



# TP NewsFlash

## Transfer Pricing

#3 - 2018



Dear Readers,

In this issue, we offer you an overview of the recent legislative changes to Kazakhstan transfer pricing legislation which may affect your activities in Kazakhstan.

## Electronic submission of Country-by-Country Notification is now available in Kazakhstan

On 27 September 2018, the State Revenue Committee under the Ministry of Finance of the Republic of Kazakhstan announced that electronic submission of Country-by-Country Notification (hereinafter, "Notification") is available in Kazakhstan. The reporting form is available in the SPTR Electronic Portal (form 000.11)<sup>1</sup>.

The Notification is due by 1 September of the year following the reporting year. Thus, taxpayer obliged to file the Notification by 1 September 2019 for the 2018 reporting year will be able to submit it in electronic form in the next year.

The following companies are obliged to submit the Notification by 1 September 2019:

- Ultimate parents of multinational groups.
- Taxpayers that will receive a request from tax authorities to submit the Country-by-Country Report.

In addition, taxpayers that obliged to submit Local Files for 2019 are obliged to submit the Notification by 1 September 2020.

## Transfer Pricing Tips: Comparable Uncontrolled Price method

Comparable Uncontrolled Price method (CUP method) might be considered as the most appropriate and understandable transfer pricing method. Moreover, according to the Kazakhstan's transfer pricing legislation, the CUP Method has the highest priority compared to other methods. However, its application is limited in most cases.



Particularly, the CUP method could be applicable for the following cases:

- purchasing of commodities
- providing financial services (loans, warranties etc.)
- providing rights to use intangible property (trademarks, know-how, patents etc.)
- conducting comparable transactions with independent counterparties.

<sup>1</sup> <http://kgd.gov.kz/ru/news/realizovana-elektronnaya-sdacha-formy-zayavleniya-ob-uchastii-v-mezhdunarodnoy-gruppe-1-33315>



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