

Dear readers,

We offer you a short overview of some of the most important recent amendments and additions to Kazakhstan legislation.

## Taxation

### *Subsidizing VAT for Agricultural Sector*

Under Article 6 of the Law on the State Regulation of Agricultural Sector and Rural Areas Development, the Ministry of Agriculture approved rules<sup>1</sup> for subsidizing VAT that procurement organizations in the agricultural sector accrued and remitted to the state.

To qualify for the state subsidies:

- A procurement organization must apply to the local executive authorities for subsidizing the amount of VAT that the organization accrued and paid to the state. The organization submits an application after it submits the annual VAT and corporate income tax declarations for the reporting year and fully settles its VAT obligations;
- Revenues of a procurement organization from the realization of agricultural products must constitute at least 90 percent of the total annual income of the organization for the reporting year;
- Information on procurements and sales of agricultural products that a procurement organization provides to the local executive authorities must comply with the state revenue authorities' records.

The subsidies are payable per the results of the reporting year by the state agricultural departments of relevant regions, cities and the capital.

*The rules came into effect on 19 June 2015.*

### *Tax registers*

The Ministry of Finance approved<sup>2</sup> some tax registers and rules for their preparation. The order contains tax registers earlier approved by a governmental resolution<sup>3</sup> and includes the following new tax registers:

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<sup>1</sup>Order No. 9-3/271 of the Minister of Agriculture of the Republic of Kazakhstan, dated 30.03.15, on Approval of Rules for Subsidizing VAT to Procurement Organizations in the Agricultural Sector  
<sup>2</sup>Order No.271 of the Acting Minister of Finance of the Republic of Kazakhstan, dated 15 April 2015, on Approval of the Forms of Tax Registers and Rules for their Preparation  
<sup>3</sup>Governmental Resolution No.1311, dated 9 November 2011, on Approval of the Forms of Tax Registers and Rules for their Preparation

- Tax register for a book decrease of a claim to a debtor on an outstanding loan and interests thereof or on a receivable related to documentary settlements and guarantees;
- Tax register for a decrease of a claim to a debtor on a forgiven bad debt with respect to a loan and interests thereof;
- Tax register for services of a tourist operator.

*The order came into effect on 20 June 2015.*



### Submission of tax applications

A joint order<sup>4</sup> of the Minister of Investment and Development and the Minister of Finance approved the following list of tax applications that taxpayers may submit via public service centers:

- Tax application for a registration of an individual entrepreneur, a private notary, a private judicial enforcement agent, an attorney, or a professional mediator;
- Tax application for a suspension (extension, renewal) of the tax filing obligations;
- Tax application for a withdrawal of a submitted tax declaration;
- Tax application for a receipt of the tax authorities' records with respect to a taxpayer's tax liabilities, obligatory pension contributions, obligatory professional pension contributions and social contributions;
- Tax application for a tax registration.
- Tax application for an offset and/or a refund of taxes, other obligatory payments, customs duties, fines and penalties.

*The order will come into effect shortly.*

## Customs

### Antidumping Law

On 8 June 2015 the President signed Law<sup>5</sup> on Special Protective, Antidumping and Compensatory Measures with Respect to Third Countries (hereinafter - the "Law"). The Law regulates special protective, antidumping and compensatory measures with respect to third countries that are not a party to the Treaty on the Eurasian Economic Union (hereinafter – the "EEU") in order to protect the economic interests of Kazakhstan.

The Law does not regulate relationships related to:

- provision of services,

- performance of works,
- transfer of exclusive rights to an intellectual property or provision of a right to use intellectual property,
- investments,
- currency and export regulations,

which are covered by other laws of Kazakhstan.

The Eurasian Economic Commission makes decisions on application, revision or abolishment of special protective, antidumping or compensatory measures. The Customs Code of Kazakhstan governs assessments and payments of special, antidumping and compensatory duties similar to import customs duties.

A special protective, antidumping or compensatory measure may be applied to imported goods if an investigation establishes that the importation of the goods into the EEU seriously threatens a sector or an industry of the member countries economy or significantly slows down the development of a sector or an industry of the member countries economy. The Eurasian Economic Commission appoints the state authorities responsible for such investigations in the EEU.

The responsible authorities may initiate an investigation in its sole discretion or upon a request of:

- a manufacturer of a similar or a directly competitive product in the member states or its authorized representative;
- an association of manufacturers, members of which produce at least 25 percent of the total production volume of a similar or a directly competitive product in the member states, or by an authorized representative of such association.

An applicant must accompany a request for an investigation with an unbiased proof of a material damage or a threat of

<sup>4</sup>Joint Order No.477 of the Minister of Investment and Development, dated 21 April 2015, and No. 275 of the Minister of Finance of the Republic of Kazakhstan, dated 20 April 2015, on Approval of the List of Tax Applications to be Submitted via Public Service Centers

<sup>5</sup>Law No.316-V of the Republic of Kazakhstan, dated 8 June 2015, On Special Protective, Antidumping and Compensatory Measures with Respect to Third Countries

the damage to a sector of the member countries economy or a slowdown in establishing it. The evidence must contain quantitative and/or price indicators for the previous period and for the subsequent period for which representative statistical data are available.

A number of legislative acts<sup>6</sup> were amended in connection with the implementation of the Law:

- The list of organizations permitted to obtain from the tax authorities information representing a tax secrecy was supplemented by the state authorities managing foreign trade affairs<sup>7</sup>;
- A new provision of the Customs Code entitles a transfer of confidential information obtained from the governmental authorities to the Eurasian Economic Commission for the purpose of investigations under special protective, anti-dumping and compensation legislation<sup>8</sup>;
- Taxpayers failing to meet the payment deadlines for anti-dumping and compensation duties are subject to administrative sanctions<sup>9</sup>.

As the Law comes into force, the following laws will cease to be valid:

- Law on Protection of the Domestic Market with respect to Importation of Goods;
- Law on Antidumping Measures;
- Law on Subsidies and Compensation Measures.

*The Law came into force on 11 July 2015.*

### Special Economic Zones

Under Article 60-1 of the Customs Code of Kazakhstan<sup>10</sup>, the Ministry of Finance approved the following rules regulating special economic zones activities (hereinafter – the “SEZ”):

- Rules for organizing of facilities of the SEZ and access to the SEZ territory;
- Rules for submitting notifications and issuing permissions on importation and exportation of goods into/from the SEZ;
- Rules for accounting goods placed under the SEZ’ customs procedures and submitting reports on these goods to the state revenue authorities;
- Rules for recognizing goods placed under the SEZ’ customs procedures as the goods of the Customs Union.

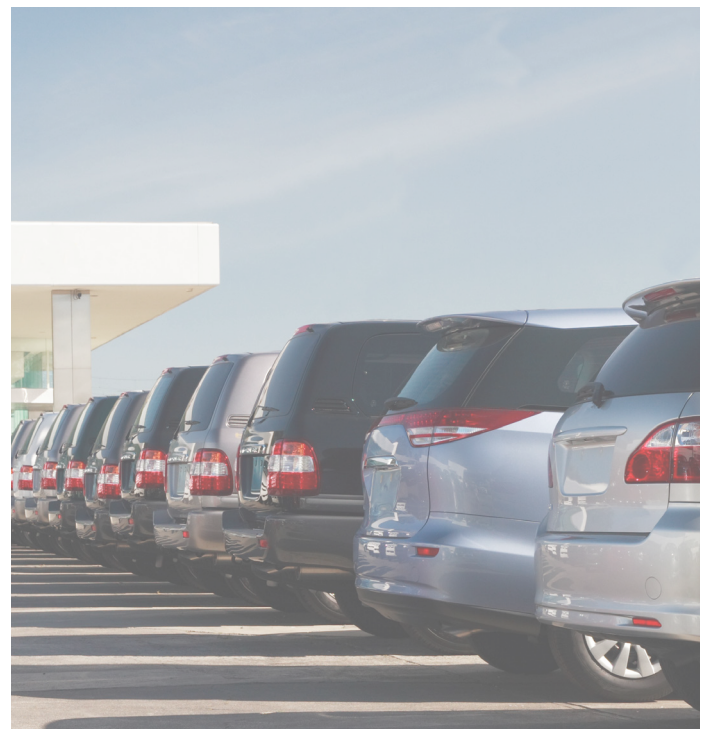
*The order came into effect on 21 June 2015.*

### Licensing of vehicles importation from the EEU states

According to an order<sup>11</sup> of the Minister of Investments and Development, importation into Kazakhstan of vehicles with codes 8702, 8703, 8704 (buses, motorcars and motortrucks) under the Classifier of International Trade Activities of the Eurasian Economical Union is subject to licensing. An only exception relates to vehicles imported by individuals for a personal use.

The Committee of Industrial Development and Industrial Safety of the Ministry of Investments and Development will issue licenses to official representatives of the vehicle producers or to official dealers based on a distribution agreement or a dealer agreement.

*The order came into effect on 11 June 2015.*



### Other

#### Visa-free regime

According to a Governmental resolution<sup>12</sup>, citizens of Australia, Belgium, Finland, France, Germany, Hungary, Italy, Japan, Malaysia, Monaco, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, the UAE, the U. K. and the U.S. are exempt from Kazakh visa requirements from 16 July 2015 to 31 December 2017, provided that their stay in Kazakhstan would not exceed fifteen calendar days.

<sup>6</sup>Law No.317-V of the Republic of Kazakhstan, dated 8 June 2015, On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Special Protective, Anti-Dumping and Compensation Measures in Relation to Third Countries

<sup>7</sup>Article 557 of the Tax Code.

<sup>8</sup>Article 16 of the Code of the Republic of Kazakhstan of 30 June 2010 On Customs Procedures in the Republic of Kazakhstan

<sup>9</sup>Article 555 of the Code of the Republic of Kazakhstan of Administrative Violations, dated 5 July 2014

<sup>10</sup>Order No.210 of the Minister of Finance of the Republic of Kazakhstan, dated 26 March 2015, on Certain Issues of Special Economic Zones

<sup>11</sup>Order No. 481 of the Minister of Investments and Development of the Republic of Kazakhstan, dated 24 April 2015, On Approval of the List of Certain Goods with Respect to which an Exclusive Right for Importation from the Eurasian Economic Union states is Granted, Except for Vehicles Imported by Individuals for Other than Entrepreneurial Activities

<sup>12</sup>Governmental Resolution No.483, dated 26 June 2015, On Amendments to Governmental resolution No.148, dated 21 January 2012, On Approval of Rules for Entry and Stay of Immigrants in and

If citizens of the above-listed countries need to extend their stay in Kazakhstan for more than 15 days for business purposes, they can obtain a single-entry business visa for up to 30 calendar days from the Kazakh internal affairs authorities. In addition, if the investments authorities confirm the "Investor" status for citizens of the above-listed countries, the Ministry of Foreign Affairs issues a single-entry investor's visa for up to 90 days or a multi-entry visa for up to three years.

*The resolution entered into effect on the date of its signature on 26 June 2015 and will be valid until 31 December 2017.*



## Contact us

**Rustem Sadykov**  
Partner,  
Head of Tax&Legal  
E: [rsadykov@kpmg.kz](mailto:rsadykov@kpmg.kz)

**Inna Alkhimova**  
Partner  
Tax&Legal  
E: [ialkhimova@kpmg.kz](mailto:ialkhimova@kpmg.kz)

## KPMG in Kazakhstan

**Almaty office**  
180 Dostyk Avenue  
Almaty 050051  
T: +7 727 298 08 98  
F: +7 727 298 07 08  
E: [company@kpmg.kz](mailto:company@kpmg.kz)

**Astana office**  
Samal 12  
Astana 010000  
T: +7 7172 55 28 88  
F: +7 7172 55 28 00  
E: [company@kpmg.kz](mailto:company@kpmg.kz)

**Atyrau office**  
Seven Stars Business Centre  
34A Satpayev Street  
Atyrau 060011  
T: +7 7122 55 62 00  
F: +7 7122 55 62 02  
E: [company@kpmg.kz](mailto:company@kpmg.kz)

[www.kpmg.kz](http://www.kpmg.kz)

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