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Mining in Tajikistan

Ten things to know

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Tajikistan has entered a new phase of economic development, and the mining industry is at the centre of this transformation. The government has emphasised the mining of key minerals such as gold, silver, antimony, zinc, aluminium, copper and lead as a national priority, recognising their role in driving GDP growth, export revenues and industrial diversification.

The country's mineral wealth is significant. With 93% of the country covered by mountains and only 6-7% of geological exploration completed, over 600 deposits and 800 occurrences of minerals have already been identified, including major reserves of antimony, mercury, lead, zinc, gold, silver and rock salt. The extractive industries currently contribute approximately 8.5% to Tajikistan's GDP and employ 16% of the country's labour force. Tajikistan holds deposits of 10 out of 12 metals critical for the global energy transition, six of which are already being mined.

Recent years have seen strong momentum in mining activity, supported by favourable global commodity prices and rising demand for critical raw materials. Gold production reached 14.5 tons in 2024, an increase of 180% since 2019 and more than 300% since 2015. The National Academy of Science estimates around 500 tons of extractable gold spread across 28 major deposits. Tajikistan is divided into six regions based on the genesis of placer gold deposits, with concentrations in Yakhsu, Saryob, Muminabad and Pyandzh. Despite this potential, much of the resource base remains underdeveloped, creating substantial opportunities for investors. Tajikistan holds about 10% of global antimony reserves, ranking second after China and is doubling down on production with four new processing plants at various stages of development. With world antimony demand projected to rise 60% by 2035, Tajikistan's vast untapped reserves place the country in a strong position to benefit from the energy transition. These developments underscore Tajikistan's ambition and potential to become a leading mining hub in Central Asia.

To sustain this growth and attract foreign investment, the government has introduced a range of incentives. Tajikistan's legislation allows 100% foreign ownership of local companies and imposes no restrictions on foreign or domestic ownership when establishing business enterprises. Five Free Economic Zones offer reduced taxes and customs fees to both foreign and domestic businesses. To qualify, manufacturing companies must invest at least $500,000, trading companies $50,000 and service companies $10,000. In addition, there are numerous tax, regulatory and legal incentives for investors, as well as the United States' broadening of the 'C5+1' framework (a diplomatic platform that brings together the United States of America (the U.S.) in November 2025, during which the U.S. Department of Commerce showcased more than $25 billion in announced commercial agreements, with a broader pipeline worth over $100 billion across the five Central Asian republics: Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan (collectively, known as the C5).

This guide outlines 10 key considerations for investors, lenders and other stakeholders exploring opportunities in Tajikistan's mining sector. It provides an overview of the legal, operational and strategic factors shaping the industry to aid stakeholders in navigating this dynamic and swiftly developing market.

01 | State Ownership of Minerals and Metals

In Tajikistan subsoil resources and naturally occurring minerals are owned exclusively by the state, regardless of surface land rights. Rights to use the subsoil are granted through licences issued primarily by the State Committee on Investment and State Property Management, following a process coordinated through a Unified Window for foreign investment that involves the Ministry of Industry and New Technologies, the Department of Geology and other relevant agencies. Environmental approvals and legal reviews involve the Ministry of Justice and the Ministry of Finance at certain stages. Tajikistan's National Development Strategy for 2030 emphasises the

commissioning of new capacities for electricity generation and mineral extraction as key national economic growth drivers, with the total volume of industrial production projected to increase by a factor of four and the mining industry, by a factor of six.

Eligibility to apply for mining licences is not restricted by nationality. Tajikistan's legislation allows 100% foreign ownership of local companies and imposes no sector-specific restrictions that discriminate against market access. Applications are processed through a Unified Window system after preliminary agreements with relevant authorities, rather than open via an auction process.

Licences may be transferred, pledged or otherwise assigned with prior consent from the relevant government authorities, provided that the new holder assumes all obligations under the original terms. Foreign and private investors may acquire mining rights through licensing, concession agreements, production sharing agreements and investment agreements, subject to compliance with statutory requirements and the conditions set out in the licence instrument.

02 | Mining Legislation

The principal legislation governing mining rights in Tajikistan is the Law on Subsoil of the Republic of Tajikistan No. 983 dated 20 July 1994 (the Subsoil Law). The Subsoil Law establishes a general framework for the exploration, use and protection of subsoil resources. The objectives of the Subsoil Law include: (i) ensuring the effective use of mineral resources for the benefit of the people; (ii) attracting domestic and foreign investment; and (iii) promoting sustainable development of the mining sector. Tajikistan adopted the Law "On Capital and Promotion of Investment Activity" (No. 2173) on 14 May 2025 (the Investment Law), replacing the Law on Investments of 2016. The Investment Law provides a 15-year stability guarantee to private sector investors, incorporates the principles of fair and equitable treatment and provides for State support mechanisms and investment privileges.

The primary regulators of the mining industry are the Ministry of Industry and New Technologies and the Department of Geology which oversee policy development and sector governance. Other relevant bodies include the State Committee on Investment and State Property Management, which retains overarching supervisory powers and is responsible for alignment of national economic priorities and issuing licences once all other approvals are obtained.

03 | Mining Licences

Under the Subsoil Law, rights to use subsoil are granted through licences issued primarily by the State Committee on Investment and State Property Management, following a process coordinated through a Unified Window that involves the Ministry of Industry and New Technologies, the Department of Geology and other relevant agencies. Environmental and legal reviews involve the Ministry of Justice and the Ministry of Finance at certain stages.

Each category of subsoil use generally requires a separate authorisation. The two principal types of licences are the geological exploration licence, which grants the holder the right to conduct geological surveys, prospecting and exploration of mineral deposits within a defined area, and the extraction (mining) licence, which authorises commercial extraction of minerals from a deposit following discovery and approval of reserves. In some cases, rights may cover both exploration and subsequent production under a single subsoil-use arrangement, subject to regulatory approval. The detailed conditions for obtaining these licences are set out in the Subsoil Law. Depending on the nature of the activity, obligations will include payments for the right to use subsoil resources, contributions for the reproduction of the mineral resource base and fees for issuing licences.

Mining licences in Tajikistan are granted for defined terms based on the type of activity and the scale and complexity of the project. While the law does not specify uniform durations for exploration or extraction licences, definitive terms are generally determined through direct negotiation. As an indicative range, exploration licences have often been granted for 3 years, while larger-scale production agreements and concessions can have longer terms, often spanning 25 to 49 years depending on the project's feasibility study.

Importantly, a subsoil licence does not automatically confer rights to use the surface

land. A separate land-use agreement is required under the Land Code, usually in the form of a lease or temporary allotment, issued by the competent local government or other authorised body. Non-Tajik persons may obtain land-use rights for up to 50 years and lease agreements to non-Tajik persons are generally granted for up to 20 years. Extensions and renewals are subject to compliance with statutory requirements and licence conditions.

Licences are subject to the general rules on reissuance, change of control and notification established by Tajik law. In the event of reorganisation, such as merger, acquisition, or name change, the licensee or its legal successor must apply for reissuance within the timeframe specified by regulation. Also, the right to use subsoil may be transferred, assigned, or pledged in accordance with the Subsoil Law, provided that statutory requirements and licence conditions are met.

04 | Rights of Foreign Investors

Tajikistan's legal framework for foreign investment is designed to ensure transparency, predictability and fair competition. The Investment Law and the Subsoil Law guarantee equal treatment for all market participants, including foreign investors and imposes no restrictions based on nationality or corporate structure. There are no sector-specific barriers to foreign ownership and Tajikistan's legislation allows 100% foreign ownership of local companies. However, all land and subsoil resources belong exclusively to the state, and the law does not allow the formal sale of land. Instead, land-use rights are granted under a tiered licensing system.

Applications for subsoil permits may be submitted by both domestic and foreign entities, provided they comply with licensing requirements. In practice foreign investors typically participate through locally incorporated subsidiaries or joint ventures, with the licence issued to a single designated entity. The law prohibits arbitrary government interference in operational activities to ensure a stable environment for investment and project implementation.

In addition to baseline protections, investors benefit from a range of incentives. Tajikistan offers over 97 tax, regulatory and legal incentives for businesses. In addition, the five free economic zones provide reduced taxes and customs fees to attract investment. Tajikistan is also a beneficiary of the EU's Generalised System of Preferences program, which offers preferential access to the EU market through reduced tariffs.

Through structured governance, transparent procedures and a commitment to fair treatment, Tajikistan aims to position itself as an increasingly attractive destination for investment in the mining sector.

05 | Government Interest in the Project

The state has a central role in regulating and supervising subsoil use in Tajikistan, ensuring compliance with legal, technical and environmental standards while promoting transparency and accountability across the sector. There is no statutory requirement for the government to hold an equity interest or joint venture stake in mining projects. However, under the Law on Precious Metals and Precious Stones the government retains a priority right to purchase precious metals and gemstones extracted from subsoil plots. In practice the National Bank of Tajikistan (NBT) and the Ministry of Finance exercise this right, with the bulk of domestic gold production typically purchased by the NBT for conversion into monetary gold reserves at a repurchase rate established daily by NBT.

Investors typically proceed through one of two routes: (i) obtaining a subsoil use licence for standard exploration and mining activities; or (ii) concluding a subsoil use agreement with the government Ministry of Industry and New Technologies for strategic projects, requiring individually negotiated terms or exceptional treatment outside standard licensing procedures. Both instruments govern technical, environmental and financial obligations but differ in terms of the granting process and negotiability.

Generally, rights to explore and extract minerals are granted through state licences issued by the State Committee on Investment and State

Property Management, with land allocated for geological exploration, mining and related purposes via land-use agreements under the Land Code. Licences define the boundaries and term and conditions of use and must be registered before commercial operations commence. While production-sharing agreements and concessions remain permissible in certain cases, hard-rock mining projects are typically implemented under the licensing regime.

Key project documentation typically includes:

- a subsoil use licence or agreement specifying rights and obligations;
- a land-use agreement for surface rights; and
- environmental and technical compliance approvals.

06 | Lending into Tajikistan

Foreign lending into Tajikistan is governed by a regulatory framework aimed at safeguarding financial stability, protecting the domestic banking system and managing capital flows. Residents and non-residents are entitled to carry out foreign currency transactions, provided that such transactions are conducted in accordance with the procedures of the NBT.

Market access for foreign lenders is possible, but all payments must be cleared through the domestic banking system and remain subject to foreign exchange controls, anti-money laundering rules and sanctions screening. Borrowing from non-Tajik persons and banks is permitted in foreign currency, subject to registration with or notification to the NBT and all transactions must flow through licensed local banks.

In practice, FX purchases and outward remittances are routed through a borrower's primary account with a Tajik bank. While day-to-day conversions are generally available, convertibility and transferability risks may arise during periods of market stress and should be addressed explicitly under the project agreements.

The law does not specifically define the role of security agent in foreign lending. Agency structures may be feasible but require case-by-case analysis regarding creation, perfection, enforceability and distribution of enforcement proceeds.

Transaction documents often combine foreign governing law for the main credit agreement with Tajik law for the security documents. Basic hedging products such as forwards and swaps are available through local banks, while more sophisticated derivatives are typically arranged offshore and remain subject to the standard domestic regulatory and documentation requirements.

07 | Fees, Taxes, Duties and Royalties and Tax Incentives

Tajikistan's Tax Code establishes a comprehensive framework of fiscal obligations for subsoil users, including mining companies. The standard rate of corporate income taxation is 13%, while mining companies are typically also subject to additional sector-specific subsoil use levies. These include royalties, export rent and bonuses which are calculated based on the type and value of extracted minerals rather than net profits. Free economic zones offer tax incentives for qualifying investments.

Approximately 15% of the budget's mining inflows come from sector-specific taxes, including royalties and export rent (which increases from 2% in 2023 to 6% by 2027), while the remaining 85% is contributed by mining companies through general taxes. The state also receives dividends from its shareholding in profitable mining companies.

Beyond royalties and land tax, subsoil users must make specific payments linked to licensing, including:

- fees for the right to use subsoil resources; and
- payments for the issuance of the relevant licences.

The payment system is designed to ensure that companies contribute to both resource development and regulatory oversight. Investors must ensure compliance with all fiscal obligations and factor these costs into project budgets, as non-compliance may result in penalties, suspension of licences or other enforcement measures.

08 | Environmental and Local Content Obligations

Environmental Considerations

Subsoil use in Tajikistan is subject to environmental and social requirements embedded in the Law on Subsoil and related regulations. Compliance is mandatory from the earliest planning stages through to project execution and closure. Before any mining activity can commence, an Environmental Impact Assessment (EIA) must be completed and approved by the competent authority, typically the Ministry of Industry and New Technologies in coordination with environmental agencies. Additional assessments may be required for projects involving sensitive ecosystems, water resources or hazardous materials.

To ensure adequate funding for land restoration and environmental remediation, subsoil users must provide financial security, such as a bank guarantee, pledged deposit or insurance policy that meets minimum creditworthiness requirements. Guarantees may be issued by reputable banks or approved entities, subject to regulatory approval. If a subsoil user fails to meet its land restoration and environmental remediation obligations, the government is entitled to call on the security or recover funds from the guarantor.

Upon completion or early termination of mining operations, subsoil users are required to restore land and natural sites to their original condition and implement closure or conservation plans approved by the regulator. Failure to comply can result in suspension or termination of rights, as well as financial penalties. The competent authority may also impose restrictions for serious breaches, including failure to commence operations within the prescribed timeframe, repeated non-payment of fees or violations of environmental standards.

Environmental compliance is not limited to technical measures. Subsoil users must also implement social impact programs, including community engagement and mitigation of adverse effects on local populations. These obligations are often incorporated into the licence or agreement and monitored throughout the project lifecycle.

Local Content Obligations

Tajikistan places strong emphasis on local content requirements to ensure that mining projects contribute to national development. Subsoil users, together with their contractors and suppliers, must prioritise employment of Tajik nationals. All non-specialist positions are reserved for local workers, and foreign labour may only be engaged where there is a documented shortage of qualified Tajik personnel. While foreign experts and managers are permitted without a statutory cap, companies are expected to maintain detailed records and submit compliance reports as part of their licensing obligations.

In addition, subsoil users are encouraged to develop and finance training and skills development programs for Tajik nationals. These programs should promote scientific education, technical training and practical skills transfer, with the aim of building local capacity. Although the law does not prescribe a fixed percentage of revenue for training, such commitments are often included in investment agreements or production-sharing arrangements.

Procurement policies also reflect local content priorities. Subsoil users are expected to give preference to goods, equipment and services produced in Tajikistan or supplied by Tajik entities, provided they meet standards of quality, price and delivery time. Compliance with these targets is monitored by the regulator and may be linked to licence renewal or concession terms.

Finally, the Subsoil Law promotes regional socio-economic development by requiring targeted programs to benefit communities in mining areas. These may include infrastructure projects, education initiatives and health services and are typically specified in the relevant licence or agreement. Failure to meet these obligations can result in penalties or restrictions on future operations.

09 | Enforcement Regime

Dispute resolution in Tajikistan's mining sector is governed by the Investment Law and related legislation which provide investors with access to international arbitration where an

international treaty of Tajikistan or an agreement concluded between the investor and the government includes a valid arbitration clause. However, not all disputes fall within the scope of international arbitration. For example, matters relating to land use rights, including rights of surface use and associated obligations, are subject to the exclusive jurisdiction of the Tajik courts. To mitigate risks associated with local court decisions, land lease agreements often incorporate expert determination clauses, allowing technical or valuation disputes to be referred to an independent expert. This mechanism provides a safeguard by ensuring that complex issues are assessed outside the local judicial process.

Transaction documents frequently combine foreign governing law for the investment agreement, with Tajik law for security documents and the land lease agreement.

Tajikistan is a signatory of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, so foreign arbitral awards are generally enforceable in Tajikistan subject to limited grounds for refusal.

10 | Foreign Exchange Controls

Tajikistan's foreign exchange operations remain subject to oversight to ensure financial stability and manage capital flows. Transactions between Tajik entities and non-Tajik persons, such as foreign contractors, suppliers and lenders, may generally be denominated and settled in local currency. However, payments between two Tajik entities in foreign currency, or the opening of offshore accounts, may be permitted under specific conditions set out in the Investment Law or under a presidential decree issued for the relevant project.

For projects procured under the Investment Law, an investment agreement is typically executed between the Government and the investor, granting exemptions and approvals that enhance bankability. These may include:

- rights to denominate payments in foreign currency and freely transfer and repatriate funds, including dividends, revenues and loan proceeds;
- access to convert local currency proceeds at market rates through licensed banks, with the ability to repatriate funds offshore;
- authorisation to make payments from offshore accounts in foreign currency to contractors, suppliers and lenders; and
- government undertakings on convertibility, ensuring that competent authorities and state-owned banks facilitate access to foreign currency if market liquidity is insufficient.

In practice, investors and developers in a mining project often benefit from exemptions under a Presidential Decree issued for the specific project. These exemptions typically mirror the rights outlined above, mitigating legal risks and facilitating the bankability of the project.

Basic hedging instruments, such as forwards and swaps, are available through local banks, while more complex derivatives are generally arranged offshore and remain subject to standard regulatory and documentation requirements. Investors should confirm the availability of these products early to manage currency exposure for the project effectively.

By incorporating robust contractual protections and securing appropriate approvals (where applicable under a presidential decree), foreign investors can navigate Tajikistan's foreign exchange framework and effectively mitigate foreign exchange and availability risks.

Concluding Remarks

Tajikistan's mining sector is undergoing significant transformation, characterised by regulatory modernisation, increased transparency and a clear commitment to attracting foreign investment. The government's efforts to align its legal framework with international best practices, in particular through the Subsoil Law and the Investment Law, signal a strategic shift toward creating a predictable and investor-friendly environment. This evolution is designed to unlock the country's vast mineral potential while fostering sustainable economic growth.

Recent developments underscore Tajikistan's growing appeal to international partners. For example, the launch of two gold mining enterprises in the Ayni district in 2022 - TALCO

Gold and TBEA Dushanbe - reflects the deepening industrial ties and long-term commitment of foreign investors to the country's resources sector.

International financial institutions are also playing a pivotal role. Multilaterals and development finance institutions are supporting infrastructure, energy and mining projects, providing both capital and technical expertise. These partnerships aim to catalyse investment and accelerate the modernisation of Tajikistan's mining industry and related infrastructure, with significant commitments over the coming years.

Tajikistan's engagement with global stakeholders extends beyond financing. High-level dialogues and regional cooperation initiatives, including Central Asian investment forums and bilateral agreements, are increasingly focused on resource development and energy security. These efforts reinforce Tajikistan's strategic importance in Central Asia and its ambition to become a reliable partner in the global minerals market.

As Tajikistan continues to position itself as a competitive and forward-looking mining destination, the active participation of private and international actors will be critical to realising its full potential. This trajectory not only enhances the sector's competitiveness but also strengthens Tajikistan's role as a trusted partner for sustainable resource development. For investors, lenders and other stakeholders, the combination of legal and regulatory reforms, firm government commitments and support for the mining industry, institutional support and growing international collaboration offers an opportunity to participate in one of the region's most promising mining markets.

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