



Dear Readers,

**On 2 July 2020, the President signed a law<sup>1</sup> introducing changes to the Tax Code and to the Law on the Introduction of the Tax Code. The law establishes additional tax measures to support enterprises and individuals. We offer you a brief overview of the introduced benefits.**

### Benefits for Individuals

Income of employees of non-state mass media for the period from 1 April to 1 October 2020 is exempt from taxation.

The tax authorities will waive the amount of interest for the late payment of property, land or vehicle taxes for the periods up to 1 January 2020, if a taxpayer settles the tax liabilities on these taxes by 31 December 2020.

### Tax Administration Benefits

The deadline for the preparation and submission of documents confirming the residence of a nonresident for 2019 is extended through 31 December 2020.

Scanned copies of source documents for the period of the state of emergency are regarded as legally valid, if a taxpayer prepares the originals by 31 December 2020.

### Benefits for Transport Organizations

For the period from 1 June to 31 December 2020:

- Imports of spare parts to aircraft are exempt from VAT;
- For the period from 1 June to 31 December 2020, air passenger transport companies are exempt from VAT on services from non-residents, including royalties, software maintenance and upgrade, services on presentation and processing of information, provision of access

to the Internet resource;

- Land plots occupied by airdrome runways and airport terminals are exempt from land tax and payments for the use of land plots.

For the national operator Kazakhstan Temir Zholy, the VAT payment deadline for the second and third quarters of 2020 is postponed to 25 February 2021.

From 1 July until the end of 2020 the fee for initial registration of saddle tractors for entities engaged in international road freight transportation is abolished.

### Benefits for Mining and Metallurgy

For mining and metallurgical companies (except those producing hydrocarbons) included on the list of the large taxpayers subject to the state monitoring:

- The amount of VAT refundable under the simplified procedure is increased to 80% for the period from 1 June to 31 December 2020;
- Corporate income tax for 2020 may exceed the amount of advance corporate income tax payments by 33%.

<sup>1</sup> Law No. 354-VI of the Republic of Kazakhstan *On Amendments and Addenda to the Code of the Republic of Kazakhstan On Taxes and Other Mandatory Payments to the Budget (the Tax Code) and Law of the Republic of Kazakhstan On the Introduction of the Code of the Republic of Kazakhstan On Taxes and Other Mandatory Payments to the Budget (the Tax Code)*, dated 2 July 2020

## Amendments for Financial Institutions

Starting from 1 January 2021:

- In accordance with the approved rules<sup>2</sup> banks and financial organization are required to submit to the tax authorities information and/or documents on the withdrawal of cash from bank accounts by legal entities.
- The law introduced a license fee for the right to engage in a micro-finance activity and abolished a fee for the registration of an organization engaged in a micro-finance activity;
- The law introduced a license fee for branches of nonresident banks to perform activities on the local financial market.
- The law introduced a fee for the consent to appoint (elect) the managing staff of a branch of a nonresident bank, a branch of a nonresident insurance (reinsurance) organization, and a branch of a nonresident insurance broker.

<sup>2</sup> Resolution No. 51 of the Management Committee of the National Bank of the Republic of Kazakhstan On the Procedure for the Withdrawal of Cash from Bank Accounts by Legal Entities, the Withdrawal of Cash in Excess of Established Limits and the Provision to the Ministry of Finance of Information on the Withdrawal of Cash by Legal Entities in Excess of Established Limits, dated 21 April 2020

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