C clarification	Without clarifications	Without counter
	Somoni	Somoni	Somoni
Huachian Garyur Industrial Ltd.	453,265	-	-
LLC "Tajik-Chinese Mining and Industrial Company"	-	-2,695,523	-
Zarink Ltd.	-	9,317	-
STK LLC "Aprelevka"	-	334,374	-
Shakhtai Fon-Yagnob State Unitary Enterprise	-151,708	-	-
TA Anzob Ltd.	-	-	71,180,708
Huaxin Gayur Sement Ltd.	-	-	108,943,356
Huaxin Gayur (Sughd) Sement Ltd.	-	-	27,820,694
TVEA Dushanbe Gornaya LLC Industry."	-	-262,484	-
Talco Fluorite Ltd.	-	-	641,686
LLC "Sangalt"	-	-	883,110
Total	**301,556**	**-2,614,316**	**209,469,555**
Net effect	**207,156,794**		

The 2017 tax payment discrepancies of TJS **207,156,794** can be categorised as follows:

1. **Clarification - The** total amount of discrepancy is TJS 301,556 and it is generated due to the following:
   1.1. Huaqian Gajur Industrial Ltd. did not show payment of additional taxes identified during the audit in its reporting form and

reflected in the Act of the tax authority in the amount of 453,265 somoni.

1.2. SUE Shahtai Fon-Yagnob paid royalty based on the audit report in the amount of KGS 151,708 according to payment order No. 37 dated 15 February 2017. B
due to the fact that this amount was paid to the republican budget, it is not included in the Company's personal account of this tax and is reflected in the table of the Tax Committee.

2. **No explanation - The** total amount of discrepancies in this category is as follows **-2,614,316** TJS, the amount was formed mainly at the expense of Tajik-Chinese Mining Company LLC, STC Aprelevka LLC and TVEA Dushanbe Mining Industry LLC:

2.1. Tajik-Chinese Mining Company LLC provided us with a form and after the reconciliation on 5 December we sent a reconciliation file in excel to the email address of the Company's representative, where the calculations/ reconciliations were detailed, we asked them to clarify/explain.
reasons for the identified discrepancies and provide signed Reconciliation Acts. But, unfortunately, as of 20 January 2020, no response from the Company has been received, despite our repeated calls and notification letters.

2.2. The following material discrepancy exists in the data of STK Ltd.
"Aprelevka" in the amount of 334,374 somoni. As soon as the completed form was received, we carried out a reconciliation, and the result of which we sent 5
December to the email address of the Company's representative. Unfortunately, as of the Report date, no response from the Company has been received and signed Reconciliation Acts have not been provided.

2.3. We have had correspondence with the Management of TVEA Dushanbe Mining Industry Ltd during which we clarified and corrected some of the
discrepancies, but the aggregated discrepancy for 2017 in the amount of TJS -262,484 remained unclarified due to the fact that Management did not provide supporting documents for payment of this amount.

3. **No counter -** The total amount of discrepancies in this category is as follows **209,469,555** somoni, and it is formed because of the following:

3.1. Huaksin Gayur Cement LLC and Huaksin Gayur Sugd Cement LLC are engaged in cement production in Khatlon and Sughd regions,
The Company is owned by the Chinese and Tajik parties, as well as TA JV Anzob LLC, Sangalt LLC and Talco Fluorite LLC. These companies, despite several of our requests and letters from the Ministry of Finance of Tajikistan, never provided a completed form, and therefore we have included in our Report their tax and customs payments for 2017 and 2018. The total amount of tax payments for 2018 according to the tax committee is **209,469,555** TJS.

The following is a breakdown of tax payment discrepancies by company for 2018:

Name of companies	C clarification	Without clarifications	Without counter
	Somoni	Somoni	Somoni
Gajur Ltd.	107,711	-	-
FCHOO "CNPC Central Asia B.V."	3,467,515	-	-
Pakrut Ltd.	3,715,100	-	-
S.A. Minerals Ltd.	-	-9,769	-
LLC "Tajik-Chinese Mining and Industrial Company"	-	-22,327,607	-
STK LLC "Aprelevka"	-	234,357	-
TA JV Anzob LLC	-		123,934,972
Huaxin Gayur Sement Ltd.	-	-	88,648,092
Huaxin Gayur (Sughd) Sement Ltd.	-	-	38,817,514
TVEA Dushanbe Gornaya LLC Industry."	-	-3,254	
Talco Fluorite Ltd.	-	-	2,411,698
LLC "Sangalt"	-	-	1,609,870
Total	**7,290,326**	**-22,106,273**	**255,422,145**
Net effect	**240,606,198**		

The tax discrepancies for 2018 of TJS **240,606,198** can be categorised as follows:

1. **Clarification - The** total amount of discrepancy is TJS 7,290,326 and it is generated due to the following:

    1.1. Gayur LLC had a prepayment of TJS 107,211 on "Other obligatory payments to the national budget" in previous years, and the Tax Authority overlapped the VAT liabilities of the company with this prepayment and showed it in the table as a VAT prepayment.

    Also, the tax authority recognised the payment of land tax in the amount of 500 somoni twice.

    1.2. The difference of TJS 3,470 thousand in payments to the C.N.P. Central Asia B.V. Ltd. - This is the amount of "income tax" of the employees who hired by the "contractor" CJSC "CNPC Central Asia B.V.", although their taxes are withheld and paid to the Republican budget through their TIN. Therefore, this amount is reflected on the personal account for payment of personal income tax.

    1.3. The payment in the amount of TJS 3,715 thousand was refunded from the state budget and reflected as "refund from the state budget" in the line "personal income tax", although the tax authority showed this amount as payment for social tax.

2. **No explanation** - **The** total amount of discrepancies in this category is 22,160,273 TJS, the amount was formed mainly due to LLC "Tajik-Chinese Mining Company" and STC LLC "Aprelevka":

    2.1. Tajik-Chinese Mining Company LLC provided us with a form and after the reconciliation on 5 December we sent a reconciliation file in excel to the email address of the Company's representative, where the calculations/ reconciliations were detailed, we asked them to clarify/explain.
    reasons for the identified discrepancies and provide signed Reconciliation Acts. But, unfortunately, as of 20 January 2020, no response from the Company has been received despite our repeated calls and notification letters.

    2.2. The following material discrepancy exists in the data of STK Ltd.
    "Aprelevka" in the amount of 234,357 somoni. As soon as the completed form was received, we carried out a reconciliation, and the result of which we sent 5
    December to the email address of the Company's representative. Unfortunately, as of the Report date, no response from the Company has been received and signed Reconciliation Acts have not been provided.

3. **No counter - **The total amount of discrepancies in this category is as follows **255,422,145** somoni, and it is formed because of the following:

    3.1. Huaksin Gayur Cement LLC and Huaksin Gayur Sugd Cement LLC are engaged in cement production in Khatlon and Sughd regions,
    The Company is owned by the Chinese and Tajik parties, as well as TA JV Anzob LLC, Sangalt LLC and Talco Fluorite LLC. These companies, despite several of our requests and letters from the Ministry of Finance of Tajikistan, never provided a completed form, and therefore we have included in our Report their tax and customs payments for 2017 and 2018. The total amount of tax payments for 2018 according to the tax committee is 255,422,145 T J S .

Below is a breakdown of customs payment discrepancies by company for 2017:

Company name	Without clarifications	Without counter
	somoni	somoni
Pakrut Ltd.	-75,467	-
Huachian Garyur Industrial Ltd.	3,368	-
Tajik-Chinese Mining and Industrial Company Ltd. Company."	2,089,244	-
Petroleum Sugd J L L C	15,772	-
STK LLC "Aprelevka"	-468,570	-
Shakhtai Fon-Yagnob State Unitary Enterprise	81,931	-
Zarafshon LLC	-4,914	-
TA JV Anzob LLC	-	5,046,746

Huaxin Gayur Sement Ltd.	-	12,102,382
Huaxin Gayur (Sugd) Sement Ltd.	-	10,055,746
Talco Fluorite Ltd.	139,271	-
Total	**1,780,635**	**27,204,874**
Net effect	**28,903,577**	

Discrepancies on customs payments for 2018. - amounting to TJS **50,578,172** - can be categorised as follows:

1. **No explanation - The** total amount of discrepancies in this category is as follows **1,780,635** somoni.

    1.1. A substantial part of this amount (2,089,244 somoni) is attributable to the Company "Tajik-Chinese Mining Company LLC", which testified that it paid customs duties during 2017 in
    The Customs Committee in its table showed TJS 62,881,022 for this period, which is by TJS 2,089,244 more.

    1.2. Neither the company nor the Customs Committee was able to provide convincing confirmation that their figures were correct. Independent Administrator, also asked them for a signed reconciliation statement or payment orders confirming the validity of their figures, but unfortunately no documents were provided.

2. **No counter -** The total amount of discrepancies of this category is **-** 27,204,874 somoni and it is formed from the following:

    2.1. Huaksin Gayur Cement LLC and Huaksin Gayur Sugd Cement LLC are engaged in cement production in Khatlon and Sughd regions,
    The Company is owned by the Chinese and Tajik parties, as well as TA JV Anzob LLC, Sangalt LLC and Talco Fluorite LLC. These companies, despite several of our requests and letters from the Ministry of Finance of Tajikistan, never provided a completed form, and therefore we have included in our Report their tax and customs payments for 2017 and 2018. The total amount of customs payments for 2017 according to the following data of the Customs Committee is **27,204,874** somoni.

Below is a breakdown of customs payment discrepancies by company for 2018:

Company name	Without clarifications	Without counter
	somoni	somoni
Pakrut Ltd.	4,951	-
Huachian Garyur Industrial Ltd.	-126,632	-
CJSC Talko Gold	471	-
LLC "Tajik-Chinese Mining and Industrial Company"	-67,122,021	-
LLC "Aprelevka"	391,831	-
Shakhtai Fon-Yagnob State Unitary Enterprise	81,931	-
Zarafshon LLC	39,625	-
TA JV Anzob LLC	-	7,160,365
Huaxin Gayur Sement Ltd.	-	5,915,407
Huaxin Gayur (Sugd) Sement Ltd.	-	2,940,869
TVEA Dushanbe Mining Industry Ltd.	13,636	
Talco Fluorite Ltd.	121,396	
Total	-66,716,208	16,138,036
Net effect		**-50,578,172**

Discrepancies on customs payments for 2018. - amounting to TJS **50,578,172** - can be categorised as follows:

1. **No explanation - The** total amount of discrepancies in this category is as follows **-66,716,208** somoni.

   1.1. A significant part of this amount (-67,122,021 somoni) is attributable to Tajik-Chinese Mining Company Ltd, which showed that it had paid customs duties during 2018, although the Customs Committee in its table showed zero receipts from this company for this period.

   1.2. Neither the company nor the Customs Committee was able to provide convincing confirmation that their figures were correct. Independent Administrator, also asked them for a signed reconciliation statement or payment orders confirming the validity of their figures, but unfortunately no documents were provided.

Below are companies that did not provide data, whose contacts could not be found, and/or who sent a formal notice of cancellation:

			2018			2017			Reason
№	TIN	Company name	Tax	Customs payment	Total	Tax	Customs payment	Total	
1	400006843	Huaxin Garyur Cement Ltd.	88,648,092	5,915,407	94,563,498	108,943,356	12,102,382	121,045,738	No reply to letters
2	630016471	Huaxin Gayur Sugd Cement Ltd.	38,817,514	2,940,869	41,758,383	27,820,694	10,055,746	37,876,440	No reply to letters
3	520001954	TA Anzob Ltd.	123,934,972	7,160,365	131,095,337	71,180,708	5,046,746	76,227,454	No reply to letters
4	020047398	Talco Fluorite Ltd.	2,411,698	121,396	2,533,094	641,686	139,271	780,957	Oral refusal to participate
5	010018443	Sangalt Ltd.	1,609,870	-	1,609,870	883,110	-	883,110	Oral refusal to participate
6	020022851	Total Ltd.	1,330,187	14,848	1,345,036	1,024,354	5,029	1,029,383	Refusal to participate
7	550001386	OJSC Angisht	4,744,687	-	4,744,687	3,640,480	-	3,640,480	Refusal to participate
			261,497,020	**16,152,885**	**277,649,904**	**214,134,388**	**27,349,174**	**241,483,562**	

3.2.3 Aggregated cash flows on tax payments

Based on the reconciliation of payments, the total aggregated cash flows for tax payments for 2017 were TJS **1,414,124,259** - according to companies and TJS **1,654,730,457** - according to government authorities. All payments are divided into 25 categories, which are summarised in the table below:

		According to the company	**According to the Tax Code of the Russian Federation committees**	**Difference**	**Difference**
№	**Name of payments**	**somoni**	**somoni**	**in somoni**	**в %**
1	Income tax withheld from individuals	42,571,584	210,722,816	168,151,232	394.98%
2	Social tax withheld from individuals (1%)	2,477,260	3,021,487	544,228	21.97%
3	Social tax from the employer (25%)	99,117,537	111,030,936	11,913,399	12.02%
4	Income tax expense, including advance payments	385,735,878	419,698,337	33,962,459	8.80%
5	Tax on net profit permanent establishment of a foreign legal entity	-	-	-	-
6	Tax on dividends	133,935,887	6,905,942	-127,029,945	-94.84%
7	Tax on income of a non-resident from sources in Tajikistan	28,959,842	0	-28,959,842	-100.00%
8	Value added tax for the supply of goods, works and services	52,766,389	108,196,989	55,430,600	105.05%
9	Value added tax withheld from non-residents	5,139,774	14,610,198	9,470,424	184.26%
10	Excise tax on goods produced on the territory of the Russian Federation Republic of Tajikistan	-	-	-	-
11	Land tax	250,430	262,483	12,053	4.81%
12	Tax on real estate objects	2,528,646	2,549,740	21,094	0.83%
13	User tax motorways	41,932,337	53,550,778	11,618,441	27.71%
14	Taxes on motor vehicles	1,811,329	1,819,136	7,808	0.43%
15	Signature bonus for geological subsoil exploration	-	25,000	25,000	100.00%
16	Subscription bonus for mining	211,873,409	-	-211,873,409	-100.00%
17	Bonus of commercial detections	55,202	55,202	-	0.00%
18	Royalties on production	338,650,621	539,423,278	200,772,657	59.29%
19	Water royalties	-	-	-	-
20	Tax paid by the subjects of small business (tax under the simplified system)	-	-	-	-
21	Other taxes, including penalties and penalties	66,318,134	182,858,134	116,540,000	175.73%
	TOTAL	**1,414,124,259**	**1,654,730,457**	**240,606,198**	**17.01%**

Based on the reconciliation of payments, the total aggregated cash flows for tax payments for 2018 were TJS **1,414,124,259** - according to companies and TJS **1,654,730,457** - according to government authorities. All payments are divided into 25 categories, which are summarised in the table below:

		According to the company	According to the Tax Code of the Russian Federation committees	Difference	Difference
№	**Name of payments**	**somoni**	**somoni**	**in somoni**	**в %**
1	Income tax withheld from individuals	42,571,584	210,722,816	168,151,232	394.98%
2	Social tax withheld from individuals (1%)	2,477,260	3,021,487	544,228	21.97%
3	Social tax from the employer (25%)	99,117,537	111,030,936	11,913,399	12.02%
4	Income tax expense, including advance payments	385,735,878	419,698,337	33,962,459	8.80%
5	Tax on net income of a permanent establishment foreign entity	-	-	-	-
6	Tax on dividends	133,935,887	6,905,942	-127,029,945	-94.84%
7	Tax on income of a non-resident from sources in Tajikistan	28,959,842	-	-28,959,842	-100.00%
8	Value added tax on supply of goods, works and services	52,766,389	108,196,989	55,430,600	105.05%
9	Value added tax withheld from non-residents	5,139,774	14,610,198	9,470,424	184.26%
10	Excise tax on goods, produced on the territory of the Republic of Tajikistan	-	-	-	-
11	Land tax	250,430	262,483	12,053	4.81%
12	Property tax on real estate objects	2,528,646	2,549,740	21,094	0.83%
13	User tax motorways	41,932,337	53,550,778	11,618,441	27.71%
14	Taxes on motor vehicles	1,811,329	1,819,136	7,808	0.43%
15	Signature bonus for geological subsoil exploration	-	25,000	25,000	100.00%
16	Subscription bonus for mining	211,873,409	-	-211,873,409	-100.00%
17	Commercial Discovery Bonus	55,202	55,202	-	0.00%
18	Royalties on production	338,650,621	539,423,278	200,772,657	59.29%
19	Water royalties	-	-	-	-
20	Tax paid by the subjects of small business (tax under the simplified system)	-	-	-	-
21	Other taxes, including penalties and penalties	66,318,134	182,858,134	116,540,000	175.73%
	TOTAL	**1,414,124,259**	**1,654,730,457**	**240,606,198**	**17.01%**

The following is a breakdown of the share of each type of tax payment for 2017:

		According to the company		According to the Tax Code of the Russian Federation committees	
№	**Name of payments**	**somoni**	**share in per cent**	**somoni**	**share in per cent**
1	Income tax withheld from individuals	49,716,206	4.43%	187,180,289	14.07%
2	Social tax withheld from individuals (1%)	2,379,004	0.21%	3,055,169	0.23%
3	Social tax from employer (25%)	97,678,453	8.69%	104,333,393	7.84%
4	Income tax, including advance payments	383,597,861	34.14%	439,488,137	33.03%
5	Tax on net profit of a permanent establishment foreign legal entity	-	-	-	-
6	Tax on dividends	94,908,761	8.45%	8,047,682	0.60%
7	Tax c income non-resident from sources in Tajikistan	11,739,436	1.04%	-	-
8	Value added tax on supply of goods, works and services	32,615,114	2.90%	85,074,480	6.39%
9	Tax on value added Value added tax withheld from non-residents	2,200,953	0.20%	8,366,950	0.63%
10	excise tax excise tax on goods, produced on on the territory of the Republic of Tajikistan	-	-	-	0.00%
11	Land tax	488,932	0.04%	509,382	0.04%
12	Property tax on real estate objects	3,055,875	0.27%	3,157,316	0.24%
13	Tax on users of motorways roads	34,983,176	3.11%	45,262,093	3.40%
14	Taxes on motor vehicles	1,325,651	0.12%	1,447,221	0.11%
15	Subscription bonus for geological survey	25,000	0.00%	25,000	0.00%
16	Subscription bonus for mining	99,200,000	8.83%	-	-
17	Commercial Discovery Bonus	-	-	-	0.00%
18	Royalties on production	288,703,849	25.70%	313,400,552	23.55%
19	Water royalties	-	-	-	-
20	Tax, payable subjects small business (tax under the simplified system)	45,257	0.00%	55,757	0.00%
21	Other taxes, including fines and penalties	20,802,970	1.85%	131,219,873	9.86%
	TOTAL	**1,123,466,498**	**100.00%**	**1,330,623,293**	**100.00%**

The following is a breakdown of the share of each type of tax payment for 2018:

		According to the company		According to the Tax Code of the Russian Federation committees	
№	**Name of payments**	**somoni**	**share in per cent**	**somoni**	**share in per cent**
1	Income tax withheld from individuals	42,571,584	3.01%	210,722,816	12.73%
2	Social tax withheld from individuals (1%)	2,477,260	0.18%	3,021,487	0.18%
3	Social tax from employer (25%)	99,117,537	7.01%	111,030,936	6.71%
4	Income tax, including advance payments	385,735,878	27.28%	419,698,337	25.36%
5	Tax on net profit of a permanent establishment foreign legal entity	-	-	-	-
6	Tax on dividends	133,935,887	9.47%	6,905,942	0.42%
7	Tax c income non-resident from sources in Tajikistan	28,959,842	2.05%	-	0.00%
8	Value added tax on supply of goods, works and services	52,766,389	3.73%	108,196,989	6.54%
9	Tax on value added Value added tax withheld from non-residents	5,139,774	0.36%	14,610,198	0.88%
10	excise tax excise tax on goods, produced on on the territory of the Republic of Tajikistan	-	-	-	0.00%
11	Land tax	250,430	0.02%	262,483	0.02%
12	Tax on real estate objects	2,528,646	0.18%	2,549,740	0.15%
13	Tax on users of motorways roads	41,932,337	2.97%	53,550,778	3.24%
14	Taxes on motor vehicles	1,811,329	0.13%	1,819,136	0.11%
15	Subscription bonus for geological survey	-	-	25,000	0.00%
16	Subscription bonus for mining	211,873,409	14.98%	0	0.00%
17	Commercial Discovery Bonus	55,202	0.00%	55,202	0.00%
18	Royalties on production	338,650,621	23.95%	539,423,278	32.60%
19	Water royalties	-	-	-	0.00%
20	Tax, payable subjects small business (tax under the simplified system)	-	-	-	0.00%
21	Other taxes, including fines and penalties	66,318,134	4.69%	182,858,134	11.05%
	TOTAL	**1,414,124,259**	**100.00%**	**1,654,730,457**	**100.00%**

As can be seen from the table above, the main amount of tax payments were:

1. For 2017: Income tax, including advance payments, production royalties, personal income tax, employer social tax, and other taxes, which includes additional tax liabilities paid by the Company based on the tax authority's audit acts.

2. for 2018, the same as for the previous year: production royalties, income tax, including advance payments, personal income tax, social tax withheld from individuals, employer's social tax and value added tax on the supply of goods, works and services, as well as other taxes, which include additional tax liabilities paid by the Companies based on the acts of tax authority audits.

3.2.4 Aggregated cash flows on customs payments

Based on the results of reconciliation of payments, the total aggregated cash flows on customs payments for 2017 totalled TJS **109,781,345** - according to companies and TJS **138,684,921** - according to the state authorities. All payments are divided into 5 categories, which are summarised in the table below:

	Types of payments	Amount in somoni		Discrepancies		Percentage of undisclosed discrepancies
		According to the companies	According to the data Customs Committee	Unclear discrepancies	Without sides- him	
1	Customs duties	69,904,048	31,308,665	-47,571,515	8,976,131	-68.05%
2	Customs duties	527,225	3,934,838	2,405,124	1,002,488	456.19%
3	Value-added tax on goods imported into the territory of Republic of Tajikistan	37,833,134	100,938,473	45,759,962	17,345,377	120.95%
4	Excise tax on goods imported into the territory of the Russian Federation Republic of Tajikistan	1,516,937	2,502,946	965,861	20,148	63.67%
5	Other payments	-	-	-	-	-
	TOTAL	**109,781,345**	**138,684,921**	**1,559,432**	**27,344,145**	**1.42%**

The following is a breakdown of customs payments by type for 2018:

	Types of payments	Amount in somoni		Discrepancies		Percentage of unexplained-of discrepancies
		According to the companies	According to Customs state committee	Unclear discrepancies	Without sides--him.	
1	Customs duties	78,829,245	14,329,232	-67,755,364	3,255,351	-85.95%
2	Customs duties	1,048,409	2,631,270	29,451	1,553,409	2.81%
3	Value-added tax on goods imported into the territory of Republic of Tajikistan	46,865,792	58,850,890	816,288	11,168,810	1.74%
4	Excise tax on goods imported into the Russian Federation the territory of the Republic of Tajikistan	1,285,915	1,639,798	193,417	160,466	15.04%
5	Other payments	-	-	-	-	-
	TOTAL	**128,029,362**	**77,451,190**	**-66,716,208**	**16,138,036**	**-52.11%**

The main amount of the difference is the amount of customs duties of Tajik-Chinese Mining Company LLC in the amount of TJS 67,122,021. The Company has shown this amount as paid in the reporting form, although in the table provided by

Tajik-Chinese Mining Company LLC had no customs payments for 2018 by the Customs Committee.

Following is information on the share of each of the types of customs payments for 2017-2018:

2017

№	Name of payments	According to the companies		According to the Customs committees	
		Somoni	Share in per cent	Somoni	Share in per cent
1	Customs duties	69,904,048	63.68%	31,308,665	22.58%
2	Customs duties	527,225	0.48%	3,934,838	2.84%
3	Value Added Tax on goods imported to territory Republic of Tajikistan	37,833,134	34.46%	100,938,473	72.78%
4	Excise tax on goods imported into the territory of the Republic of Tajikistan	1,516,937	1.38%	2,502,946	1.80%
5	Other payments	-	-	-	-
	TOTAL	**109,781,345**	**100.00%**	**138,684,921**	**100.00%**

2018

№	Name of payments	According to the companies		According to the Customs committees	
		Somoni	Share in per cent	Somoni	Share in per cent
1	Customs duties	78,829,245	61.57%	14,329,232	18.50%
2	Customs duties	1,048,409	0.82%	2,631,270	3.40%
3	Value-added tax on goods imported into the territory of Republic of Tajikistan	46,865,792	36.61%	58,850,890	75.98%
4	Excise tax on goods imported into the territory of the Russian Federation Republic of Tajikistan	1,285,915	1.00%	1,639,798	2.12%
5	Other payments	-	-	-	-
	TOTAL	128,029,362	100.00%	77,451,190	100.00%

The main share of customs payments for 2017-2018 is VAT on importation of goods into the territory of Tajikistan and customs duties, which averaged 95.36% and 94.49% of all customs payments for 2017 and 2018, respectively, according to the Customs Committee.

3.2.5 Aggregated cash flows from other material payments

Based on the reconciliation of payments, the total aggregated cash flows for other material payments for 2017 and 2018 were TJS **55,235,334** and TJS **77,218,066**, respectively. These data have been provided by the companies and have not been reconciled with the data of the state authorities as there are no designated responsible state authorities for these data that would have information to provide in the reconciliation process. Other material payments are divided into 13 categories, which are summarised in the table below:

2017			
№	**Name of payments**	**According to the companies**	
		Amount in somoni	**Share in per cent**
1	Payments for compulsory insurance	1,630,081	2.95%
2	Concession fee	-	-
3	Dividends paid on the state block of shares(*)	47,207,023	85.47%
4	Fee for state share bought back by the company(*)	4,183,451	7.57%
5	State duty and licence fees for the right to use subsurface resources	725,500	1.31%
6	Fees and charges for registration of land use rights	-	-
7	Compensation for loss of profit in the provision of land plots	-	-
8	Compensation for losses of agricultural production and for crop wasting	-	-
9	Compensation of forestry production losses	-	-
10	Payments for expert reviews, permits and approvals of work projects (design and construction documents, EIA, etc.)	112,326	0.20%
11	Payment for environmental pollution and compensation for damage caused to the environment	1,028,912	1.86%
12	Mandatory fees for issuing certificates and other authorisation documents	148,332	0.27%
13	Payments established by agreements concluded with the Government of the Republic of Tajikistan	199,709	0.36%
	TOTAL	**55,235,334**	**100%**

2018			
№	Name of payments	According to the companies	
		Amount in somoni	Share in per cent
1	Payments for compulsory insurance	1,177,566	1.52%
2	Concession fee	-	-
3	Dividends paid on the state block of shares(*)	64,489,316	83.52%
4	Payment for the state share bought back by the company(*)	3,004,101	3.89%
5	State duty and licence fees for the right to use subsurface resources	661,400	0.86%
6	Fees and charges for registration of land use rights	-	-
7	Compensation for loss of profit in the provision of land plots	4,229,316	5.48%
8	Compensation for losses of agricultural production and for crop wasting	-	-
9	Compensation of forestry production losses	51,500	0.07%
10	Payments for expert reviews, permits and approvals of work projects (design and construction documents, EIA, etc.)	1,629,098	2.11%
11	Payment for environmental pollution and compensation for damage caused to the environment	1,564,387	2.03%
12	Mandatory fees for issuing certificates and other authorisation documents	291,382	0.38%
13	Payments established by agreements concluded with the Government of the Republic of Tajikistan	120,000	0.16%
	TOTAL	**77,218,066**	**100%**

As can be seen from the table above, the bulk of other significant payments were dividends paid on the state-owned stake, compensation for loss of profit on land allocation and payment for the state share bought back by the company(*).

The increase in dividend payment is due to the fact that the Tax Code was amended in accordance with the Law No. 1188 of 18 March 2015 on the distribution of net profit in Article 17(28) of the Tax Code:

"If within six calendar months after the end of the reporting year no appropriate decision has been made on the utilisation of profit remaining after taxation, regardless of its further utilisation, for taxation purposes this profit is deemed to be distributed among shareholders (participants)" On this basis, companies began not only to pay taxes related to the payment of dividends, but also the dividends themselves.

The major share of dividends paid for 2017-2018 is attributable to:

	2018r		2017r	
	Dividends	Proportion to total expenditure of this item	Dividends	Proportion to total expenditure of this item
JV Zeravshan LLC	56,529,800	87.66%	39,947,500	84.62%
Petroleum Sugd J L L C	4,206,472	6.52%	2,927,670	6.20%
JSC Sementi Tojik	3,436,796	5.33%	4,030,960	8.54%
LLC "Aprelevka"	316,248	0.49%	300,893	0.64%
	64,489,316	**100%**	**47,207,023**	**100%**

Petroleum Sugd JLLC purchased the State's portion of the interest by paying TJS 3,004,100 and TJS 4,183,450 for 2018 and 2017, respectively.

In 2018, Tajik-Chinese Mining Company LLC paid TJS 4.2 million as compensation for compensation for lost profits in the provision of land plots.

3.2.6 Aggregated cash flows on incremental costs

The total aggregated cash flows on additional expenses of the companies for 2017 and 2018 were TJS **50,938,075** and TJS **48,404,255**, respectively. These data were reported by the companies and have not been reconciled with the data of the state authorities as there are no designated responsible state authorities for these data that would have information to provide in the reconciliation process. Additional expenses are divided into 4 categories, which are summarised in the table below:

2017			
№	Name of payments	According to the companies	
		Amount in somoni	Percentage
1	Support for education	3,914,104	7.68%
2	Support for social infrastructure	16,643,046	32.67%
3	Expenses costs transport useful fossils	29,452,469	57.82%
4	Quasi-fiscal expenditure	928,456	1.82%
	TOTAL	**50,938,075**	**100.00%**

2018			
№	Name of payments	According to the companies	
		Amount in somoni	Percentage
1	Support for education	5,165,546	6.94%
2	Support for social infrastructure	36,139,309	48.55%
3	Expenses for transportation of mineral resources fossils	31,763,854	42.67%
4	Quasi-fiscal expenditure	1,375,451	1.85%
5	**TOTAL**	**74,444,159**	**100.00%**

The bulk of the companies' incremental costs for 2017 and 2018 are mineral transportation costs at 57.82% and 42.67% and support
social infrastructure - 32.67% and 48.55% of total expenditures under this section for 2017 and 2018. The increase in support for social infrastructure from TJS 16.6 million to TJS 36.1 million is due to the expression of social responsibility of extractive industries.
companies and support to local governments on the ground.

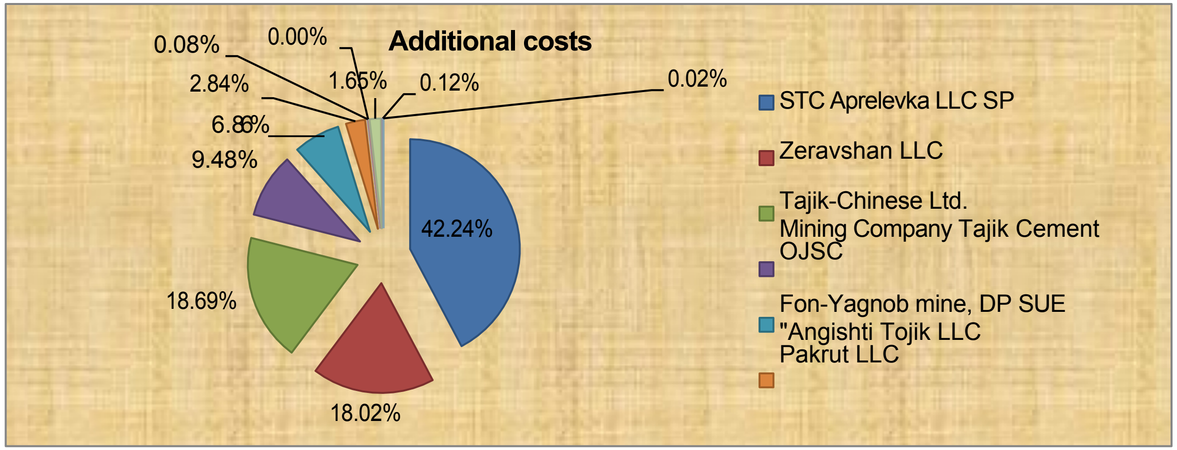
Section 2.7 of the conceptual part of this Report provides detailed information on social expenditures of the companies included in the Reconciliation Register.

The item "Mineral transportation costs" should have included all transportation payments made by the state and state-owned companies. During the reconciliation process, certain companies provided data on this line, but after examining these expenditures, it was found that the main some of these costs are intra-production costs of the companies themselves and/or paid by the transport company, and these amounts were not paid to the state or state-owned companies; also, for some companies we were unable to obtain satisfactory explanations for these payments, and the Independent Administrator decided not to exclude these data from the Report, but to submit them to the MSG for consideration.

The main companies that account for a significant proportion of the additional costs are as follows:

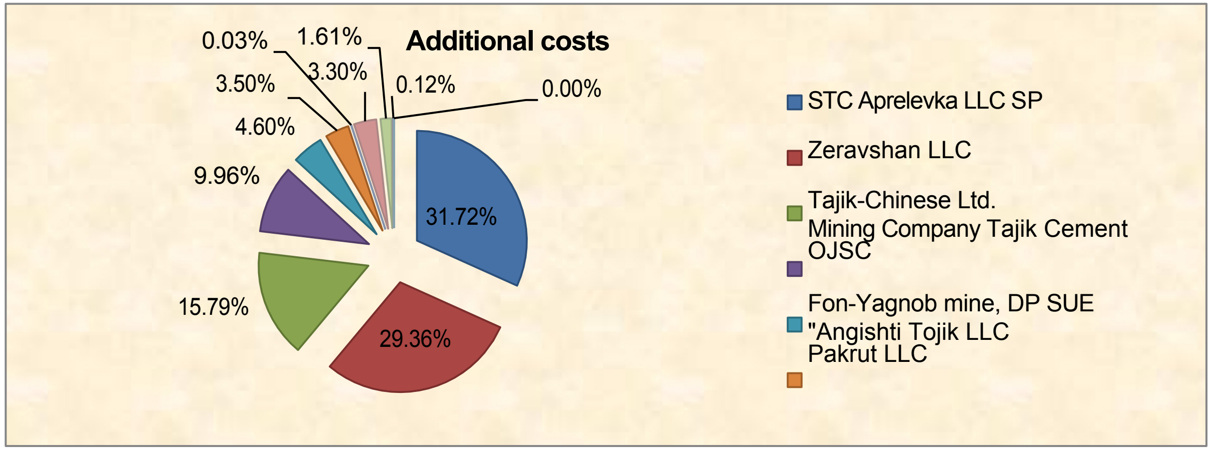
For 2017:

	Support for education	Support social infrastructure	Expenditure on mineral transportation	Quasi-fiscal expenditure	Total	B %
STK LLC "Aprelevka"	-	1,355,778	20,161,636	-	21,517,414	42.24%
JV Zeravshan LLC	500,000	8,677,127	-	-	9,177,127	18.02%
LLC "Tajik-Chinese Mining Company"	3,330,200	6,190,905	-	-	9,521,105	18.69%
Tajik Cement OJSC	-	-	4,830,008	-	4,830,008	9.48%
Von-Yagnob mine, subsidiary Angishti Tojik State Unitary Enterprise	49,855	-	3,366,011	79,620	3,495,486	6.86%
Pakrut Ltd.	21,791	330,000	1,094,814	-	1,446,605	2.84%
Zarink Ltd.	-	40,180	-	-	40,180	0.08%
State Treasury national enterprise "Tilloi Tojik."	-	-	-	840,236	840,236	1.65%
Petroleum Sugd J L L C	12,258	49,056	-	-	61,314	0.12%
OAO Naftu Gas	-	-	-	8,600	8,600	0.02%
Total	**3,914,104**	**16,643,046**	**29,452,469**	**928,456**	**50,938,075**	**100%**



For 2018:

	Support for education	Support for social infrastructure	Expenditure on transport minerals	Quasi-fiscal expenditure	Total	B %
STK LLC "Aprelevka"	-	2,917,949	20,695,947	-	**23,613,896**	31.72%
JV Zeravshan LLC	-	21,858,351	-	-	**21,858,351**	29.36%
Tajik-Chinese Mining Company Ltd.	5,000,000	6,755,445	-	-	**11,755,445**	15.79%
Tajik Cement OJSC	-	1,841,987	5,574,199	-	**7,416,186**	9.96%
Von-Yagnob mine, subsidiary Angishti Tojik State Unitary Enterprise	53,155	-	3,198,355	173,591	**3,425,101**	4.60%
Pakrut Ltd.	63,415	250,000	2,295,353	-	**2,608,768**	3.50%
Zarink Ltd.	-	23,943	-	-	**23,943**	0.03%
Gajur Ltd.	-	2,453,396	-	-	**2,453,396**	3.30%
State Treasury Republican Tilloi Tojik	-	-	-	1,198,860	**1,198,860**	1.61%
Petroleum Sugd J L L C	48,976	38,237	-	-	**87,213**	0.12%
OAO Naftu Gas	-	-	-	3,000	**3,000**	0.00%
Total	**5,165,546**	**36,139,309**	**31,763,854**	**1,375,451**	**74,444,159**	**100%**



3.2.7 Aggregated cash flows by type of activity of companies (oil, gas and mining sector)

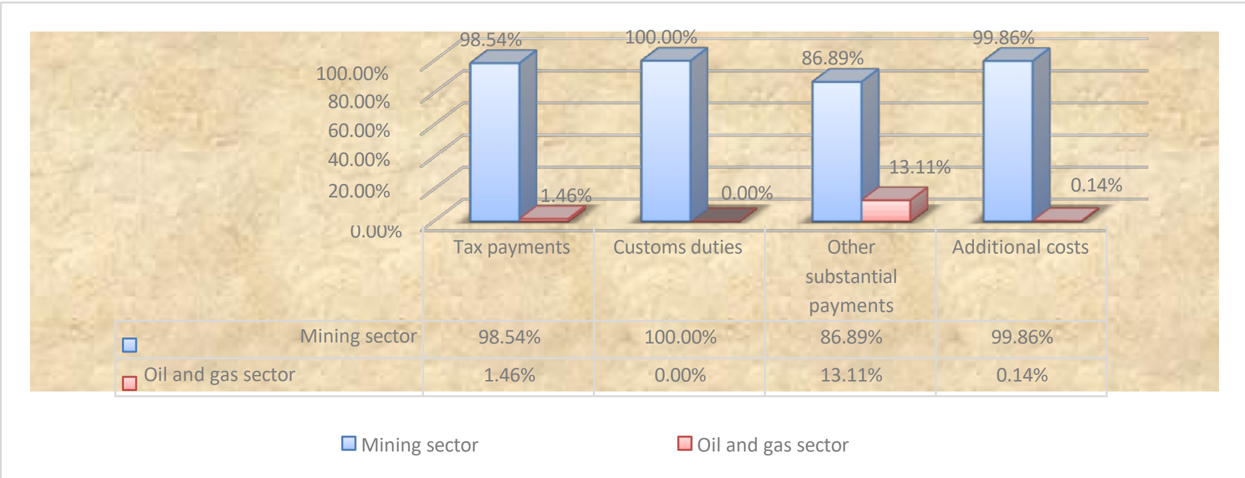
To calculate the aggregate cash flows by type of activity for 2017-2018, all companies were divided into two groups by type of activity -
oil and gas and mining sector. A breakdown of companies by these sectors is provided below:

№	Name of companies	sector
1	Sementi Tojik OJSC	Mining
2	JV Zeravshan LLC	Mining
3	STK LLC "Aprelevka"	Mining
4	Huaxin Garyur Cement Ltd.	Mining
5	Huaxin Gayur Sugd Cement Ltd.	Mining
6	OAO Naftu Gas	Oil and gas
7	Huaxin Gajur Industrial Ltd.	Mining
8	TVEA Dushanbe Mining Industry LLC	Mining
9	CJSC Talko Gold	Mining
10	Shimsho Ltd.	Mining
11	FSDMM S.A. Minerals in RT	Mining
12	Talco Fluorite Ltd.	Mining
13	Sementi Rushdi Khatlon Ltd.	Mining
14	Zarink Ltd.	Mining
15	Tajik-Chinese Mining Company LLC	Mining
16	TA JV Anzob LLC	Mining
17	LLC "Sangalt"	Mining
18	Ғayur Ltd.	Mining
19	Petroleum Sugd J L L C	Oil and gas
20	Pakrut Ltd.	Mining
21	Branch of C.N.P. Central Asia B.V. Ltd.	Oil and gas
22	State Treasury Republican Enterprise "Tilloi Tojik."	Mining
23	JSC Takobsky GOK"	Mining
24	Fon-Yagnob mine, a subsidiary of Angishti State Unitary Enterprise Tochik."	Mining

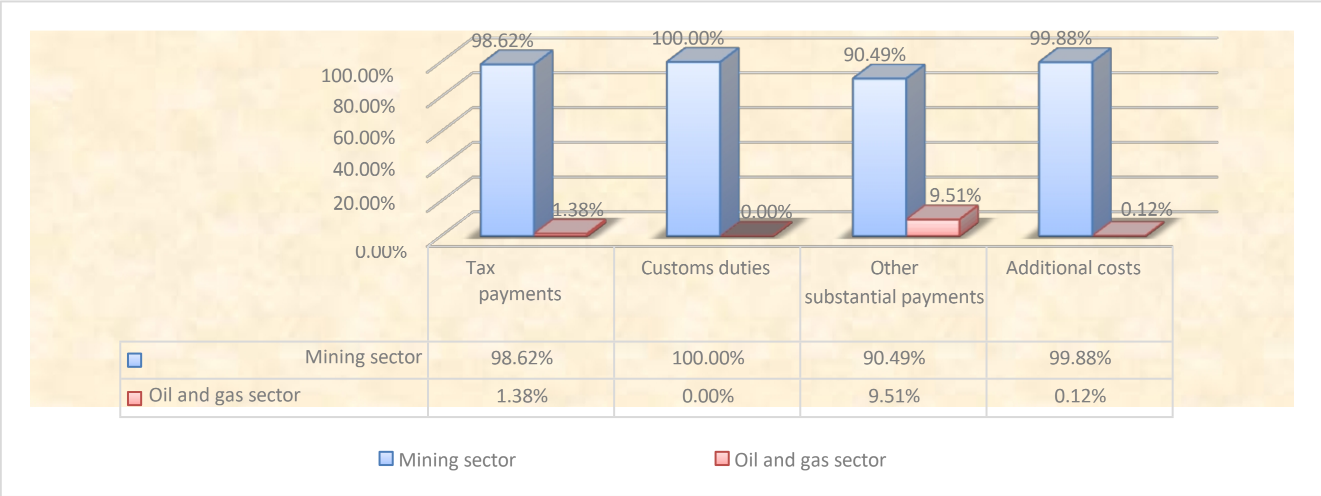
Based on the reconciliation of payments, the total aggregate cash flows by activity for 2017 and 2018 are summarised below.

Total cash flows by activity, according to companies:

2017					
№	Types of payments	Amount in somoni		Share in %	
		Mining sector	Oil and gas sector	Mining sector	Oil and gas sector
1	Tax payments	1,107,010,786	16,455,712	98.54%	1.46%
2	Customs instalments	109,781,345	0	100.00%	0.00%
3	Other material instalments	47,994,153	7,241,181	86.89%	13.11%
4	Additional expenditure	50,868,161	69,914	99.86%	0.14%
	Total	**1,315,654,445**	**23,766,807**	**98.23%**	**1.77%**



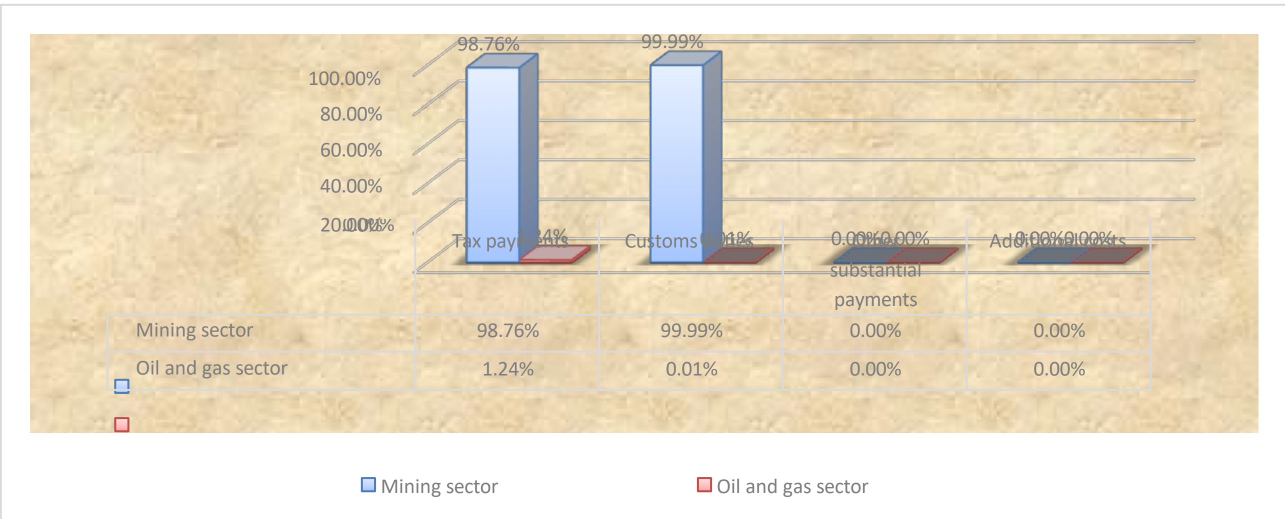
2018					
№	Types of payments	Amount in somoni		Share in %	
		Mining sector	Oil and gas sector	Mining sector	Oil and gas sector
1	Taxes instalments	1,394,662,513	19,461,746	98.62%	1.38%
2	Customs instalments	128,029,362	0	100.00%	0.00%
3	Other substantial payments	69,877,042	7,341,024	90.49%	9.51%
4	Additional expenditure	74,353,946	90,213	99.88%	0.12%
	Total	**1,666,922,863**	**26,892,984**	**98.41%**	**1.59%**



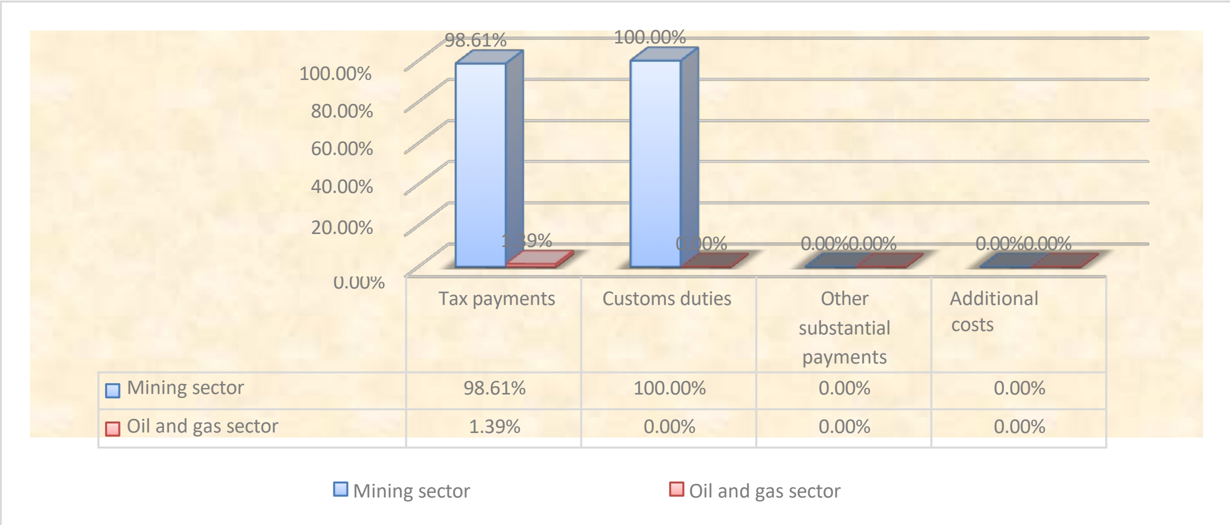
The table above shows that for 2017 and 2018, companies in the mining sector make the bulk of payments - 98.23% and 98.41% respectively - according to company data.

Total cash flows by type of activity, according to government agencies:

2017					
№	Types of payments	Amount in somoni		Share in %	
		Mining sector	Oil and gas sector	Mining sector	Oil and gas sector
1	Tax payments	1,314,167,580	16,455,712	98.76%	1.24%
2	Customs instalments	138,669,150	15,772	99.99%	0.01%
3	Other material instalments	0	0	0.00%	0.00%
4	Additional expenditure	0	0	-	-
	Total	**1,452,836,730**	**16,471,484**	**98.88%**	**1.12%**



2018					
№	Types of payments	Amount in somoni		Share in %	
		Mining sector	Oil and gas sector	Mining sector	Oil and gas sector
1	Tax payments	1,631,801,196	22,929,261	98.61%	1.39%
2	Customs duties	77,451,190	0	100.00%	0.00%
3	Other material instalments	0	0	0.00%	0.00%
4	Additional expenditure	0	0	-	-
	Total	**1,709,252,387**	**22,929,261**	**98.68%**	**1.32%**



Mining sector companies also made the bulk of the payments for 2017 and 2018, 98.88 per cent and 98.68 per cent respectively, according to government data.

3.2.8 Aggregated cash flows for individual companies

Company information

2017											
№	Company name	Tax payments		Customs duties		Other material payments		Additional costs		Total payments	
		Somoni	Share in %	Somoni	Share in %	Somoni	Share in %	Somoni	Share in %	Somoni	Percentage в %
1	2	3	4	5	6	7	8	9	10	11	12
1	Gajur Ltd.	1,890,931	0.17%	94,259	0.09%	0	0.00%	0	0.00%	1,985,189	0.15%
2	CPCNLF Central Agee B.V."	3,030,906	0.27%	0	0.00%	83,769	0.15%	0	0.00%	3,114,675	0.23%
3	Pakrut Ltd.	19,263,857	1.71%	1,282,013	1.17%	103,600	0.19%	1,446,605	2.84%	22,096,075	1.65%
4	Shimsho Ltd.	344,444	0.03%	0	0.00%	0	0.00%	0	0.00%	344,444	0.03%
5	Sementi Rushdi Ltd. Hatlon."	1,289,604	0.11%	124,538	0.11%	0	0.00%	0	0.00%	1,414,142	0.11%
6	OJSC Takobsky GOK	924,834	0.08%	0	0.00%	0	0.00%	0	0.00%	924,834	0.07%
7	Huachian Gajur Ltd. Industrial."	2,800,183	0.25%	3,127,226	2.85%	0	0.00%	0	0.00%	5,927,409	0.44%
8	OAO Naftu Gas	1,089,605	0.10%	0	0.00%	0	0.00%	8,600	0.02%	1,098,205	0.08%
9	JSC Sementi Tojik	38,227,247	3.40%	309,673	0.28%	4,069,886	7.37%	4,830,008	9.48%	47,436,814	3.54%
10	CJSC Talko Gold	1,000	0.00%	0	0.00%	0	0.00%	0	0.00%	1,000	0.00%
11	S.A. Minerals Ltd.	359,324	0.03%	545,093	0.50%	0	0.00%	0	0.00%	904,417	0.07%
12	LLC "Tajik-Chinese Mining and Industrial Company"	624,323,969	55.57%	60,791,779	55.38%	1,862,682	3.37%	9,521,105	18.69%	696,499,535	52.00%
13	Petroleum Sugd JLLC	12,335,201	1.10%	0	0.00%	7,157,412	12.96%	61,314	0.12%	19,553,927	1.46%
14	Zarink Ltd.	304,430	0.03%	1,323,419	1.21%	0	0.00%	40,180	0.08%	1,668,029	0.12%
15	STK LLC "Aprelevka"	33,717,380	3.00%	5,325,690	4.85%	394,475	0.71%	21,517,414	42.24%	60,954,959	4.55%

1	2	3	4	5	6	7	8	9	10	11	12
16	Fon-Yagnob mine, Angishti SUE DP Tochik."	25,575,917	2.28%	0	0.00%	173,242	0.31%	3,495,486	6.86%	29,244,645	2.18%
17	Huaxin Gajur Ltd. Sement."	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18	JV Zarevshan LLC	349,083,865	31.07%	36,327,569	33.09%	41,383,988	74.92%	9,177,127	18.02%	435,972,549	32.55%
19	TA Anzob Ltd.	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
20	Huaxin Gajur Ltd. (Sugd) Sement."	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
21	Tilloi Tojik SCRS	8,275,770	0.74%	0	0.00%	0	0.00%	840,236	1.65%	9,116,006	0.68%
22	TVEA Dushanbe Gornaya LLC Industry."	628,031	0.06%	530,086	0.48%	6,280	0.01%	0	0.00%	1,164,398	0.09%
23	Talco Fluorite Ltd.	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
24	LLC "Sangalt"	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Total	**1,123,466,498**	**100%**	**109,781,345**	**100%**	**55,235,334**	**100%**	**50,938,075**	**100%**	**1,339,421,252**	**100%**

2018											
№	**Company name**	**Tax payments**		**Customs duties**		**Other material payments**		**Additional costs**		**Total payments**	
		Somoni	**Share in %**	**Somoni**	**Share in %**	**Somoni**	**Share in %**	**Somoni**	**Share in %**	**Somoni**	**Percentage в %**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1	Gajur Ltd.	2,280,142	0.16%	62,152	0.05%	1,400	0.00%	2,453,396	3.30%	4,797,091	0.28%
2	CPCNLF Central Agee B.V."	6,390,918	0.45%	0	0.00%	86,225	0.11%	0	0.00%	6,477,143	0.38%
3	Pakrut Ltd.	25,130,911	1.78%	5,418,747	4.23%	213,076	0.28%	2,608,768	3.50%	33,371,502	1.97%
4	Shimsho Ltd.	1,528,674	0.11%	0	0.00%	0	0.00%	0	0.00%	1,528,674	0.09%

1	2	3	4	5	6	7	8	9	10	11	12
5	Sementi Rushdi Ltd. Hatlon."	1,677,963	0.12%	16,587	0.01%	0	0.00%	0	0.00%	1,694,550	0.10%
6	OJSC Takobsky GOK	1,723,254	0.12%	0	0.00%	0	0.00%	0	0.00%	1,723,254	0.10%
7	Huachian Gajur Ltd. Industrial."	3,281,031	0.23%	5,159,795	4.03%	0	0.00%	0	0.00%	8,440,826	0.50%
8	OAO Naftu Gas	1,641,487	0.12%	0	0.00%	0	0.00%	3,000	0.00%	1,644,487	0.10%
9	JSC Sementi Tojik	38,992,798	2.76%	535,797	0.42%	3,495,592	4.53%	7,416,186	9.96%	50,440,373	2.98%
10	CJSC Talko Gold	1,361,098	0.10%	113,933	0.09%	955,912	1.24%	0	0.00%	2,430,944	0.14%
11	S.A. Minerals Ltd.	2,091,660	0.15%	3,862,670	3.02%	286,161	0.37%	0	0.00%	6,240,491	0.37%
12	LLC "Tajik-Chinese Mining and Industrial Company"	655,917,726	46.38%	67,122,021	52.43%	6,184,274	8.01%	11,755,445	15.79%	740,979,466	43.75%
13	Petroleum Sugd J L L C	11,429,341	0.81%	0	0.00%	7,254,799	9.40%	87,213	0.12%	18,771,353	1.11%
14	Zarink Ltd.	1,196,606	0.08%	190,733	0.15%	0	0.00%	23,943	0.03%	1,411,282	0.08%
15	STK LLC "Aprelevka"	32,993,045	2.33%	4,215,569	3.29%	641,936	0.83%	23,613,896	31.72%	61,464,446	3.63%
16	Von Yagnob Mine, Angishti Tojik DP SUE	56,180,932	3.97%	108,641	0.08%	259,281	0.34%	3,425,101	4.60%	59,973,956	3.54%
17	Huaxin Gajur Ltd. Sement."	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18	JV Zarevshan LLC	561,001,689	39.67%	39,953,737	31.21%	57,468,576	74.42%	21,858,351	29.36%	680,282,353	40.16%
19	TA Anzob Ltd.	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
20	Huaxin Gajur Ltd. (Sugd) Sement."	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
21	Tilloi Tojik SCRS	9,035,254	0.64%	0	0.00%	0	0.00%	1,198,860	1.61%	10,234,114	0.60%
22	TVEA Dushanbe Gornaya LLC Industry."	269,729	0.02%	1,268,979	0.99%	370,833	0.48%	0	0.00%	1,909,541	0.11%
23	Talco Fluorite Ltd.	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
24	LLC "Sangalt"	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Total	**1,414,124,259**	**100%**	**128,029,362**	**100%**	**77,218,066**	**100%**	**74,444,159**	**100%**	**1,693,815,847**	**100%**

Information on public bodies

№	Name of companies	2017					
		Tax payments		Customs duties		Total payments	
		Somoni	Share in per cent	Somoni	Share in per cent	Somoni	Share in per cent
1	Gajur Ltd.	1,890,931	0.14%	94,259	0.07%	1,985,189	0.14%
2	FCHOO "CNPC Central Asia B.V."	3,030,906	0.23%	0	0.00%	3,030,906	0.21%
3	Pakrut Ltd.	19,263,857	1.45%	1,206,546	0.87%	20,470,403	1.39%
4	Shimsho Ltd.	344,445	0.03%	0	0.00%	344,445	0.02%
5	Sementi Rushdi Khatlon Ltd.	1,289,604	0.10%	124,537	0.09%	1,414,141	0.10%
6	OJSC Takobsky GOK	924,834	0.07%	0	0.00%	924,834	0.06%
7	Huachian Garyur Industrial Ltd.	3,253,448	0.24%	3,130,594	2.26%	6,384,042	0.43%
8	OAO Naftu Gas	1,089,605	0.08%	0	0.00%	1,089,605	0.07%
9	JSC Sementi Tojik	38,227,247	2.87%	309,673	0.22%	38,536,920	2.62%
10	CJSC Talko Gold	1,000	0.00%	0	0.00%	1,000	0.00%
11	S.A. Minerals Ltd.	359,324	0.03%	545,093	0.39%	904,417	0.06%
12	LLC "Tajik-Chinese Mining and Industrial Company"	621,628,446	46.72%	62,881,022	45.34%	684,509,468	46.59%
13	Petroleum Sugd J L L C	12,335,201	0.93%	15,772	0.01%	12,350,973	0.84%
14	Zarink Ltd.	313,747	0.02%	1,323,420	0.95%	1,637,166	0.11%
15	STK LLC "Aprelevka"	34,051,754	2.56%	4,857,120	3.50%	38,908,874	2.65%
16	Fon-Yagnob mine, Angishti SUE DP Tochik."	25,424,209	1.91%	0	0.00%	25,424,209	1.73%
17	Huaxin Gayur Sement Ltd.	108,943,356	8.19%	12,102,382	8.73%	121,045,738	8.24%
18	JV Zeravshan LLC	349,083,865	26.23%	36,322,655	26.19%	385,406,520	26.23%
19	TA JV Anzob LLC	71,180,708	5.35%	5,046,746	3.64%	76,227,454	5.19%
20	Huaxin Gayur (Sughd) Sement Ltd.	27,820,694	2.09%	10,055,746	7.25%	37,876,440	2.58%
21	Tilloi Tojik SCRS	8,275,770	0.62%	0	0.00%	8,275,770	0.56%
22	TVEA Dushanbe Gornaya LLC Industry."	365,548	0.03%	530,086	0.38%	895,634	0.06%
23	Talco Fluorite Ltd.	641,686	0.05%	139,271	0.10%	780,957	0.05%
24	LLC "Sangalt"	883,110	0.07%	0	0.00%	883,110	0.06%
	Total	**1,330,623,293**	**100%**	**138,684,921**	**100%**	**1,469,308,214**	**100%**

№	Name of companies	2018					
		Tax payments		Customs duties		Total payments	
		Somoni	Share in per cent	Somoni	Share in per cent	Somoni	Share in per cent
1	Gajur Ltd.	2,387,853	0.14%	62,152	0.08%	2,450,006	0.14%
2	FCHOO "CNPC Central Asia B.V."	9,858,433	0.60%	0	0.00%	9,858,433	0.57%
3	Pakrut Ltd.	28,846,011	1.74%	5,423,698	7.00%	34,269,708	1.98%
4	Shimsho Ltd.	1,528,675	0.09%	0	0.00%	1,528,675	0.09%
5	Sementi Rushdi Khatlon Ltd.	1,677,963	0.10%	16,587	0.02%	1,694,550	0.10%
6	OJSC Takobsky GOK	1,723,254	0.10%	0	0.00%	1,723,254	0.10%
7	Huachian Garyur Industrial Ltd.	3,281,031	0.20%	5,033,163	6.50%	8,314,193	0.48%
8	OAO Naftu Gas	1,641,487	0.10%	0	0.00%	1,641,487	0.09%
9	JSC Sementi Tojik	38,992,798	2.36%	535,797	0.69%	39,528,596	2.28%
10	CJSC Talko Gold	1,361,098	0.08%	114,404	0.15%	1,475,503	0.09%
11	S.A. Minerals Ltd.	2,081,891	0.13%	3,862,671	4.99%	5,944,561	0.34%
12	LLC "Tajik-Chinese Mining and Industrial Company"	633,590,119	38.29%	0	0.00%	633,590,119	36.58%
13	Petroleum Sugd JLLC	11,429,341	0.69%	0	0.00%	11,429,341	0.66%
14	Zarink Ltd.	1,196,606	0.07%	190,733	0.25%	1,387,339	0.08%
15	STK LLC "Aprelevka"	33,227,402	2.01%	4,607,400	5.95%	37,834,802	2.18%
16	Fon-Yagnob mine, Angishti SUE DP Tochik."	56,180,932	3.40%	190,573	0.25%	56,371,505	3.25%
17	Huaxin Gayur Sement Ltd.	88,648,092	5.36%	5,915,407	7.64%	94,563,498	5.46%
18	JV Zeravshan LLC	561,001,689	33.90%	39,993,362	51.64%	600,995,050	34.70%
19	TA JV Anzob LLC	123,934,972	7.49%	7,160,365	9.25%	131,095,337	7.57%
20	Huaxin Gayur (Sughd) Sement Ltd.	38,817,514	2.35%	2,940,869	3.80%	41,758,383	2.41%
21	Tilloi Tojik SCRS	9,035,254	0.55%	0	0.00%	9,035,254	0.52%
22	TVEA Dushanbe Gornaya LLC Industry."	266,475	0.02%	1,282,615	1.66%	1,549,090	0.09%
23	Talco Fluorite Ltd.	2,411,698	0.15%	121,396	0.16%	2,533,094	0.15%
24	LLC "Sangalt"	1,609,870	0.10%	0	0.00%	1,609,870	0.09%
	Total	**1,654,730,457**	**100%**	**77,451,190**	**100%**	**1,732,181,648**	**100%**

Six companies account for the bulk of all payments: JV Zeravshan LLC, JV Zeravshan LLC, JV Zeravshan LLC, and JV Zeravshan LLC.

"Tajik-Chinese Mining Company, Pakrut LLC, Sementi Tojik OJSC, STC Aprelevka LLC, Fon-Yagnob Mine, Angishti Tojik SUE, and Sementi Tojik LLC.

"Huaxin Gyur Cement."

3.3. GENERAL COMMENTS ON UNEXPLAINED DISCREPANCIES

3.3.1 Total unexplained discrepancies by type of payments

In the course of reconciliation, all differences and discrepancies, for which appropriate explanations and signed reconciliation acts and other supporting documents were provided, were agreed and adjusted. Based on the results of reconciliation of payments, the total unexplained discrepancies for all types of payments for 2017 totalled TJS **207,156,794** for tax payments and TJS 25,962,621 for customs payments and - TJS 39,799,336 for tax payments and TJS 29,082,461 for customs payments for 2018, all discrepancies are summarised in the table below:

2017				
Tax payments	**According to the company**	**According to government agencies**	**Difference**	**Difference**
	in somoni	**in somoni**	**in somoni**	**в %**
1	**2**	**3**	**4**	**5**
Income tax withheld from individuals	49,716,206	187,180,289	137,464,083	276%
Social tax withheld from individuals (1 per cent)	2,379,004	3,055,169	676,165	28%
Social tax from the employer (25%)	97,678,453	104,333,393	6,654,940	7%
Income tax, including advance payments	383,597,861	439,488,137	55,890,275	15%
Tax on net income of permanent establishment of a foreign legal entity	-	-	-	0%
Tax on dividends	94,908,761	8,047,682	-86,861,079	-92%
Tax on income of a non-resident from sources in Tajikistan	11,739,436	-	-11,739,436	-100%
Value added tax on supply of goods, works and services	32,615,114	85,074,480	52,459,366	161%
Value Added Tax, withheld from non-residents	2,200,953	8,366,950	6,165,997	280%
Excise tax on goods produced on the territory of the Russian Federation Republic of Tajikistan	-	-	-	0%
Land tax	488,932	509,382	20,450	4%
Tax on real estate objects	3,055,875	3,157,316	101,441	3%
User tax motorways	34,983,176	45,262,093	10,278,918	29%

1	2	3	4	5
Taxes on motor vehicles	1,325,651	1,447,221	121,570	9%
Signature bonus for geological subsoil exploration	25,000	25,000	-	0%
Subscription bonus for mining	99,200,000	-	-99,200,000	-100%
Commercial Discovery Bonus	-	-	-	0%
Royalties on production	288,703,849	313,400,552	24,696,703	9%
Water royalties	-	-	-	0%
Tax paid by subjects small business (tax under the simplified system)	45,257	55,757	10,500	23%
Other taxes, including penalties and penalties	20,802,970	131,219,873	110,416,902	531%
TOTAL	**1,123,466,498**	**1,330,623,293**	**207,156,794**	**18%**

Customs duties				
Customs duties	69,904,048	31,308,665	-38,595,384	-55%
Customs duties	527,225	3,934,838	3,407,612	646%
Value added tax on goods, imported into territory of the Republic of Tajikistan	37,833,134	100,938,473	63,105,339	167%
Excise tax on imported goods into territory Republic of Tajikistan	1,516,937	2,502,946	986,009	65%
Other payments	-	-	-	0%
Total	**109,781,345**	**138,684,921**	**28,903,577**	**26%**

As described in Section 3.2.2., discrepancies can be divided into three categories and part of the unidentified discrepancy amounts to TJS **-2,614,316** or 1.26% of the total tax payments for these companies. Main reason:

- Significant differences in the data of the LLC were identified during reconciliation "Tajik-Chinese Mining Company and STC of Aprelveka LLC on the amount of -2,695,523 and 334,374 somoni, respectively. The management of these companies did not provide signed Reconciliation Acts with the tax authorities and did not respond to our request to clarify the deviations.
- Our report reflects unilateral tax payments of Huaxin Gayur Cement Ltd: 108,943,356, Huaxin Gayur Sugd Cement Ltd: 27,820,694, TA Ltd. "Anzob: TJS 71,180,708, Talco Fluorite LLC: TJS 641,686 and Anzob Ltd. "Sangalt: TJS 883,110 for 2017, respectively, based on tax authority data. The management of the company, despite several requests from the Independent Administrator and the Ministry of Finance of the Republic of Tajikistan, has not provided the completed form.

In relation to customs duties, the Independent Administrator was unable to obtain sufficient and reasonable audit evidence in respect of the identified discrepancies in customs payments. Neither the companies nor the Customs Committee provided signed reconciliation acts for 2017-2018.

2018				
Tax payments	According to the company	According to government agencies	Difference	Difference
	in somoni	in somoni	in somoni	в %
Income tax withheld from individuals	42,571,584	210,722,816	168,151,232	395%
Social tax withheld from individuals (1 per cent)	2,477,260	3,021,487	544,228	22%
Social tax from employer (25%)	99,117,537	111,030,936	11,913,399	12%
Income tax, including advance payments	385,735,878	419,698,337	33,962,459	9%
Tax on net income of permanent establishment of a foreign legal entity	-	-	-	0%
Tax on dividends	133,935,887	6,905,942	-127,029,945	-95%
Tax on income of a non-resident from sources in Tajikistan	28,959,842	-	-28,959,842	-100%
Value added tax on supply of goods, works and services	52,766,389	108,196,989	55,430,600	105%
Value Added Tax, withheld from non-residents	5,139,774	14,610,198	9,470,424	184%
Excise tax on goods produced by on the territory of the Republic of Tajikistan	-	-	-	0%
Land tax	250,430	262,483	12,053	5%
Tax on real estate objects	2,528,646	2,549,740	21,094	1%
Tax on users of motorways roads	41,932,337	53,550,778	11,618,441	28%
Taxes on motor vehicles	1,811,329	1,819,136	7,808	0%
Signature bonus for geological subsoil exploration	-	25,000	25,000	100%
Subscription bonus for mining	211,873,409	-	-211,873,409	-100%
Commercial Discovery Bonus	55,202	55,202	-	0%
Royalties on production	338,650,621	539,423,278	200,772,657	59%
Water royalties	-	-	-	0%
Tax paid by small business entities business (tax under the simplified system)	-	-	-	0%
Other taxes, including fines and penalties	66,318,134	182,858,134	116,540,000	176%
TOTAL	**1,414,124,259**	**1,654,730,457**	**240,606,198**	**17%**

Customs duties				
Customs duties	78,829,245	14,329,232	-64,500,013	-82%
Customs duties	1,048,409	2,631,270	1,582,860	151%
Tax on value added value added tax on goods, imported into territory of the Republic of Tajikistan	46,865,792	58,850,890	11,985,098	26%
Excise tax on goods imported into the Russian Federation the territory of the Republic of Tajikistan	1,285,915	1,639,798	353,883	28%
Others	-	-	-	-
Total	**128,029,362**	**77,451,190**	**-50,578,172**	**-40%**

As described in Section 3.2.2., discrepancies can be divided into three categories and part of the unidentified discrepancy is 22**,106,273** TJS or 9.19% of the total tax payments for these companies. Main reason:

- During the reconciliation, significant differences in the data of the LLC were identified "Tajik-Chinese Mining Company and STC of Aprelveka LLC on the amount of -22,327,607 and 234,357 somoni, respectively. The management of these companies did not provide signed Reconciliation Acts with the tax authorities and did not respond to our request to clarify the deviations.
- Our report reflects unilateral tax payments of Huaxin Gayur Cement Ltd: 88,648,092, Huaxin Gayur Sugd Cement Ltd: 38,817,514, TA Ltd. "Anzob: TJS 123,934,972, Talko Fluorite LLC: TJS 2,411,698 and Anzob Ltd. "Sangalt: TJS 1,609,870 for 2018, respectively, based on tax authority data. The management of the company, despite several requests from the Independent Administrator and the Ministry of Finance of the Republic of Tajikistan, has not provided the completed form.

In relation to customs duties, the Independent Administrator was unable to obtain sufficient and reasonable audit evidence in respect of the identified discrepancies in customs payments. Neither the companies nor the Customs Committee provided signed reconciliation acts for 2017-2018.

3.4. INFORMATION ON THE AUDIT OF THE FINANCIAL STATEMENTS OF COMPANIES

Information on the audit of the financial statements of the companies for 2017-2018 is given in the table below:

№	Company name	Have you had an independent audit of your financial statements?		Does the company have audited publicly available financial statements? If you have one, please describe how you can get one or provide a link to this one accountability
		for 2017	For 2018	
1	Gajur Ltd.	No	No	No
2	FCHOO "CNPC Central Asia B.V."	No	No	No
3	Pakrut Ltd.	Yes	Yes	No
4	Shimsho Ltd.	No	No	No
5	Sementi Rushdi Khatlon Ltd.	No	No	No
6	OJSC Takobsky GOK	No	No	No
7	Huachian Garyur Industrial Ltd.	No	No	No
8	OAO Naftu Gas	No answer	No answer	No answer
9	JSC Sementi Tojik	Yes	Yes	No
10	CJSC Talko Gold	Yes	Yes	No
11	S.A. Minerals Ltd.	No	No	No
12	Tajik-Chinese Mining Company LLC	No	No	No
13	Petroleum Sugd JLLC	No	No	No
14	Zarink Ltd.	Yes	Yes	No
15	STK LLC "Aprelevka"	Yes	Yes	No
16	Fon-Yagnob mine, subsidiary of Angishti Tojik SUE	No answer	No answer	No answer
17	Huaxin Gayur Sement Ltd.	Completed form not provided		

18	JV Zeravshan LLC	Yes	Yes	No
19	TA JV Anzob LLC	Completed form not provided		
20	Huaxin Gayur (Sughd) Sement Ltd.	Completed form not provided		
21	Tilloi Tojik SCRS	No answer	No answer	No answer
22	TVEA Dushanbe Mining Industry LLC	No	No	No
23	Talco Fluorite Ltd.	Completed form not provided		
24	LLC "Sangalt"	Completed form not provided		

As can be seen from the table above, the majority of companies did not have their financial statements externally audited for 2017 and 2018.

3.5. RECOMMENDATIONS OF THE INDEPENDENT ADMINISTRATOR

3.5.1 IMPLEMENTATION OF THE RECOMMENDATIONS MADE IN THE SECOND NATIONAL REPORT ON IPDO FOR 2015-2016.

A summary of the implementation process of the recommendations made in the Second National EITI Report 2015-20016 is shown in the following table:

Recommendation	Link to. EITI Report for 2015-2016.	Result
Coverage of companies for payment reconciliation: Conduct a new study to Determining the materiality threshold in connection with the closure of certain of companies and the precise definition the number of companies that have only "production" licences.	3.5.2.1.	A new survey was conducted in August - September 2019 and a Scoping Report has been prepared for October 2019 by the Independent Administrator.
Appointment of an Independent Administrator: For the purposes of reconciliation and compilation of the EITI Report, the EITI Council in Tajikistan needs to Consider appointing an independent administrator to the beginning of the year, so that the Report is prepared by the end of September of that year of the same year, i.e. well in advance.	3.5.2.2.	The Independent Administrator was appointed after 7 months from the end of the financial period, i.e. early August 2019.
Implementation of the EITI accounting system both for Companies and for of government agencies: In order to consolidate information on the EITI, it seems necessary to: 1) implement a centralised dedicated IT platform where the forms of the payment tables and other necessary data, in particular on the conceptual part, can be included. 2) provide access to all Companies that have mining licences and whose main activity is extraction and sale of products. Companies can log in under their login and fill out the forms within the specified timeframe. 3) provide access to public	3.5.2.3.	Unfortunately, this recommendation has been taken into account but not implemented due to lack of funds.

and they can enter all EITI compliant payments received from companies in the extractive sector into the system under their login.		
Separating mining from other activities: It is recommended to consider how to implement a procedure at the state level to separate the business and payment/revenue streams of extractive activities from other activities performed by the same company.	3.5.2.4.	It is not possible to implement payments by type of activity of extractive companies at the moment, one TIN is assigned to a company and that's it payments are made by means of this TIN.
Project Level Reporting: It is recommended to assess the possibility of disaggregating payments by project, in order to report at the individual level of the project.	3.5.2.5.	The recommendation has been taken into account, but due to technical issues, it is not yet possible to implement the recommendation.
Disclosure of information **by state-owned enterprises:** It is recommended that state-owned enterprises be encouraged to disclose all information, required by the EITI Standard, and Understand the barriers and limitations that may prevent such disclosure.	3.5.2.6.	The EITI Council communicates to all parties in a step-by-step manner about the importance and the need to comply with EITI standards and disclose all information required by the standards. State bodies in the process of reconciliation and compilation of the 3rd National EITI Report provided maximum assistance in the provision of information.
Information on cadastre, licences and the secrecy of precious metals mining: It is recommended to improve the cadastral data that are available for public viewing in order to comply with the requirements EITI standards	3.5.2.7.	Licensing authorities are gradually supplementing the Register of issued licences by including cadastre data.
One body responsible for issuing the licence: In order to ensure greater transparency, speed up the process of organising and conducting open tenders, as well as the selection of It is considered appropriate to establish one body responsible for issuing licences. It is more efficient to manage if all concentrated in one hand	3.5.2.8.	So far, there's no such option in The government is not considering it.

Recommendation

We recommend that an Action Plan be developed to implement the above recommendations in this Report, prioritising them from the beginning of next year.

3.5.2 RECOMMENDATIONS FOR FUTURE REPORTING

Based on the reconciliation and national report for the last three years covering payments from 2014 to 2018, the Independent Administrator has concluded that all of the above recommendations from previous years are still valid.

The EITI Council and MSG should work closely with both extractive companies and government agencies to ensure that all requirements of the EITI standards are met and that all information requested under the EITI is provided in a timely and complete manner.

Appendix No. 1

Roster of licences issued for the year 2017-2018.

№	Company name	Type of activity	Mineral	Date of application	Series and number licences	Deadline licences	Coordinates of licence offices plots	Field and location
1	Faridun 2016 LLC	geological study	corundum	09.12. 2016	A №0000287	28.04.2017 28.04.2022	2,070 km^2	Corundum deposit Barfi Murghab district of Gorno-Badakhshan Autonomous Oblast
2	Kulla Ltd.	geological study	gold	28.11.2017	A №0000291	29.12.2018 29.12.2028	6.00 km^2	Tabospin Kuhistoni gold deposits in Mastchoh district of Sughd province
3	LTD. "AvestaOdina."	geological study	alluvial gold	31.12.2018	A №0000290	28.04.2018 28.04.2023	16.66 km^2	Alluvial occurrences Dashtako gold occurrences in Khovaling district Khatlon province
4	CJSC Faroz	geological study	gold	15.02.2017	A №0000289	29.12.2017 29.12.2022	2.85 km^2	Ukobkhona gold ore field of Ayni district of Sughd region
5	CJSC Faroz	geological study	antimony	15.02.2017	A №0000288	29.12.2017 29.12.2022	3.6 km^2	Antimony manifestation of Pahndara antimony of Ayni district of Sughd province

Appendix No. 2

Register
licences issued by the Government of the Republic of Tajikistan for the extraction of mineral resources in 2017-2018

№№	Name of legal entities	TIN	Legal address	Field name	View activities	Licence series and number	Licence validity period
A	1	2	3	4	5	6	7
1	CJSC Talko Gold	070016835	Tursunzode town, Seshanbe district	Group Conchoche, Rocky (Chulboys)	extraction	VSTN 0000030	1.04.17г. before 28.11.40г.
2	Ḱudrat Ltd. 2010"	010033768	Dushanbe str. Titov 13/2	Mestor. Guzn Mastchino district	Extraction coal	GHE 0000031	27.05.17 to. 27.05.27г.
3	Talco Fluorite Ltd.	020047398	Dushanbe Ave. Rudaki 100	Mestor. Kuli Kalon Penjikent city	Fluorite mining	VSTN 0000034	27.05.17 to. 27.05.42г.
4	Talco Fluorite Ltd.	020047398	г. Dushanbe Ave. Rudaki 100	Location. Ḱaznoḱi of Ayni district	Fluorite mining	VSTN 0000035	27.05.17 to. 27.05.42г.
5	Talco Fluorite Ltd.	020047398	г. Dushanbe Ave. Rudaki 100	Mestor. Vaxdat Magicians' Place	Fluorite mining	VSTN 0000037	27.05.17gdo. 27.05.42г.
6	Talco Fluorite Ltd.	020047398	г. Dushanbe Ave. Rudaki 100	Mestor. Maihurai of Varzob district	Wolfram mining	VSTN 0000038	27.05.17g d o 27.05.42г.
7	Nahsh Ltd.	020045857	Khovaling district Timgovan settlement	blocks 29^{3-5}C1 section Safeddara mestor. Yeohsu Khovaling district	Alluvial gold mining	VSTN 0000041	29.08.17г. befo re 29.08.22г.
8	Almos 17 Ltd.	020047448	г. Dushanbe Pushkin Street 24/10	Mestor. Turon, Mastča district	Iron mining	VSTN 0000039	29.08.17 dto 29.08.27.
9	FT LTD. "S,A,Minerals in RT	010020209	г. Dushanbe 2 Zexni St. 65 Ave.	Mestor.Yakjilva of Murgab district	Silver mining	VSTN 0000044	29.09.17 to. 29.09.37г.
10	TVEA LTD.	02034590	г. Dushanbe str.	Mestor. Kumarg	Extraction	GHE	29.08.17 to.

	Dushanbe Mining Industry"		Spartacus 34/	Ayni district	gold	000004	29.08.32г.
11	Shimsho Ltd.	040019839	г. Dushanbe Sino str. 14	az conxoji Kofirbacha and Obiravnov n Darvoz district	istichroљi mining alluvial gold	VSTN 0000043	29.08.17 till 29.08.22г.
12	Voxidiyon Ltd.	1520001747	Varzob district Jamoat Aini Harangoni bolo	Mestor. Kharangon, Varzob district	Magnetite mining	VSTN 0000045	26.10.17г. before 26.10.2г.
13	LLC "Aprelevka"	550000752	г. Guliston settlement. Consoi	Location. Ikkiљelon of Mastča district	Extraction gold and silver	VSTN 0000028.	25.02.17 till 25.02.22г.
14	JV LTD. "Zarafshon."	600000010	г. Penjikent п. Srŕdien	Mestor. Taror G. Penjikent	Mining of gold and by-products elements	VSTN 0000046	05.02.18г. before 05.02.23г.
15	JV LTD. "Zarafshon."	600000010	г. Penjikent n. Sugdien	Mestor. Jilav G. Penjikent	Gold and silver mining	VSTN 0000047	05.02.18г. before 05.0223г.
16	KULLA LTD.	660001683	Gornaya Mastcha district	Location. Tabospin district Gornaya Mastcha	Gold mining	VSTN 0000048	01.03.18г. before 01.03.28г.
17	LTD. "Namakdon."	210006206	Hamadoni Jamoat district Mehnatobod	Spring No. 14 loc. Khojamumin district Hamadoni	Salt extraction	VSTN 0000049	01.03.18г. before 01.03.28г.
18	LTD. "Zohir A."	190004530	Vosej Jamoat Raљabov district, Uzun village	spring "Emomtarif" district Vose'a.	Salt extraction	VSTN 0000050	01.03.18г. before 01.03.28г.
19	JSC DZhamast	010000734	г. Dushanbe Borbad street 52/1	Location. Patru Shahrinav district	Extraction marbleised limestone	VSTN 0000051	01.03.18г. before 01.03.28г.
20	LTD. "Ittifokcien."	030017913	Hamadoni district, Chubek jamoat п. Mehrvar	spring№ 18 mestor. Hojamumin district, Hamadoni district	Salt extraction	VSTN 0000052	21.06.18 to. 12.06.28г.

Appendix 3№

Register of licences issued by the Government of the Republic of Tajikistan for oil and gas production in 2017-2018.

№	Company name	View activities	Useful fossil	Date application submission	Series and number licences	Deadline licences	Coordinates licence areas	Field and location
1	OAO "Suŕdnaftugaz."	Extraction	Oil and gas	01.03.2018	VEZO 0002	01.03.2018 then 01.03.2023		wells No.2 at South Patar, No.2, No.3 at Rawat-Severny fields Patar", Nos. 10, 16, 18 "Mahram", No. 9 "Madaniyat." № 53 "Obi Shifo,"№ 184 "Sel-Roњo." № 18, 29 "Niyozbek", No. 5 "Severny". Kanibadam,"№№ 21, 37 "Kanibadam", No. 1 Khoja Bakirgan Square City Isfara and Kanibadam
2	OAO "Nafta Gas."	Extraction	Oil and gas	30.04.2018	VEZO 0006.	30.04.2018 then 30.04.2023		Wells Nos. 17,19,21,23,593 and 540 of the Pushioni Shimoli fields, Vose district

Appendix 4№

SUMMARY REGISTER OF LICENCES ISSUED BY THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN IN 2017-2018

№	Name legal entities	Type of activity	Mineral	TIN	Legal address	Date application submission	Series and licence number	Deadline licences	Title deposits and location	Coordinates licence areas
1	2	3	4	5	6	7	8	9	10	11
1	Faridun 2016 LLC	geological study	corundum	-	-	9.12. 2016	A №0000287	28.04.2017 28.04.2022	Barfi corundum deposit Murgab district Gorno-Badakhshan Autonomous Oblast	2,070 km²
2	Kulla Ltd.	geological study	gold	-	-	31.12.2018	A №0000291	29.12.2018 29.12.2028	Tabospin Kuhistoni gold deposits in Mastchoh district Sughd region	6.00 km²
3	LTD. "AvestaOdina."	geological study	alluvial gold	-	-	31.12.2018	A №0000290	29.04.2018 29.04.2023	Dashtako placer gold occurrences in Khovaling district Khatlon province	16.66 km²
4	CJSC Faroz	geological study	gold	-	-	15.02.2017	A №0000289	29.12.2017 29.12.2022	Ukobkhona Ayninski gold field of the district of Sughd province	2.85 km²
5	CJSC Faroz	geological study	antimony	-	-	15.02.2017	A №0000288	29.12.2017 29.12.2022	Pahndar antimony manifestation of Ayni district of Sughd region areas	3.6 km²
6	CJSC Talko Gold	extraction	-	070016835	Tursunzode town, Seshanbe district	-	VSTN 0000030	1.04.17г. until 28.11.40.	Conchoch, Skalnoye group of deposits (Chulboys)	-
7	Ḱudrat 2010 Ltd.	Coal mining	-	010033768	Dushanbe 13/2 Titov str.	-	VSTN 0000031	27.05.17г. Until 27.05.27.	Mestor. Guzn Mastchino district	-
8	Talco Fluorite Ltd.	Fluorite mining	-	020047398	Dushanbe Ave. Rudaki 100	-	VSTN 0000034	27.05.17г. until 27.05.42.	Mestor. Kuli Kalon g. Penjikent	-
9	Talco Fluorite Ltd.	Fluorite mining	-	020047398	г. Dushanbe Ave. Rudaki 100	-	VSTN 0000035	27.05.17г. until 27.05.42.	Location. Ḱaznoḱi of Ayni district	-
10	Talco Fluorite Ltd.	Fluorite mining	-	020047398	г. Dushanbe Ave. Rudaki 100	-	VSTN 0000037	27.05.17gdo. 27.05.42г.	Mestor. Vaxdat Magicians' Place	-

1	2	3	4	5	6	7	8	9	10	11
11	Talco Fluorite Ltd.	Wolfram mining	-	020047398	г. Dushanbe Ave. Rudaki 100	-	VSTN 0000038	27.05.17g d about 27.05.42.	Mestor. Maihurai of Varzob district	-
12	Nahsh Ltd.	Alluvial mining gold	-	020045857	Khovaling district Timgovan settlement	-	VSTN 0000041	29.08.17г. Until 29.08.22.	Blocks 29$^{(3-5)}$ C$(_{1})$Safeddara site mestr. Yohsu in the Khovaling district	-
13	Almos 17 Ltd.	Iron mining	-	020047448	г. Dushanbe Pushkin Street 24/10	-	VSTN 0000039	29.08.17г. dto 29.08.27g.	Mestor. Turon, Mastča district	-
14	FT LTD. "S,A,Minerals in RT	Silver mining	-	010020209	г. Dushanbe 2 Zexni St. 65 Ave.	-	VSTN 0000044	29.09.17г. Until 29.09.37.	Mestor.Yakjilva of Murgab district	-
15	TVEA LTD. Dushanbe mining industry "	Gold mining	-	02034590	г. Dushanbe 34/ Spartak str.	-	VSTN 000004	29.08.17г. Until 29.08.32.	Location. Kumarg, Ayni district	-
16	Shimsho Ltd.	istichroљi alluvial gold mining	-	040019839	г. Dushanbe Sino str. 14	-	VSTN 0000043	29.08.17г until 29.08.22.	az conxoji Kofirbacha and Obiravnov n Darvoz district	-
17	Voxidiyon Ltd.	Magnetite mining	-	1520001747	Varzob district, Aini Jamoat Harangoni bolo	-	VSTN 0000045	26.10.17г. By 26.10.2.	Mestor. Kharangon, Varzob district	-
18	LTD. "Aprelevka."	Gold and silver mining	-	550000752	г. Guliston settlement. Consoi	-	VSTN 0000028.	25.02.17г. until 25.02.22.	Location. Ikkiљelon of Mastča district	-
19	JV LTD. "Zarafshon."	Mining of gold and by-products elements	-	600000010	г. Penjikent n. Srŕdien	-	VSTN 0000046	05.02.18г. by 05.02.23.	Mestor. Taror G. Penjikent	-
20	JV LTD. "Zarafshon."	Gold and silver mining	-	600000010	г. Penjikent n. Sugdien	-	VSTN 0000047	05.02.18г. By 05.0223.	Mestor. Jilav G. Penjikent	-
21	KULLA LTD.	Gold mining	-	660001683	Gornaya Mastcha district	-	VSTN 0000048	01.03.18г. Until 01.03.28.	Location. Tabospin district, Gornaya Mastcha district	-
22	LTD. "Namakdon."	Salt extracti on	-	210006206	Hamadoni Jamoat district Mehnatobod	-	VSTN 0000049	01.03.18г. Until 01.03.28.	Spring No. 14 loc. Khojamumin district Hamadoni	-
23	LTD. "Zohir A."	Salt extracti on	-	190004530	Vosey Jamoat district Raљabov p. Uzun	-	VSTN 0000050	01.03.18г. Until 01.03.28.	Emomtarif spring, Vose'a district	-
24	JSC DZhamast	Extraction of marbleisir. limestone	-	010000734	г. Dushanbe Borbad str. 52/1	-	VSTN 0000051	01.03.18г. Until 01.03.28.	Location. Patru Shahrinav district	-

1	2	3	4	5	6	7	8	9	10	11
25	LTD. "Ittifokcien."	Salt extraction	-	030017913	Hamadoni district, Chubek jamoat п. Mehrvar	-	VSTN 0000052	21.06.18г. Until 12.06.28.	spring№ 18 mestor. Khojamumin district Hamadoni	-
26	OAO "Suŕdnaftugaz."	Extraction	Oil and gas	-	-	01.03.2018	VEZO 0002	01.03.2018 then 01.03.2023	well No. 2 of the fields "South Patar", Nos. 2, 3 "Rawat-North". Patar", nos. 10, 16, 18 "Mahram." No. 9 "Madaniyat." No. 53 Obi Shifo, No. 184 Sel-Roњo,№ 18, 29 "Niyozbek", No. 5 "Kanibadam North,"№№ 21, 37 "Kanibadam." No. 1 Khoja Bakirgan Square City Isfara and Kanibadam	-
27	OAO "Nafta Gas."	Extraction	Oil and gas	-	-	30.04.2018	VEZO 0006.	30.04.2018 then 30.04.2023	Wells №№17,19,21,23,593 и 540 fields "Pushioni Shimoli" Vose district.	-

Annex No. 5 - A) "Data on the founders of companies included in the reconciliation - beneficiary law requirements"

№	Name of Company for reconciliations	TAXPAYER IDENTIFICATION NUMBER	Legal address	Shareholder	Country	(%) (equity) participations	Public or private	(Website) (shareholder)	Traded on the stock exchange	Full name of individual	
1	LIMITED LIABILITY COMPANY "Tajik-Chinese Mining Company".	020024182	735752, Republic of Tajikistan, city. Kayrakkum, Zarnisor village, Somonoyon. 22	Tibet-Everest Industrial Company LLC	PRC	100%	private	Tibet Everest Industrial Company is part of Shanghai Haichen Resources Corporation http://www.haichenggroup.cn	"Shanghai Stock Exchange" Stock Exchange Company Code: 600338	Huang Txiangjun (Director)	
2	LIMITED LIABILITY COMPANY ZARAFSHON JOINT VENTURE	600000010	Republic of Tajikistan, Penjakent district, Sogdiana settlement	Ministry of Industry and New Technologies	PRC	30%	state			Howling Jang(Director)	
				China Jinfen International Mining Company (Hong Kong)	Tajikistan	70%	public and private	http://www.zijinmining.com			
3	HUAXIN GAYUR SEMENT LIMITED LIABILITY C O M P A N Y	400006843	Republic of Tajikistan, Yavan.	Gajur Ltd.	Tajikistan	25%	Fayur Ltd.	http://gayur.tj		Zhou Zhiyuan (Director)	
				Huaxing Hong Kong (Central Asia) Investment Limited Ltd.	PRC	75%	Huaxing Hong Kong Ltd. (Central Asia) Investment	http://www.huaxincem.com		http://www.huaxincem.com/abo ut-huaxin/about- us/tuandui/board-of-directors	39.88% owned by Holcim Ltd, Chairman Rolf Soiron
4	LIMITED LIABILITY COMPANY "PAKRUT"	030008182	Republic of Tajikistan, Vahdat city, Bakhor v.	Criso Resources Limited	UK	100%	private	http://www.cnfgold.com	http://www.londonstockex change.com/exchange/pric es-and- markets/stocks/summary/c ompany-summary/KYG215771042G BGBXAMSM.html?lang=en	Zhang Gang (Director)	
5	OPEN JOINT-STOCK COMPANY SOCIETY "Sementi Tojik"	020004768	734008, Republic of Tajikistan, Dushanbe, Rudaki Avenue, 205	Government of the Republic of Tajikistan	Tajikistan	100%	state			Sharifzoda Zainullo Mahmadullo (Director)	
6	OPEN JOINT STOCK COMPANY TAJIK-CANADIAN JOINT VENTURE "APRELEVKA"	560000752	735752 Republic of Tajikistan, Kairakkum city, Kansai settlement, 43 R.Gorkogo street.	Ministry of Industry and New Technologies	Tajikistan	51%	state			Bakhtiyer Saidakhmatovich Machidov (Director)	
				Gulf International Minerals Co. Limited."	UK	49%	private	http://www.gulf-intl.com/index.htm			
7	OPEN JOINT-STOCK COMPANY Anzob Tajik-American Joint Venture SOCIETY	520001954	Republic of Tajikistan, Sughd oblast, Ayni district, settlement. Zarafshon - 1.	Comsup Commodities, Inc."	U.S.A.	100%	private			Andrey Igorevich Dmitriev (Director)	
8	SUBSIDIARY "Von Yagnob Mine" - STATE-owned. UNITARY ENTERPRISE "Anguishti Tojik"	520000300	Republic of Tajikistan,Sughd Region, Ayni District, Anzob Jamoat	Angishti Tojik State Unitary Enterprise	Tajikistan	100%	state			Sayfulloyev Firuzbek Abdusalomovich Sayfulloyev (Director)	
9	JSC "KORHONAI BOYGARDONIA TACOB"	150000227	Republic of Tajikistan, Varzob, village Takob, d. B. Gafurova	GUP OF TAJIK ALUMINIUM COMPANY	Tajikistan	100%	state			Karomatullo Ziyodulloyevich Kholov (Director)	
10	OPEN JOINT-STOCK COMPANY TALCO FLUORITE	020047398	Republic of Tajikistan, Dushanbe, ul. Sadriddina Aini 48	Talco Management Limited	UK	51%	private			Liu Fuxian (Director)	
				Hong Kong Empire International (Group) Limited	PRC	49%	private				

№	Name of the Company to be reconciled	TIN	Legal address	Shareholder	Country	equity interest	Public or private	Shareholder's website	Traded on the stock exchange	Full name of individual
11	STATE TREASURY REPUBLICAN SPECIALISED TYLLOI POINT."	230002675	Republic of Tajikistan, Khovaling district, v. Siyafark	Government of the Republic Tajikistan	Tajikistan	0%	state			Sharifzoda Muhammadzarif Rahmon (Director)
12	LIMITED LIABILITY COMPANY "TOTAL"	020022851	Republic of Tajikistan, Dushanbe, ul. Azizbekova 2a	Cassidy Wayne H	Canada	100%	private			Cassidy Wayne H (Director)
13	PUBLICATION WITH LIMITED LIABILITY C.N.N. P.C. Central Asia B.V."	010092819	724024,Republic of Tajikistan, Dushanbe, Aini str. 48, BC "Creation."	Private Limited Liability Company "CNP Central Asia B.V."	PRC	100%	private	http://www.cnpc.com.cn/		Lan Hongli (Director)
14	HUAXIN GAYUR (SUGD) SEMENT LIMITED LIABILITY COMPANY	630016471	Republic of Tajikistan, Sughd region, B. Gafurov district, v. Okur. Okur	SEVENTH."	Tajikistan	5%	private	http://gayur.tj		Liu Hongchao
				HUAXIN GHAYUR LTD. SEVENTH."	Tajikistan	95%	private	http://www.huaxincem.com		http://www.huaxincem.com/abo ut-huaxin/about-us/tuandui/board-of-directors
15	LIMITED LIABILITY COMPANY "SANGFALT."	010018443	Republic of Tajikistan, Vrzob, d Varzob	Bettor Business International Limited	UK	96%	private			Rao Vasireddy Nagishwara(Director)
				Rakhmatov Naizabek Azizovich	Tajikistan	3%	private			
				Raisa Nasyrova Anvarovna	Tajikistan	1%	private			
16	ANGISHT OPEN JOINT STOCK COMPANY	550001386	Republic of Tajikistan, Sughd Region, Isfara city, Shurob jamoat	STATE REAL ESTATE MANAGEMENT COMMITTEE REPUBLIC TAJIKISTAN	Tajikistan	100%	state			Mamadchonov Maksudchon Saifidinovich Mamadchonov (Director)
17	The Company's PHILLIPAL with limited S.A. Minerals" in the Republic of Tatarstan	010020209	Republic of Tajikistan, GBAO, Murgab region, 40 Solagia str. galaba 86	A company with limited S.A. Minerals	Tajikistan	100%	private			Yuan Enhui (Director)
18	SEMENTI RUSHDI HUTLON LTD.	390002415	Republic of Tajikistan, Khatlon region, Khatlon city. Levakant, industrial zone 63	RUSHDI KHATLON TRADING AND PRODUCTION INDUSTRY C J S C		50%	state			RUSTAM ABDULLOYEV DODOHONOVICH (Director)
19	ZARINK LTD.	40014717	Republic of Tajikistan, Dushanbe, Nusratullo Makhsum s t r e e t 128	JSC Ҷ.І.Ҷ Mining	Switzerland	100%	private			Valiev Firdavs Sirochovich Valiev (Director)
20	OPEN JOINT-STOCK COMPANY NAFTU GAS	030010050	Republic of Tajikistan, Dushanbe, 77, Mushfiki str. Mushfiki 77	State Committee for Investment and State Management property of the Republic of Tajikistan	Tajikistan	100%	state			Ismatov Burikhon Abdulkhaevich Ismatov (Director)
21	HUACHIN FAYUR INDUSTRIAL LIMITED LIABILITY COMPANY	400009269	Republic of Tajikistan, Khatlon region, Yavan, Dakhana Jamoat, v. Dakhana	Huaxing Ltd Hong Kong	PRC	51%	private			
				LTD.	Tajikistan	35%	private			SU WANDEN (Director)
				Mountain Bright Limited Ltd " Shanй Sheng".	UK	14%	state			
22	LIMITED LIABILITY COMPANY "FAYUR"	400003493	Republic of Tajikistan,Khatlon region,Yavan,jamoat	Akmal Fulomov Asadullojevich	Tajikistan	5%	Private			AKBAR ASADULLO (Director)
				Akbar Asadullo	Tajikistan	95%	private			

39.88% owned by Holcim Ltd, chairman Rolf

Soiron

№	Name of the Company to be reconciled	TIN	Legal address	Shareholder	Country	equity interest	Public or private	Shareholder's website	Traded on the stock exchange	Full name of individual
23	PUBLICATION WITH LIMITED LIABILITY "PTROLIUM SUFd"	550004828	Republic of Tajikistan, Sogd Region, city of Sogd. Isfara, Neftobod	Open Joint Stock Company "SUGDNAFTUGAZ".	Tajikistan	42.577%	private			Nozimov Khurshed Gadoevich (Director)
				The company "EPA.AT BETAILIGUNGSGEZEZELLSHAFT M.B.H."	Tajikistan	57.423%	private			
24	CLOSED JOINT-STOCK COMPANY TALCO GOLD	070016835	Republic of Tajikistan,Sughd Region,Ayni,Jamoat Fondaryo,v. Saratok	GUP OF TAJIK ALUMINIUM COMPANIES	Tajikistan	50%	state			Li Feng (Director)
				TIBET MINING COMPANY HUAI	PRC	50%	private			
25	LIMITED LIABILITY COMPANY TVEA DUSHANBE MINING"	020034590	Republic of Tajikistan, Dushanbe, 34/2 Spartak str.	OPEN JOINT-STOCK COMPANY TVEA	PRC	70%	private			Yuan Xinmin(Director)
				PARTNERSHIP LIMITED RESPONSIBLY TWEA IN SUAR.	PRC	30%	private			
26	LIMITED LIABILITY COMPANY "SHIMSHO"	040019839	Republic of Tajikistan, GBAO, Darvoz Kalaihum v., Kalaihum str. Shokhmansur 22	Mirzoev Rakhmatsho Sunnatovich	Tajikistan	13%	private			
				Mirzoev Sunnat Borunovic	Tajikistan	20%	private			
				Mirzoev Anvarsho Sunatovic	Tajikistan	13%	private			
				Saidov Habibullo Khamdulloevich	Tajikistan	13%	private			
				Mirzoev Iskandar Sunnatovich	Tajikistan	41%	private			Iskandar Sunatovich Mirzoev (Director)

Appendix 5 B "Data on legal owners of extractive companies"

Founders of companies in the extractive industries

№	Name companies	PMA	RYAM	Statutory Capital	Shareholder No. 1	Share of AK No.1 in %	Shareholder #2	Share of AK#2 in %	Shareholder #3	Percentage AC#3 in %	Shareholder #4	Percentage AC#4 in %	Shareholder #5	Percentage AK#5 in %
1	Ltd. Chinese	020024182	5610000193	103,176,000	Industrial Tibet-Everest Company	100%		0%	-	-	-	-	-	-
2	JV Zarafshan LLC	600000010	6010000728	73,474,747	China International Mining Jinfeng Company	70%	Ministry of Industry and New Technologies of the Republic of Tajikistan	30%	-	-	-	-	-	-
3	HUAXIN GAYUR SEMENT LTD.	400006843	4010003470	95,155,000	Gajur Ltd.	25%	Huaxing Hong Kong (Central Asia) Investment Ltd. Limited	75%	-	-	-	-	-	-
4	PACRUT LTD.	030008182	110001650	5,000,000	Criso Co. Resources Limited	100%		0%	-	-	-	-	-	-
5	Sementi Tojik OJSC	020004768	210009360	154,000,000	Government Republic of Tajikistan	100%		0%	-	-	-	-	-	-
6	Ltd. Canadian Joint Venture	560000752	5610000679	94,611,712	Gulf Company International Minerals Limited.	49%	Ministry of Industry and of new technologies of the Republic of Tajikistan	51%	-	-	-	-	-	-
7	Ltd. American	520001954	5210000070	25,868,605	The company "Komsup Commodities, Inc."	100%		0%	-	-	-	-	-	-
8	The Fon-Yagnob Mine DP - Angishti Tojik State Unitary Enterprise	520000300	5210000098	85,103	Angishti Tojik State Unitary Enterprise	100%		0%	-	-	-	-	-	-
9	Petroleum Sugd JLLC	550004828	5510002465	23,980,662	Company "EPA.AT. BETAILLIGUNGSGESELLSCHAF T AFT M.B.H."	57%	JSC "SUGDNAFTUGAZ"	43%	-	-	-	-	-	-
10	Treasury State Republican specialised	230002675	2310001724	0	Government of the Republic of Tajikistan	0%		0%	-	-	-	-	-	-
11	OJSC ANGISHT	550001386	5510003015	4,414,310	State Committee on Management land resources Republic of Tajikistan	100%		0%	-	-	-	-	-	-
12	TALCO FLUORITE OOO	20047398	210023358	150000,00	Talco Менеҷment Limited	51%	Hong Kong Empire International (Group) Limited	49%						
13	SEMENTI RUSHDI HUTLON LTD.	390002415	3910001059	16,000	CJSC TRADE AND PRODUCTION INDUSTRY "RUSHDI HATLON."	50%	REN GAOCHI.	50%						
14	TOTAL LTD.	20022851	210002696	968,080	Cassidy Vane	100%								
15	limited liability company "S.A. Minerals in the Republic of Tajikistan"	10020209	220000725											
16	JSC " KORHONAI BOYGARDONY TACOB."	150000227	1510001460	33,235,000	ALUMINIUM COMPANIES	100%								
17	FAYUR LTD.	400003493	4010000106	90,022,899	AKMAL FULOMOV ASADULLOEVICH	5%	AKBAR ASADULLO	95%						
18	OOO SANGFALT	10018443	1510001057	109,800	Bettor Business International Limited	96%	Rakhmatov Naizabek Azizovich Rakhmatov	3%	Raisa Nasyrova Anvarovna	1.31%				
19	ZARINK LTD.	40014717	210007793	6,758,513	JSC Ҷ.I.Ҷ Mining	100%								
20	HUAҶIAN GHAYUR LTD. INDUSTRIAL."	400009269	4010005606	14,084,000	Huaxing Ltd Hong Kong	51%	LTD.	35%	Limited Ltd " Shanй Shen."	14%				
21	TALCO GOLD CJSC	70016835	710009915	1,000	ALUMINIUM COMPANIES	50%	MINING TIBET HUAYU COMPANY	50%						

Founders of companies in the extractive industries

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22	OOO " TVEA DUSHANBE SANOATI KӮҲӢ"	20034590	210012605	275,604,000	OAO TVEA	70%	TWEA Partnership Ltd. in Suara	30%						
23	SHIMSHO LTD.	40019839	210009910	5,000	Mirzoev Raҳmatsho Sunatovich	13%		20%	Mirzoev Anvarsho Sunatovic	13%	Saidov Ҳabibullo Ҳamdamulloevich	13%	Mirzoev Iskandar Sunatovic	41%
24	"CNPC Central. Agee B.V."	10092819	120000852		Private LLC "CNP Sea Central Agee B.V."	100%								
25	HUAXIN LTD. ҒAYUR(SUGD) SEMENT".	630016471	6310009164	223,043,200	HUAXIN GHAYUR LTD. SEVENTH."	95%	LTD.	5%						
26	JSC NAFTU GAS	30010050	310002578	39,500,000	State Committee for Investment and Management	100%								