

Subject: Legal Opinion Request – Taxation of Daily Wage Workers under Afghanistan Applicable Laws

As part of this REOI process, consultants are requested to provide a written legal opinion addressing the scenario below. The purpose of this exercise is to assess the firm's legal expertise, analytical approach, interpretation of the applicable legislation, and ability to provide practical legal guidance.

Please base your response on the applicable laws and regulations of Afghanistan, including but not limited to:

- Article 70 of the Afghanistan Labor Law.
- Regulation on the Working Conditions of Daily Wage Workers.
- Articles 17 and 58 of the Afghanistan Income Tax Law; and
- Any other relevant legislation, regulations, or official guidance that you consider applicable.

Please provide a clear legal analysis and practical step-by-step guidance on the correct taxation process for daily wage workers, including the prescribed procedures for withholding, remitting, and reporting income tax in compliance with Afghanistan local laws.

It's important to cite the legal provisions supporting your conclusions.

Please address the following questions:

1. Tax Identification Number (TIN) Requirement

Daily wage workers are frequently engaged for short-term assignments (between 3 days to 1 month), and some may not possess a Tax Identification Number (TIN). Under the applicable legal framework, is it mandatory for an employer to engage only daily wage workers who have a valid TIN? If not, what obligations does the employer have in such circumstances?

Provide Your Legal Response:

2. Calculation of Wage Withholding Tax

Wage withholding tax is calculated using different tax brackets depending on the payroll frequency (daily, weekly, bi-weekly, semi-monthly, or monthly). Where a daily wage worker is engaged on a daily basis, but payment is made only upon completion of a specific task, project, or engagement period, which tax bracket and withholding methodology should be applied? Please explain the legal basis for your interpretation and provide one or two practical calculation examples.

Indicate Your Legal Response:

3. Payment for Partial-Day Work

Where a daily wage worker performs services for less than a full working day, should the employer pay the full daily wage or calculate payment on a pro-rata basis according to the actual hours worked? Please provide your interpretation with reference to the relevant legal provisions.

Indicate Your Legal Response:

4. Consequences of Non-Compliance

Please explain the legal consequences where an employer fails to withhold and remit wage withholding tax as required by law. In particular:

- What penalties, fines, or other sanctions may apply?
- Is the employer required to regularize any historical unpaid withholding tax?
- What procedures should be followed to achieve compliance?
- Are there any potential civil, administrative, or criminal liabilities arising from such non-compliance?

Indicate Your Legal Response:

Please ensure that your response is well-structured, references the relevant legal provisions, and clearly distinguishes between legal requirements and practical recommendations.

We appreciate your participation and look forward to reviewing your legal opinion.

Sincerely,

ICRC Logistics Department