

Expanding to a new country gives your company new growth opportunities. To operate legally, your company must follow local employment laws and meet the expectations of your global workforce.

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Staying compliant can pose a challenge. At Globalization Partners, we act as an Employer of Record for your international employees. When you work with us, we accept the legal responsibility for hiring and operating in more than 180 countries — including Afghanistan.

## Doing Business in Afghanistan

Building relationships and showing respect are cornerstones of professionalism. In Afghanistan, age and status inform most business interactions, and you should be mindful of being polite at all times.

## Employment Contracts

An employment contract is a lawful agreement between an employer and the party they wish to contract. Each employment contract is valid for a fixed period of one year. If both parties

wish to renew the contract, they can do so. Employers and their employees have one month after expiration to end or extend the contract. If they do neither, the contract extends automatically with the same terms. Either party can propose changes.

A valid employment contract must contain:

- Proof of legitimacy.
- A description of the job and any necessary skills.
- The employee's wages, rights, and privileges.
- The employee's expected working time, in accordance with the code.
- The worker's leave.
- The location of the work site.
- The duration of time that the contract will be valid.
- Date and signatures.
- Parental signatures if the contracted party is younger than 18 years of age.

The employer must make three copies of the employment contract and distribute one copy to the worker and one to the Ministry of Labor, Social Affairs, Martyrs, and the Disabled (MoLSAMD). The employer must keep the third copy in their Human Resources department.

An employment contract can include a probationary period of three months or less.

## **Working Hours**

A lawful working period is 40 hours per week and most employees work eight hours per day. Employers may adjust an employee's hours as needed, so long as their working period balances to only 40 hours each week. Under special circumstances, employers must cap the workweek earlier. Pregnant women and youths aged 15 to 18 may work only 35 hours per week. Employees who perform work in dangerous conditions may work just 30 hours each week.

Employees should receive a one-hour lunch break, which does not qualify as part of their working time.

## Night Work

Night work is popular in Afghanistan, and a night shift usually lasts one hour less than a shift during the day. Night work takes place during the 11 hours between 8 p.m. and 7 a.m. MoLSAMD must propose that a company uses night work and approve of its schedule.

Production workers must receive a 25 percent supplement to their wages, and service and administrative employees should receive a 15 percent increase. In the event of mixed working time, employees must receive increased wages for the portion of their shift that takes place overnight. Shift work must take place on a rotating schedule. Night or mixed shifts are subject to the same wage supplement.

## Overtime

Employees who perform night work or work in dangerous conditions must not work overtime. Pregnant women and women with children younger than two years of age are also ineligible.

## Holidays

Afghanistan observes both national and religious holidays. Employees are entitled to paid leave on the following days:

- Friday (the last day of the week)
- Nawruz (the first day of the new year)
- The 28 of Assad/July 19 (the day of restoration and independence)
- The Eighth of Sawr (the Victory of the Islamic Revolution of Afghanistan)
- The first day of Ramadan
- Three days for Eid-e-Feter
- Three days for Eid-e-Said-e-Adah and one day for Arafat
- The 12 of Rabiul Awal (Hazrat-e-Mohammad's birthday)
- The 10 of Muharam/the Day of Ashura
- The 26 of Dalwe (the return of former Soviet forces)
- Other days the Republic announces as public holidays

Holidays do not affect a worker's annual leave. Employees may only work on public holidays if necessary. Employees required to work on a holiday are entitled to 150 percent of their wages for their hours on that day. The exception to this rule is that an employee may work on a holiday for their standard wage in exchange for a day of leave within the following two weeks.

## Recreational Leave

Most workers are entitled to 20 days of paid recreational leave each year. There are some exceptions to these guidelines:

- Educators who observe public holidays are not eligible for recreational leave.
- Employees who are younger than 18 receive 25 days of annual leave.
- Employees who perform dangerous work are entitled to 30 days of paid leave.
- New recruits are not eligible for leave until they've reached 11 months of service.
- Seasonal employees with fewer than three months of service per year are not entitled to leave.

Employees use their recreational leave on a turn-based schedule. Every six months, a worker may use up to 10 days of their paid leave for urgent circumstances.

## Essential Leave

Workers may use 10 days of essential leave each year. Employees may only utilize three days at a time in urgent circumstances unless they provide a written request. Valid grounds for taking essential leave include:

- Marriage.
- The birth of a child.
- The death of an immediate family member.

## Sick Leave

Employees are entitled to 20 days of paid sick per year.

If a worker needs to utilize three days or fewer, they may send a written notice. For longer leave, the employee must provide a certificate from the health institute's medical doctor. In areas without access to physicians, certificates from the village headman or Province are valid.

Employees covered by a medical insurance plan may use the certificate from the doctor at the insurance company.

If a worker needs to use more than 20 days of sick leave, they may use other leave for this purpose. In some cases, employees can receive additional sick leave.

New employees who start work in the first half of the year may use the full 20 days of sick leave. Workers who join in the second half are entitled to 10 days.

## **Maternity Leave**

Female employees are entitled to take 90 days of paid maternity leave. This leave should begin 30 days before delivery and extend 60 days past the date of the birth. At the end of the maternity leave, the employee must report to work. In the case of abnormal delivery or multiple births, she is entitled to take an extra 15 days of maternity leave. To qualify for this supplemental leave, she will have to provide relevant certificates from the hospital.

## **Termination and Severance**

If an employee has unused recreational leave at the time of their contract's expiration, they are entitled to their wages for that leave.

Employers may terminate an employment contract after 20 days of consecutive absences not covered by leave. Repeated infringement of labor discipline rules is also lawful grounds for

termination. Under these circumstances, an employee is not eligible for severance.

## Tax

Employers are responsible for withholding a percentage of employees' wages based on their income. Employees who make up to 5,000 AFN each month are exempt. Withholdings for other income brackets are as follows:

- Wages equalling 5,000 to 12,500 AFN: Two percent.
- 12,500 to 100,000 AFN: 150 AFN plus 10 percent of all wages above 12,500.
- 100,000 AFN or more: 8,900 AFN plus 20 percent of the amount over the threshold.

Employers must remit the amounts of these withholdings within 10 days of the end of each month.

## Health Insurance and Additional Benefits

An employer's contribution to employees' health insurance depends on the company's financial capacity. Companies and employees may participate in social protections for workers who need them. These benefits may include:

- Food allowances.
- Medical services.
- Pension paid during retirement.
- Financial aid for employees who cannot work.

## Expand Your Business to Afghanistan With Globalization Partners

Globalization Partners can ensure total compliance with Afghanistan's labor laws. Our team of experts manages legal responsibility, customer support, and other administrative concerns.

[Contact us today](#) for more information about how your company can benefit from using our Employer of Record model.