On taxes and other obligatory payments to the budget (Tax Code)

Unofficial translation

Code of the Republic of Kazakhstan of December 25, 2017 № 120-VI.

Unofficial translation

Footnote. The table of contents is excluded by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall be enforced ten calendar days after the day of its first official publication).

Footnote. Throughout the text, the words "agreements on the settlement of insolvency", " procedures for resolving insolvency", "agreement on the settlement of insolvency" are replaced respectively by the words "agreements on debt restructuring", "debt restructuring procedures", "agreement on debt restructuring" in accordance with the Law of the Republic of Kazakhstan dated December 27, 2019 № 290-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

the words “oralman” and “oralmans” are replaced by the words “kandas” and “kandases”, respectively, in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021);

words "disabled", "disabled child", "disabled person", "disabled persons" shall be replaced respectively by the words "persons with disability", “child with disability”, “person with disability;

the words "Group I, II", "Group I or II", "Group I, II or III" shall be replaced respectively by the words " of the first, second group", "of the first or second group", "of the first, second or third group"; pursuant to the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (shall be enforced from 01.07.2022).

the words “on pension provision, on compulsory social insurance”, “by laws of the Republic of Kazakhstan “On compulsory social insurance”, “On pension provision in the Republic of Kazakhstan” and “On compulsory social health insurance”, “ by laws of the Republic of Kazakhstan “On compulsory social insurance” and “On pension provision in the Republic of Kazakhstan”, “On compulsory social health insurance”, “legislation of the Republic of Kazakhstan on pension provision”, “legislation of the Republic of Kazakhstan on compulsory social insurance”, “laws of the Republic of Kazakhstan “On pension provision in the Republic of Kazakhstan”, “On compulsory social insurance” and “On compulsory social health insurance”, “laws of the Republic of Kazakhstan “On pension provision in the Republic of Kazakhstan”, “On compulsory social insurance”, “On compulsory social health insurance”, “Law of the Republic of Kazakhstan “On pension provision in the Republic of Kazakhstan”, “The Law of the Republic of Kazakhstan “On Compulsory Social Insurance”

shall be replaced, respectively, with the words “on social protection”, “The Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan “On Compulsory Social Health Insurance”, “The Social Code of the Republic of Kazakhstan and the Law of the Republic Kazakhstan “On compulsory social health insurance”, “legislation of the Republic of Kazakhstan on social protection”, “legislation of the Republic of Kazakhstan on social protection”, “Social Code of the Republic of Kazakhstan and Law of the Republic of Kazakhstan “On compulsory social health insurance”, “Social Code of the Republic of Kazakhstan and Law of the Republic of Kazakhstan “On Compulsory Social Health Insurance ”, “Social Code of the Republic of Kazakhstan”, “Social Code of the Republic of Kazakhstan ”; in accordance with the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.07.2023).

This Code establishes basic principles of taxation, regulates the government-directed imposition, introduction, change, abolition of taxes, procedure for calculation and payment of taxes and other obligatory payments to the budget, as well as relations pertaining to the fulfillment of tax obligations.

1. GENERAL PART SECTION 1. GENERAL PROVISIONS Chapter 1.BASIC PROVISIONS

Article 1. Basic definitions used in this Code

1. Basic definitions used in this Code for tax purposes are as follows:

1) information processing services – services for the collection and generalization of information, systematization of bulk information (data) and making the outcome of information processing available to the user;

2) special tax regime –special procedure for the calculation and payment of certain types of taxes and other obligatory payments to the budget, as well as filing tax returns on them by certain types of taxpayers;

2-1) organization of the body of the ASTANA International Financial Center - a legal entity registered in accordance with the current law of the ASTANA International Financial Center, whose 50 or more percent of the participation interest (voting shares) directly or indirectly belongs to the body of the ASTANA International Financial Center.

Indirect ownership means ownership by the body of the ASTANA International Financial Center through another legal entity that directly belongs to the body of the ASTANA International Financial Center;

3) social payments - mandatory pension contributions, mandatory occupational pension contributions, mandatory employer pension contributions, social contributions paid in accordance with the Social Code of the Republic of Kazakhstan, deductions and contributions for compulsory social health insurance, paid in accordance with the Law of the Republic of Kazakhstan “On Compulsory social health insurance";

4) securities – shares, debt securities, depositary receipts, shares of mutual funds, Islamic securities;

5) arrears - calculated, accrued and overdue amounts of taxes and payments to the budget, including advance and (or) current payments on them, except for the amounts reflected in the audit findings report, the notice on the horizontal monitoring findings during the period of appeals in accordance with the procedure established by the legislation of the Republic of Kazakhstan in the part that is being appealed;

6) debt securities – government issue-grade securities, bonds and other securities recognized as debt securities in accordance with the legislation of the Republic of Kazakhstan ;

7) discount on debt securities (hereinafter referred to as discount) - difference between nominal value and that of primary placement (exclusive of a coupon) or purchase price (exclusive of a coupon) of debt securities;

8) coupon on debt securities (hereinafter referred to as coupon) - amount payable (due) by the issuer in excess of the nominal value of debt securities in accordance with the terms of issue;

9) premium on debt securities - difference between the value of primary placement (exclusive of a coupon) or the purchase price (exclusive of a coupon) and the nominal value of debt securities, the terms of issue of which provide for payment on a coupon;

10) other obligatory payments to the budget (hereinafter referred to as payments to the budget) - mandatory money contributions to the budget in the form of fees, allowances, duties , except for customs payments effected in the amount and in cases set forth in this Code;

11) market exchange rate - the rate of the tenge to a foreign currency set in accordance with the procedure prescribed by the National Bank of the Republic of Kazakhstan together with the authorized state body regulating the activity in the field of accounting and financial reporting;

12) web application – a customized website of the authorized body protected from unauthorized access, designed to enable taxpayers to receive electronic tax services and fulfill their tax obligations;

13) grant – non-repayable assets for the achievement of certain goals (tasks) provided by:

states, governments of states to the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, both individuals and legal entities;

international and state organizations, foreign and Kazakhstani non-governmental public organizations and foundations, whose activities are of charitable and (or) international nature and not contrary to the Constitution of the Republic of Kazakhstan, entered into the list fixed by the Government of the Republic of Kazakhstan following state bodies' resolutions, to the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, both individuals and legal entities;

foreigners and stateless persons to the Republic of Kazakhstan and the Government of the Republic of Kazakhstan;

14) humanitarian aid – property provided on a non-reimbursable basis to the Republic of Kazakhstan in the form of food products, consumer goods, machinery, equipment, medicinal productsmedicines and devices, other assets sent by foreign countries and international organizations to improve living and welfare conditions of the population, and also to prevent and recover emergency situations of military, ecological, natural and man-made nature, which are distributed by the Government of the Republic of Kazakhstan through authorized organizations;

15) sponsorship – assets provided on a non-reimbursable basis to disseminate information on a person rendering this assistance:

among individuals in the form of financial (except for social) support for their participation in competitions, contests, exhibitions, festivals and for the development of creative, scientific, scientific and technical, inventive activity, to boost the level of education and sportsmanship;

among non-commercial organizations to enable them to achieve their statutory goals;

16) dividends are income:

in the form of net income or part thereof that is payable on shares, including underlying assets of depositary receipts;

payable on shares of a mutual fund, except for income on shares repurchased by a fund management company;

in the form of net income or part thereof distributed by a legal entity among its founders, participants;

from the distribution of assets in case of liquidation of a legal entity or reduction of its charter capital, and also from the repurchase of a participatory interest in a legal entity or part thereof from its founder, participant by this legal entity, the repurchase of shares from a shareholder by a legal entity that issued those shares;

payable on Islamic participation certificates;

received by a shareholder, participant, founder or their related party from a legal entity in the form of:

positive difference between the market price of goods, works, services and the price at which such goods, works, services are sold to a shareholder, participant, founder or their related party;

negative difference between the market price of goods, works, services and the price at which such goods, works, services are purchased from a shareholder, participant, founder or their related party;

the cost of expenses or obligations, not related to the entrepreneurial activity of a legal entity, arising for its shareholder, participant, founder or their related party to a third party, which the legal entity recovers without receiving compensation from a shareholder, founder, participant or their related party;

any assets and material benefit provided by a legal entity to its shareholder, participant, founder or their related party, except for the income specified in Articles 322-324 of this Code, and that from the sale of goods, works, services.

Income from the distribution of assets specified in this subparagraph shall be calculated as follows:

I = Vr – Ap,

where:

I – income from the distribution of assets;

Vr – the book value of assets (to be) received by a shareholder, participant, founder upon the distribution of assets, including those (to be) received in return for earlier contributed ones , at the date of transfer, (to be) stated in the accounting records of the transferring party, without revaluation and depreciation;

Ap:

the amount of paid-up charter capital attributable to the number of shares for which the assets are distributed;

the amount of the paid authorized capital attributable to the participation share to which the property is distributed, but not more than the initial value of such participation share, determined as prescribed in paragraph 7 of Article 228 of this Code, for the participant in whose favor the property is distributed.

The positive or negative difference specified in this subparagraph is calculated when adjusting taxable items. Taxable items are adjusted in the cases and in accordance with the procedure established by the legislation of the Republic of Kazakhstan on transfer pricing. For the purposes of this subparagraph, related parties are defined in accordance with paragraph 2 of this article;

17) design services - services for designing artistic forms, the appearance of products, facades of buildings, interiors of premises; artistic design;

18) standard procedure for taxation – a procedure for calculating, paying taxes and payments to the budget, filing tax returns on them, which is set forth in the Special Part of this Code, except for the procedure prescribed by Section 20 of this Code;

19) private practice owner - a private notary, private law enforcement officer, lawyer, professional mediator;

20) social support of an individual – compensation-free transfer, within a year, by a tax agent of assets worth up to 647 times of the Monthly Calculation Index established by the law on the republican budget and effective as of the start of a relevant financial year to an individual eligible for social support in accordance with the legislation of the Republic of Kazakhstan.

The list of categories of persons covered by this subparagraph shall be approved by the central authorized body for state planning in coordination with the authorized body;

21) personal property of an individual - tangible items of personal property that are owned by him/her or are his/her share in common property, provided all of the following requirements are met:

they are not used by an individual for business purposes;

they are not subject to the imposition of a self-assessed individual income tax;

22) subsoil use contract - an agreement between a competent authority or an authorized body for exploration and use of subsurface resources or a local executive body of a region, a city of national significance, the capital within their competence established by the legislation of the Republic of Kazakhstan on subsoil and subsoil use, and an individual and (or) a legal entity on the exploration, extraction, combined exploration and extraction of mineral resources, or construction and (or) operation of underground facilities not related to exploration and (or) extraction, or for national geological study of subsurface resources.

For the purposes of this Code, a subsoil use contract shall also stand forsubsoil use licenses and other forms of granting rights to subsoil use and (or) water use in accordance with the legislation of the Republic of Kazakhstan.

Given this, the terms “exploration contract”, “extraction contract”, “contract for combined exploration and extraction” and “exploration or extraction license” used in this Code are identical to the term “subsoil use contract”, the term “exploration and extraction contract” is identical to that of “combined exploration and extraction contract”;

23) subsoil use operations - works related to the geological study of subsoil, exploration and (or) extraction of mineral resources, including those connected with the exploration and production of groundwater, therapeutic muds, subsoil exploration for wastewater discharge, and also for construction and (or) operation of underground facilities not related to exploration and (or) extraction;

24) subsoil users - individuals and legal entities entitled to conduct subsoil use operations, including oil ones, and (or) water use operations in the territory of the Republic of Kazakhstan in accordance with the laws of the Republic of Kazakhstan;

25) employee:

an individual who is in labor relations with an employer and performs work under an employment agreement (contract);

a civil servant;

a member of board of directors or another management body of a taxpayer that is not asupreme management body, except for civil servants;

a foreigner or a stateless person assigned for work under an outstaffing contract by a non-resident whose activity does not constitute a permanent establishment in accordance with the provisions of paragraph 7 of Article 220 of this Code to a resident or another non-resident operating in the Republic of Kazakhstan through a permanent establishment;

26) structural unit of a legal entity - branch, representative office;

27) investment gold - gold, which meets the following requirements:

to gold coins:

such gold coins shall have no numismatic value;

the purity of gold coins shall be equal to or greater than 900/1000 of gross mass (which is equivalent to 900 fineness, 900 promille, 90.0 percent, or 21.6 karat).

A gold coin is recognized as that of numismatic value in case one of the following requirements is met:

it was minted before 1800;

it was minted using the technology ensuring a mirror-like surface, “proof” quality;

the mintage is not more than 1000 copies;

its market price exceeds the value of gold contained in the coin by more than 80 percent.

The value of gold contained in a coin is determined by way of multiplying a.m. gold fix (price quotation) set by the London Bullion Market Association as of the date of sale of the gold coin by the market exchange rate set on the previous business day of the date specified.

As to other gold:

such gold is affined (the purity of such gold is equal to or greater than 995/1000 of the total mass (which is equivalent to 995 fineness, 995 promille, 99.5 percent, or 23.88 karat);

such gold is up to the national or international standard, shall be manufactured in the shape of a measured or standard ingot and/or plate and carry the following marks:

as to a standard ingot and (or) plate:

serial number (may include a year of manufacture);

the trademark of a manufacturer;

gold purity (content);

year of manufacture, if not included in the serial number;

for a measured ingot:

type of metal;

the trademark of a manufacturer;

gold purity (content);

mass of an ingot;

28) engineering services - engineering and consulting services, research, design, calculation and analysis, development of feasibility studies of projects, elaboration of recommendations in the field of production management and administration, sales of products ;

29) online marketplace – information system in the Internet providing intermediary services for the organization of e-commerce;

30) online store – information system in the Internet for the sale of goods through one’s own website;

31) Islamic securities – Islamic lease certificates and Islamic participation certificates;

32) professional mediator - a mediator who carries out his/her activity on a professional basis as required by the Law of the Republic of Kazakhstan “On Mediation”;

33) arithmetic-mean market exchange rate for the period – the rate calculated using the following formula:

$R = (R1 + R2 + \ldots + Rn)/n,$

where:

R – arithmetic-mean market exchange rate for the period;

R1, R2.., Rn – the daily market exchange rate of a relevant currency set on the previous business day of each day of the period;

n – the number of calendar days in the period;

34) non-contract activity - any other activity of a subsoil user that is not expressly set out in a subsoil use contract;

35) contract activity - activity of a subsoil user carried out in compliance with the provisions of a subsoil use contract;

36) consulting services – services for providing explanations, recommendations, advice and other forms of consultation, including identification and (or) evaluation of problems and (or) possibilities of a person, in order to address managerial, economic, financial and investment issues, as well as those of strategic planning, organization and implementation of entrepreneurial activities, personnel management;

37) oil treatment - a set of technological processes for the treatment of oil, including its gathering, delivery for treatment, inflow of borehole fluid into measuring units, degassing, dehydration, desalination, stabilization, demercaptanization;

38) charitable assistance - assets provided on a non-reimbursable basis:

in the form of sponsorship;

in the form of social support of an individual;

to an individual affected by an emergency;

to a non-commercial organization to support its statutory activity;

to an organization operating in the social sphere to enable it to implement the types of activity specified in paragraph 2 of Article 290 of this Code;

to an organization operating in the social sphere and meeting the requirements specified in paragraph 3 of Article 290 of this Code;

39) participatory interest - share participation of an individual and (or) legal entity in a joint activity, the charter capital of a legal entity, except for joint-stock companies and mutual funds;

40) non-disclosure agreement - a contract (agreement) between a subsoil user and the authorized body for the exploration and use of mineral resources, used as a basis for the disclosure of geological information. A contract (agreement) for acquisition of information is also among such contracts (agreements);

41) heated tobacco product - a type of tobacco product consisting of raw tobacco with or without the addition of tobacco product ingredients, intended for use in a tobacco heating system;

42) marketing services - services associated with research, analysis, planning and forecasting in the sphere of production and circulation of goods, works, services for the purposes of identifying steps to create better economic conditions for the production and circulation of goods, works, services, including characteristics of goods, works, services, elaboration of pricing and advertising strategies;

43) recipient on behalf of the state (state authorized recipient) - a legal entity assigned by the Government of the Republic of Kazakhstan and acting on behalf of the state as a recipient of mineral resources transferred in kind by a subsoil user for the fulfillment of his/her/its tax obligation stipulated by the tax legislation of the Republic of Kazakhstan and (or) production sharing agreements (contracts), a subsoil use contract approved by the President of the Republic of Kazakhstan,which are provided for by Article 722 of this Code and;

44) state revenue authority - a state authority ensuring, within its competence, revenues from taxes and payments to the budget, customs regulation in the Republic of Kazakhstan, exercising powers to prevent, detect, suppress, clear up and investigate administrative offences, which the legislation of the Republic of Kazakhstan places under the jurisdiction of this authority, and also exercising other powers provided by the legislation of the Republic of Kazakhstan;

45) mineral raw materials - a part of the subsoil (rock, ore raw materials, etc.) extracted to the surface containing a mineral resource (minerals), without taking into account dilution;

46) primary processing (enrichment) of mineral raw materials - a mining activity that includes on-site gathering, crushing or grinding, classifying (sorting), briquetting, agglomeration and enrichment by physicochemical methods (without qualitative changes in the mineral forms of minerals, their aggregate-phase state, crystallochemical structure) and may also include processing technologies that are special types of mining operations (underground gasification and smelting, chemical and bacterial leaching, and mining of alluvial deposits by dredging and hydraulicking);

47) oil operations - works on exploration, production of hydrocarbons, construction and (or) operation of necessary technological and production facilities;

48) operator - a legal entity that is set up or assigned in accordance with the laws of the Republic of Kazakhstan by subsoil users carrying out subsoil use operations within a simple partnership (consortium) under a production sharing agreement (contract);

49) mining - the whole complex of works (operations) directly related to the extraction of mineral raw materials or solid minerals from the subsoil to the surface and (or) separation of minerals from their resting places, including from man-made mineral formations, as well as those associated with the groundwater extraction;

49-1) excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024);

50) realization - shipment and (or) transfer of goods or other assets, performance of works , rendering of services for the purpose of sale, exchange, gratuitous transfer, transfer of assets

under a lease agreement, as well as transfer of pledged goods to a pledgee if a debtor fails to fulfill apledge-secured obligation;

51) minerals - natural mineral formations, hydrocarbons and groundwater contained in the bowels of the earth, as well as natural mineral formations and organic substances containing useful components, the chemical composition and physical properties of which allow their use in the sphere of material production and (or) consumption and (or) for other needs, as they are or after their processing;

52) royalty - payment for:

the right to use mineral resources in the process of extraction of minerals and processing of technogenic formations;

use or the right to use copyrights, software, drawings or models, except for the full or partial realization of property (exclusive) rights to an intellectual property item; use or right to use patents, trademarks or other similar types of rights;

the use of or the right to use industrial equipment, including seagoing vessels leased under bareboat-charter or demise-charter agreements and aircraft leased under demise-charter agreements, as well as commercial or scientific-research equipment; the use of know-how; the use of or the right to use movies, video films, sound recordings or other recording media;

53) tax agent - an individual entrepreneur, a person engaged in private practice, a legal entity, including its structural divisions, as well as a non-resident legal entity, which, in accordance with this Code, is responsible for calculating, withholding and transferring taxes withheld at the source of payment and (or) a single payment, as well as an Internet platform operator determined by the Social Code of the Republic of Kazakhstan (hereinafter - the Internet platform operator);

In this regard, tax agents shall be recognised as operators of internet platforms where payment for services rendered and work performed is made via the internet platform;

54) tax regime – set of regulations of the tax legislation of the Republic of Kazakhstan applied by a taxpayer to calculate all tax obligations for the payment of taxes and payments to the budget established by this Code;

55) taxes – obligatory monetary payments to the budget legally established by the state on a unilateral basis, except for cases provided for by this Code, made in certain amounts, which are non-returnable and unrequited;

56) tax audit report – an opinion drawn up pursuant to tax audit findings in accordance with the legislation of the Republic of Kazakhstan;

57) taxpayer - a person and (or) a structural unit of a legal entity that is a payer of taxes and payments to the budget;

57-1) taxpayer passport - an information card of a business entity that is not a tax secret and is contained in a barcode generated by a tax authority;

58) personal account of a taxpayer (tax agent) - a document, also in electronic form, for the accounting of calculated, assessed (reduced), transferred and paid (including offset and

refunded) amounts of taxes and payments to the budget, social welfare payments, and also amounts of penalties and fines;

59) electronic document of a taxpayer - an electronic document transmitted in the established electronic format, certified with an electronic digital signature of the taxpayer, after its acceptance and confirmation of authenticity;

60) electronic digital signature of a taxpayer - a set of electronic digital symbols created by means of an electronic digital signature and confirming the authenticity of an electronic document, its belonging to the taxpayer and the invariability of its content, obtained in accordance with the legislation of the Republic of Kazakhstan on an electronic document and electronic digital signature;

61) tax debt - the amount of arrears, as well as unpaid amounts of penalties and fines. The tax debt shall not include the amount of penalties reflected in the audit findings report, notice on the horizontal monitoring findings, as well as the amount of fines reflected in the resolution to impose an administrative sanction during an appeal period in the manner prescribed by the legislation of the Republic of Kazakhstan with regard to the disputed amount;

61-1) tax mobile application - a software product installed and launched on a cellular subscriber device and providing access to electronic services for taxpayers;

62) remuneration - all payments:

related to a loan (loan, microloan), with the exception of the received (issued) amount of the loan (loan, microloan), commissions for transferring money by second-tier banks and other payments to a person who is not a lender for the borrower, an interconnected party;

related to a loan (loan, microloan), the right of claim under which is assigned to a legal entity specified in the laws of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan" and " On Microfinance Activities ", with the exception of the received (issued) amount of the loan (loan, microloan), commissions for money transfer and other payments to a person who is not a lender for the borrower, an interconnected party;

related to the transfer of property under a financial lease agreement, including payments related to such an agreement to a related party, except for:

the cost at which such property was received (transferred);

payments in connection with a change in the amount of lease payments when the coefficient (index) is applied in accordance with the terms of the financial lease agreement;

payments to a person who is not a lessor or a related party for the lessee;

on deposits, except for the amount of the deposit, as well as payments to a person who is not, for the party that accepted the deposit, a depositor, an interrelated party;

related to the accumulative insurance contract, with the exception of the amount of the insured amount, payments to a person who is not an insurer for the policyholder, an interconnected party;

for debt securities in the form of a discount or coupon (taking into account the discount or premium from the cost of the initial offering and (or) the cost of acquisition), payment to the person who is for the person paying the fee, the holder of his/her debt securities, an interrelated party;

on a bill, with the exception of the amount specified in the bill, payments to a person who is not the holder of his/her bills for the drawer, an interconnected party;

for repo transactions - in the form of the difference between the closing price and the opening price of the repo;

on Islamic lease certificates.

For the purposes of this sub-paragraph, the following shall also be recognised as remuneration:

remuneration paid under bank account agreements;

a mark-up on goods paid by an Islamic bank to the seller of such goods upon their purchase with a view to using the money by the Islamic bank to carry out the activities of an Islamic bank pursuant to the legislation of the Republic of Kazakhstan on banks and banking activities;

63) an accompanying waybill for goods - a document drawn up in electronic form in the cases, in the manner, in the form and within the time limits established by this Code;

64) import of goods - importation of goods into the customs territory of the Eurasian Economic Union in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, as well as importation of goods into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union;

65) e-commerce - business activity for the sale of goods to individuals carried out using information technologies through an online store and (or) an online marketplace provided all of the following requirements are met:

transactions for the sale of goods are registered in electronic form;

goods are paid for by bank transfer;

existence of an own service of goods delivery to acustomer (recipient) or contracts with persons providing services for the carriage of goods, performing courier and (or) postal activities;

66) tour operator services - services of an individual entrepreneur and a legal entity having a license for tourism operator activity (tour operator activity) in accordance with the legislation of the Republic of Kazakhstan on tourism activity, for the sale of a tourism product created by them to travel agents and tourists;

67) a person - an individual and a legal entity; an individual - a citizen of the Republic of Kazakhstan, a foreign national or a stateless person; legal entity - an organization established in accordance with the legislation of the Republic of Kazakhstan or a foreign state (non-resident legal entity). For the purposes of this Code, a non-resident legal entity shall

mean a company, partnership, organization or other corporate entity established in accordance with the laws of a foreign state, which are considered as independent legal entities, regardless of whether they have the status of a legal entity of a foreign state where they were created;

67-1) registering authorities - state authorities and the State Corporation "Government for Citizens", conducting registration of information and issuance of documents with an identification number;

68) an authorized legal entity - a legal entity assigned by an authorized body to sell the property of a taxpayer (tax agent) and (or) a third party, which has restrictions on the title to it and (or) is pledged in accordance with this Code;

69) authorized state bodies - state bodies of the Republic of Kazakhstan, except for tax authorities and local executive bodies authorized by the Government of the Republic of Kazakhstan to calculate and (or) collect payments to the budget, and also to interact with tax authorities in accordance with this Code within their competence established by the legislation of the Republic of Kazakhstan;

70) authorized body - a state body in charge of ensuring revenues from taxes and payments to the budget;

71) an authorized person - a person who is entrusted with the obligation to submit to the authorized body the information he has on individuals in accordance with Article 26 of this Code within his competence, established by the legislation of the Republic of Kazakhstan;

72) winnings - any types of income in kind and in cash received by taxpayers at contests, competitions (olympiads), festivals, lotteries, drawings, including drawings on deposits and debt securities, as well as income in the form of material benefit obtained through gambling and (or) betting;

72-1) three-component integrated system - an integrated system consisting of a cash register with fixing and transmitting data function, a system (device) for receiving cashless payments, as well as equipment (device) equipped with an automation system for managing trade, rendering services, performing work and accounting of goods, or a hardware-software complex that replaces all three components of an integrated system.

The requirements for three-component integrated system and its accounting, the procedure for its installation and application shall be established by the authorized agency by agreement with the central state authority in the field of state planning, the authorized state authority implementing the state policy in the field of communications, and the National Bank of the Republic of Kazakhstan

73) electronic taxpayer - a taxpayer interacting with tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on electronic documents and electronic digital signatures;

74) electronic cigarettes - tobacco-free devices that electronically heat a nicotine-containing liquid (in cartridges, tanks and other containers used in electronic cigarettes) and thereby produce aerosol for inhaling;

74-1) nicotine-containing liquid for use in electronic consumption systems - a liquid containing nicotine, or a liquid without nicotine content, intended for use in electronic consumption systems (in cartridges, tanks and other containers), in the heating of which an aerosol (vapor) is formed, intended for inhalation;

75) electronic invoicing system - information system of the authorized body for receiving, processing, registering, transferring and storing invoices issued in electronic form.

2. For the purposes of this Code, individuals and (or) legal entities shall be recognized related parties if their relationships meet at least one of the following requirements:

1) one person is recognized an affiliated person of the other in accordance with the laws of the Republic of Kazakhstan;

2) one person is a major participant in the other;

3) persons are bound by an agreement under which one of them is entitled to influence decisions taken by the other;

4) a legal entity is under control of a major participant or executive officer of the other legal entity;

5) a large shareholder, a major participant or an executive officer of one legal entity is a major shareholder, a major participant or an executive officer of the other legal entity;

6) both legal entities are under control of a third party;

7) a person and his/her affiliated persons jointly own, use, dispose of 10 or more percent of participatory interests of a legal entity or legal entities specified in subparagraphs 2)-6) of this paragraph;

8) an individual is an executive officer of a legal entity specified in subparagraphs 2)-7) of this paragraph, except for non-executive director of a joint-stock company;

9) an individual is a close relative or an in-law relative (brother, sister, parent, son or daughter of the spouse) of a major participant or executive officer of a legal entity.

For the purposes of this paragraph, a large participant shall be understood to mean a participant whose share in the assets of a legal entity, except for joint-stock companies, is equal to or greater than 10 percent.

Control over a legal entity shall be understood to mean a possibility to influence decisions made by this legal entity.

2-1. For the purposes of this Code, the regulations provided for second-tier banks, insurance (reinsurance) companies, insurance brokers shall apply to branches of non-residents banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident companies of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan, open on the territory of the Republic of Kazakhstan and operating on the basis of a license from the authorized body for regulation, control and supervision of the financial market and financial organizations.

3. Other special concepts and definitions of the tax legislation of the Republic of Kazakhstan are used in the meanings defined in relevant articles of this Code.

4. The concepts of civil and other branches of the legislation of the Republic of Kazakhstan used in this Code shall have the meanings in which they are used in these branches of the legislation of the Republic of Kazakhstan, unless otherwise provided for by this Code.

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 28.12.2018 № 210-VI (shall be enforced from 01.01.2019); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (enforcement see Article 2); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 No 382-VI (enforcement Art 2); dated 20.12.2021 № 85-VII (see Article 2 for the procedure of enactment); dated 21.12.2022 № 165-VII (enforcement, see Art 4); dated 12.12.2023 № 45-VIII (shall be enforced from 01.07.2023); dated 01.07.2024 № 105-VIII (shall be enforced upon expiry of sixty calendar days from the date of its first official publication); № 208-VIII of 15.07.2025 (see Article 2 for the procedure for entry into force).

Article 2. The tax legislation of the Republic of Kazakhstan

1. The tax legislation of the Republic of Kazakhstan is based upon the Constitution of the Republic of Kazakhstan, consists of this Code, as well as regulatory legal acts, the adoption of which is provided for by this Code.

2. No one shall be liable to pay taxes and payments to the budget not provided for by this Code.

3. Where a contradiction exists between this Code and other laws of the Republic of Kazakhstan, for tax purposes, the provisions of this Code shall apply.

4. It is prohibited to include rules regulating tax relations in the non-tax legislation of the Republic of Kazakhstan, except for cases provided for by this Code.

5. Where an international treaty ratified by the Republic of Kazakhstan establishes rules other than those contained in this Code, the rules of the said treaty shall apply.

Article 3. Operation of the tax legislation of the Republic of Kazakhstan

1. The tax legislation of the Republic of Kazakhstan shall be valid throughout the territory of the Republic of Kazakhstan and apply to all individuals, legal entities and their structural subdivisions, which are determined by this Code as payers of taxes and payments to the budget, and also as participants in relevant tax and other procedures for collection and administration of taxes and payments to the budget.

2. Laws of the Republic of Kazakhstan introducing amendments and additions to this Code in terms of establishing a new tax and (or) payment to the budget, increasing the rate, changing the object of taxation and (or) the tax base, increasing the categories of taxpayers (tax agents), canceling or reducing the deduction or benefit for the payment of taxes and payments to the budget, may be adopted no later than July 1 of the current year and put into effect no earlier than January 1 of the year following the year of their adoption.

3. Laws that introduce amendments and additions to this Code on tax administration, specifics of establishing tax reporting, improvement of the position of a taxpayer (tax agent) may be adopted no later than December 31 of the current year.

4. Introduction of amendments and (or) additions to this Code made by a law that does not provide for the introduction of amendments and additions to other legislative acts of the Republic of Kazakhstan, excepting the Law of the Republic of Kazakhstan on the enforcement of this Code.

Alongside this, when making changes and (or) additions to this Code in the manner of a legislative initiative of the Government of the Republic of Kazakhstan, a draft of such a law shall be developed by the authorized tax policy body.

5. The provisions of the laws of the Republic of Kazakhstan that establish new types of taxes and (or) payments to the budget, increase rates, establish new obligations, and also worsen the position of the taxpayer (tax agent), shall not be retroactive.

Footnote. Article 3 as amended by laws of the Republic of Kazakhstan № 210-VI dated 28.12.2018 (shall be enforced since 01.01.2019); № 291-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 No 382-VI (enforcement Art 2); dated 26.12.2025 № 244 (shall come into effect from 01.12.2025).

Article 4. Principles of taxation

1. The tax legislation of the Republic of Kazakhstan rests on the principles of taxation established by this Code.

The principles of taxation include those of obligatory nature of taxation, definiteness of taxation, fairness of taxation, taxpayer's conscientiousness, unity of the tax system and publicity of the tax legislation of the Republic of Kazakhstan.

The provisions of the tax legislation of the Republic of Kazakhstan shall not be contrary to the principles of taxation.

2. Where contradictions are revealed between the provisions of the tax legislation of the Republic of Kazakhstan and the principles of taxation, such provisions shall not apply, if contradictions are revealed in the course of consideration of complaints about audit findings reports, the latter shall be subject to revision.

Article 5. The principle of obligatory nature of taxation

A taxpayer is obliged to fulfill a tax obligation, a tax agent - to calculate, withhold and transfer taxes in full and on time in accordance with the tax legislation of the Republic of Kazakhstan.

Article 6. The principle of definiteness of taxation

Taxes and payments to the budget of the Republic of Kazakhstan shall be well-defined. The definiteness of taxation means the establishment by the tax legislation of the Republic of Kazakhstan of all the grounds and procedures for the commencement, fulfillment and termination of a taxpayer's tax obligation, the duty of a tax agent to calculate, withhold and transfer taxes.

Article 7. The principle of fairness of taxation

1. Taxation in the Republic of Kazakhstan is universal and obligatory.

2. It is prohibited to grant tax reliefs on a case-by-case basis.

3. No one may be subject to reimposition of the same type of tax, the same type of payment to the budget for the same taxable item over the same time period.

Article 8. The principle of the taxpayer's conscientiousness

1. A taxpayer (tax agent) is assumed to perform actions (inaction) to fulfill his/her/its tax obligation in good faith.

2. A taxpayer (tax agent) may not benefit from his/her/its illegal actions in order to obtain tax benefits (tax savings) and reduce tax payments.

3. If a tax obligation fulfilled by a taxpayer (tax agent) in compliance with previously received individual written explanation from a tax authority, later withdrawn, is found to be wrong or a new, different, explanation was delivered, the tax obligation is subject to adjustment (correction) in the course of consideration of a complaint about an audit findings report without charging fines and penalties to the taxpayer.

4. Violation of the tax legislation of the Republic of Kazakhstan by a taxpayer (tax agent) shall be described in the course of tax audits. Tax authorities are obliged to support arguments and disclose circumstances providing evidence of the fact of violation of the tax legislation of the Republic of Kazakhstan.

5. When considering a complaint about an audit findings report, all uncertainties and open issues of the tax legislation of the Republic of Kazakhstan shall be construed in favor of a taxpayer (tax agent).

Article 9. The principle of the unity of the tax system

The tax system of the Republic of Kazakhstan is uniform throughout the territory of the Republic of Kazakhstan in respect of all taxpayers (tax agents).

Article 10. The principle of publicity of the tax legislation of the Republic of Kazakhstan

Regulatory legal acts regulating taxation issues are subject to mandatory official publication.

Article 11. Tax policy

Tax policy is a set of measures to establish new and abolish current taxes and payments to the budget, to change rates, taxable and tax-related items, to alter the tax base for taxes and payments to the budget in order to satisfy financial needs of the state through the harmonization of economic interests of the state and taxpayers.

The authorized body in the field of tax policy shall analyze the effectiveness of the application of tax benefits in accordance with the procedure determined by the Government of the Republic of Kazakhstan.

Article 12. Advisory Council on taxation issues

1. The Government of the Republic of Kazakhstan is entitled to set up Advisory Council on taxation issues for the purposes of eliminating ambiguities, inaccuracies and contradictions

that may arise in the course of fulfillment of tax obligations, and also for suppressing possible schemes to evade the payment of taxes and payments to the budget.

2. Provisions on the Advisory Council and its membership shall be approved by the Government of the Republic of Kazakhstan.

Chapter 2. THE RIGHTS AND OBLIGATIONS OF A TAXPAYER AND A TAX AGENT. REPRESENTATION IN TAX RELATIONS

Article 13. The rights and obligations of a taxpayer

1. A taxpayer has the right:

1) to receive from tax authorities information on current taxes and payments to the budget , on amendments to the tax legislation of the Republic of Kazakhstan, clarification how to apply the tax legislation of the Republic of Kazakhstan;

2) to represent his/her/its interests in relations governed by the tax legislation of the Republic of Kazakhstan, either personally or through a legal or authorized representative in accordance with Article 16 of this Code, or involving a tax consultant;

3) to conclude a tax audit contract in accordance with the legislation of the Republic of Kazakhstan;

4) to obtain the results of tax control in the cases specified by this Code;

5) to receive from a tax authority free forms of standard tax applications and (or) software necessary for filing tax returns and applications in electronic form;

6) appeal against the audit findings report, the notice of horizontal monitoring findings, notification of the outcome of review of the complaint of the taxpayer (tax agent) against the audit findings report, as well as actions (inaction) of tax officials and authorities;

7) not to submit information and documents not relating to taxable and/or tax-related items, except for information and documents, which submission is provided for by the tax legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on transfer pricing, as well as the legislation of the Republic of Kazakhstan regulating the production and turnover of certain types of excisable goods, aviation fuel, biofuels and fuel oil;

8) receive information about the integrity and due diligence of the counterparty from the information system specified in paragraph 15 of Article 22 of this Code.

2. The taxpayer has the right to submit to the tax authority information about his telephone numbers and e-mail addresses for the purpose of informing about the presence of tax liabilities.

3. A taxpayer is obliged:

1) to timely and fully fulfill tax obligations;

2) to submit, at the request of tax authorities, a tax audit contract and a tax audit report in case of conclusion of such a contract;

3) to submit information and documents provided for by the tax legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on transfer pricing, and also the legislation of the Republic of Kazakhstan regulating the production and turnover of certain types of excisable goods, aviation fuel, biofuels and fuel oil;

4) to comply with the requirements for the use of cash registers;

5) for five years from the date of printing or complete filling, to keep shift reports, cash and commodity check books, as well as checks of cancellation, refund and checks of cash registers that were cancelled and refunded.

The provision of this sub-paragraph shall not apply to a taxpayer using cash registers with the function of recording and (or) transmission of data.

4. A taxpayer has other rights and performs other duties established by the tax legislation of the Republic of Kazakhstan.

Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020 № 382-VI (enforcement, Article 2); dated 24.06. 2021 № 53-VII (shall be enforced from 01.07.2021); dated 12.12.2023 № 45-VIII (shall be enforced from 01.07.2024).

Article 14. The rights and obligations of a tax agent

A tax agent has the same rights and fulfills the same obligations as a taxpayer, except for the cases provided for by this Code.

The tax agent, represented by the Internet platform operator, shall withhold and transfer individual income tax and social payments specified in paragraph 1 of Article 102-1 of the Social Code of the Republic of Kazakhstan for individual entrepreneurs applying a special tax regime using a special mobile application, who are performers in accordance with the Social Code of the Republic of Kazakhstan.

Operators of internet platforms where payment for services rendered or work performed is not made through the internet platform must submit to the tax authorities data on persons registered on the internet platform rendering services to customers or performing work for customers using the internet platform in the manner and within the time limits specified by the authorised body.

Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII (shall be enforced upon expiry of sixty calendar days from the date of its first official publication); № 208-VIII of 15.07.2025 (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 15. Ensuring and protection of rights of a taxpayer (tax agent)

1. A taxpayer (tax agent) shall be guaranteed the protection of his/her/its rights and legitimate interests.

2. Protection of the rights and legitimate interests of a taxpayer (tax agent) is carried out in accordance with the procedure prescribed by this Code and other laws of the Republic of Kazakhstan.

3. Tax authorities, their officials and employees are prohibited from requiring taxpayers to perform duties not provided for by the tax legislation of the Republic of Kazakhstan.

Article 16. Representation in tax relations regulated by this Code

1. A taxpayer (tax agent) has the right to participate in relations regulated by the tax legislation of the Republic of Kazakhstan via a legal or authorized representative, unless otherwise provided for by this paragraph.

The provision of this paragraph shall not apply in the case of filing:

1) VAT returns by a taxpayer that was VAT deregistered by the decision of a tax authority in accordance with paragraph 4 of Article 85 of this Code;

2) a tax application forVAT registration.

2. A person authorized to represent a taxpayer (tax agent) in accordance with the laws of the Republic of Kazakhstan is recognized as a legal representative of a taxpayer (tax agent).

3. An individual or legal entity authorized by a taxpayer (tax agent) to represent his/her/its interests in relations with tax authorities, other participants of the relations regulated by the tax legislation of the Republic of Kazakhstan is recognized as an authorized representative of a taxpayer (tax agent).

An authorized representative of a taxpayer (tax agent) who is an individual, including an individual entrepreneur, acts on the basis of a notarized power of attorney or that equated to it , issued in accordance with the civil legislation of the Republic of Kazakhstan, which specifies relevant powers of the representative.

An electronic taxpayer has the right to determine an authorized representative by executing an electronic taxpayer document through the tax authorities' web application, which specifies the corresponding powers of the representative.

An authorized representative of a taxpayer (tax agent) who is a legal entity or its structural unit acts on the basis of constituent documents and (or) a power of attorney issued in accordance with the civil legislation of the Republic of Kazakhstan, which specifies relevant powers of the representative.

4. Personal participation of a taxpayer (tax agent) in relations regulated by the tax legislation of the Republic of Kazakhstan does not deprive him/her/it of the right to have a representative, nor does the participation of a representative deprive the taxpayer (tax agent) of the right to personal participation in the said relations.

5. Actions (inaction) of an authorized representative of a taxpayer (tax agent) committed on behalf of a taxpayer (tax agent) are recognized as actions (inaction) of the taxpayer (tax agent).

6. Actions (inaction) of a legal representative of an individual committed on behalf of that individual are recognized as actions (inaction) of the legal representative of the individual.

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 17. Participation in tax relations via an operator in conducting subsoil use operations under a production sharing agreement (contract)

1. Subsoil users conducting subsoil use operations within a simple partnership (consortium) under a production sharing agreement (contract) have the right to participate in relations regulated by the tax legislation of the Republic of Kazakhstan via an operator.

2. Powers of an operator in relations regulated by the tax legislation of the Republic of Kazakhstan shall be determined in accordance with a production sharing agreement (contract) to the extent consistent with this Code.

3. Fulfilling tax obligations in accordance with subparagraph 2) of paragraph 3 of Article 722 of this Code, an operator has all the rights and obligations provided for by this Code for taxpayers (tax agents), and the tax administration procedure provided for by this Code for taxpayers (tax agents) is applied to the operator.

4. Actions (inaction) of an operator committed on behalf and (or) instructions of subsoil users, in connection with the participation of these subsoil users in relations regulated by the tax legislation of the Republic of Kazakhstan, are recognized as actions (inaction) of such subsoil users and the operator acting on their behalf and (or) instructions.

Chapter 3.TAX AUTHORITIES. INTERACTION OF TAX AUTHORITIES WITH AUTHORIZED STATE BODIES AND OTHER PERSONS

Article 18. Tax authorities, their tasks and system

1. Tax authorities are national revenue agencies that perform the tasks of:

1) ensuring the compliance with the tax legislation of the Republic of Kazakhstan;

2) ensuring full and timely revenues from taxes and payments to the budget;

3) ensuring full and timely calculation, withholding and transfer of social welfare payments in accordance with the legislation of the Republic of Kazakhstan and this Code;

4) involvement in implementation of the tax policy of the Republic of Kazakhstan;

5) ensuring, within their competence, economic security of the Republic of Kazakhstan;

6) creating, supporting the development of information and communication infrastructure and accessibility of electronic services for taxpayers;

7) performance of other tasks provided for by the legislation of the Republic of Kazakhstan.

2. The system of tax authorities consist of the authorized agency and its territorial subdivisions by regions, cities of republican significance and capital, by districts, cities and districts in cities, as well as inter-district territorial subdivisions. In case of creation of special economic zones, the territorial subdivisions of the authorized agency may be set up in the territories of these zones.

Tax authorities have codes approved by the authorized body.

3. The authorized body is in charge of tax authorities.

4. Tax authorities have a symbol, the description and procedure for the use of which shall be approved by the authorized body.

Footnote. Article 18 as amended by the Law of the Republic of Kazakhstan dated 28.12.2018 № 210-VI (shall be enforced from 01.01.2019).

Article 19. The rights and obligations of tax authorities

1. Tax authorities are entitled:

1) within their competence, to develop and approve regulatory legal acts provided for by this Code;

2) to carry out international cooperation on taxation issues, including the exchange of information, with authorized bodies of foreign states;

3) in the course of tax control, to require of a taxpayer (tax agent) thegranting rightof access to software data for the automation of book-keeping and tax accounting and (or) an information system containing data on primary accounting documents, accounting registers, information on taxable and (or) tax-related items, where a taxpayer (tax agent) uses such software and (or) information system, except for the access to software data and (or) information system of second-tier banks and organizations carrying out certain types of banking operations, which contain information constituting a bank secret in accordance with the Laws of the Republic of Kazakhstan.

The exception set forth in part one of this Subparagraph shall not apply to tax authorities' requirements presented in the course of implementation of horizontal monitoring and a tax audit in respect of income and expenses;

4) to require of a taxpayer (tax agent):

the submission of documents confirming the accuracy of calculation and duly payment (withholding and transfer) of taxes and payments to the budget, complete and timely calculation, withholding and transfer of social welfare payments;

written explanations about tax forms drawn up by a taxpayer (tax agent), as well as financial statements of a taxpayer (tax agent), including consolidated financial statements of a resident taxpayer (tax agent), as well as financial statements of its subsidiaries, located outside the Republic of Kazakhstan, together with an audit report in the event that the laws of the Republic of Kazakhstan prescribe a mandatory audit for such a person;

5) to receive information, the submission of which shall be provided by Subparagraphs 1), 2), 3) and 6) of Article 24 and Article 27 of this Code, from second-tier banks and organizations carrying out certain types of banking operations, custodians, central depository, brokers and (or) dealers entitled to maintain clients' accounts as nominee holders of securities , investment portfolio managers, as well as insurance organizations;

6) receive from second-tier banks and organisations engaged in certain types of banking operations data on the existence and numbers of bank accounts, on the balances and movements of money in these accounts, in compliance with the requirements established by the laws of the Republic of Kazakhstan for the disclosure of information constituting

commercial, banking and other secrets protected by law, in relation to the persons referred to in subparagraphs 13), 13-1) and 13-2) of Part 1 of Article 24 of this Code;

7) in the course of a tax audit, in accordance with the procedure prescribed by the Code on Administrative Offences of the Republic of Kazakhstan, to seize documents of a taxpayer (tax agent) indicative of administrative offences;

8) in the course of a tax audit of an individual who, under this Code, is required to submit a declaration of assets and liabilities, to verify the accuracy of the information on property reflected in the said declaration that is subject to state or other registration, as well as property for which rights and (or) transactions are subject to state or other registration;

9) to involve specialists in tax audits;

10) to bring to court claims for declaring transactions invalid, for liquidation of a legal entity on the grounds set forth in subparagraphs 1), 2), 3) and 4) of paragraph 2 of Article 49 of the Civil Code of the Republic of Kazakhstan, and also other claims within their competence and consistent with the tasks set by the legislation of the Republic of Kazakhstan;

11) use biometric identification in the information systems of tax authorities for tax administration purposes.

2. Tax authorities shall:

1) observe the rights of a taxpayer (tax agent);

2) protect interests of the state;

3) provide a taxpayer (tax agent) with information on current taxes and payments to the budget, amendments to the tax legislation of the Republic of Kazakhstan, clarify issues concerning the application of the tax legislation of the Republic of Kazakhstan;

4) within their competence, explain and comment on the commencement, fulfillment and termination of a tax obligation.

For taxpayers who are on horizontal monitoring, the explanations and comments provided by part one of this Subparagraph shall be carried out by the authorized agency. At the same time, for such taxpayers, the authorized agency also provides preliminary explanations and comments regarding the planned transactions (operations);

5) ensure, within a limitation period, the safety of the data confirming the payment of taxes and payments to the budget;

6) give access to tax authorities' information system to the authorized state body that carries out financial monitoring and takes other measures to counteract money laundering in accordance with the legislation of the Republic of Kazakhstan;

7) in accordance with the procedure and in cases specified by this Code, place on the website of the authorized body information on taxpayers (tax agents) who:

have tax debt;

are recognized as inactive in accordance with the tax legislation of the Republic of Kazakhstan;

to which issuing of electronic invoices in the information system of electronic invoices is limited pursuant to paragraph 1 of Article 120-1 of this Code;

have registration declared invalid pursuant to a final and binding court judgment;

8) provide a taxpayer (tax agent) with free forms of standard tax applications and (or) software required for filing tax returns and applications in electronic form;

9) consider a complaint of a taxpayer (tax agent) about actions (inaction) of officials of tax authorities;

10) annually, at the request of the National Chamber of Entrepreneurs of the Republic of Kazakhstan, submit information on the names and identification numbers of business entities, which total annual income meets the criteria set by the Law of the Republic of Kazakhstan " On the National Chamber of Entrepreneurs of the Republic of Kazakhstan";

11) apply methods of ensuring the fulfillment of a tax obligation and forcibly collect tax debt from a taxpayer (tax agent);

12) control the compliance with the procedure for recording, storing, valuing, further use and realization of property transferred into state ownership, for its complete and timely transfer to an appropriate authorized state body in accordance with the legislation of the Republic of Kazakhstan, as well as full and timely receipt of money by the budget in case of its sale;

13) monitor activities of authorized state bodies and local executive bodies in terms of accuracy of calculation, fullness of collection and timely transfer of taxes and payments to the budget;

14) pursuant to a tax application of a taxpayer (tax agent), produce a statement on the amount of income received by a non-resident from sources in the Republic of Kazakhstan and on taxes withheld (paid) in accordance with the procedure and within the time limits established by this Code,

15) post on the authorized body's website the information on the individual identification number of individuals who have submitted:

assets and liabilities declarations;

income and property declarations;

16) provide access for the national security authorities of the Republic of Kazakhstan to the tax authorities' information system for the purposes and in the manner prescribed by the Law of the Republic of Kazakhstan "On the National Security Bodies of the Republic of Kazakhstan";

17) in the course of a thematic tax audit on conformity of the name, quantity (volume) of goods with the information indicated in the accompanying invoices for goods when carrying out international road transportation from the territory of one member state of the Eurasian Economic Union to the territory of another member state of the Eurasian Economic Union

through the territory of the Republic of Kazakhstan, to withdraw documents, goods and articles that testify to the committed administrative offenses, in the manner prescribed by the Code of the Republic of Kazakhstan on Administrative Infractions.

3. Tax authorities have other rights and perform other duties established by the legislation of the Republic of Kazakhstan.

4. When revealing during tax audit the facts of evading taxes and payments to the budget, as well as deliberate bankruptcy, indicating signs of a criminal offense, the tax authorities shall send materials related to their jurisdiction to the relevant law enforcement bodies for making a procedural decision in accordance with the laws Republic of Kazakhstan.

Footnote. Article 19 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019); № 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (enforcement, see Art 4); № 208-VIII of 15.07.2025 (shall be brought into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 20. Material support, legal and social protection of tax officials

1. Performing his/her official duties, an official of tax authorities shall be protected by law .

2. Failure to comply with lawful requirements of an official of tax authorities, insult, threat, violence or encroachment on the life, health, property of an official of tax authorities or his/her family members in connection with his/her official activities, other actions that prevent an official of tax authorities from performing official duties, entail responsibility established by the laws of the Republic of Kazakhstan.

3. In case of average-severity damage to health in connection with the performance of official activities, an official of tax authorities is paid one-time subsidy equal to five monthly salaries from the budget.

4. In case of a serious injury to health, in connection with the performance of official duties, disabling a tax official from further performance of professional activities, he/she is paid one-time subsidy equal to five years' earnings from the budget, as well as the difference between his/her salary and pension (for a lifetime).

5. In the event of the death of an official of tax authorities during the performance of his/her official duties, the family of the deceased or his/her dependants (heirs):

1) are paid one-time subsidy from the budget equal to ten years' earnings for the position last held by the deceased;

2) state social benefits in the event of the loss of a breadwinner shall be assigned in the amount and manner established by the legislation of the Republic of Kazakhstan on social protection.

6. Damage to the health and property of an official of tax authorities, as well as damage to the health and property of family members and close relatives of an official of tax authorities

in connection with the performance of his/her official duties, is subject to compensation in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated12.12.2023 № 45-VIII (shall be enforced from 01.07.2023).

Article 21. Powers of local executive bodies

1. Akims of towns of district significance, settlements, villages, rural districts (hereinafter referred to as akims) organize collection of taxes on property, vehicles, land to be paid by a taxpayer that is an individual.

2. The collection of taxes specified in paragraph 1 of this article shall be carried out on the basis of a receipt that is a document of strict reporting. The form of a receipt is approved by the authorized body.

3. Organizing the collection of taxes specified in paragraph 1 of this article, akims shall ensure:

1) delivery of a notice of tax amount to a taxpayer that is an individual within five business days from its receipt from tax authorities;

2) issuance of a payment receipt to a taxpayer that is an individual if the latter paid taxes in cash;

3) transfer of tax amounts to a second-tier bank or an organization carrying out certain types of banking operations, on a daily basis, not later than the next business day after the money was received, for its further transfer to the budget. If daily cash receipts are less than 10 times the monthly calculated index established by the law on the republican budget and effective as of January 1 of a relevant financial year, and if there is no second-tier bank or organization carrying out certain types of banking operations in a populated locality, the money is transferred once in three business days;

4) accurate completion and safety of receipts;

5) submission to a tax authority of reports on the use of receipts and also on the transfer of tax amounts to a second-tier bank or an organization carrying out certain types of banking operations, in accordance with the procedure and within the time limits established by the authorized body.

Article 22. Interaction of tax authorities with authorized state bodies, local executive bodies and other persons

1. Tax authorities interact with authorized state and local executive bodies, develop and adopt joint control measures in accordance with the legislation of the Republic of Kazakhstan, provide mutual exchange of information.

2. Authorized state and local executive bodies are obliged to assist tax authorities in the performance of tasks related to implementation of tax control.

3. The authorized state body in the field of environmental protection and its territorial bodies are required to submit, in accordance with the procedure set forth in paragraph 3 of

Article 573 of this Code, information on the results of their checks of compliance with the environmental legislation of the Republic of Kazakhstan (state environmental control).

4. Authorized state bodies are obliged to submit to the authorized body information on individuals included in the list in accordance with the procedure and within the time limits set forth in Article 26 of this Code.

5. Tax authorities and local executive bodies shall interact with each other for implementation of tax collection in accordance with the procedure set forth in Article 21 of this Code.

6. The powers of authorized state and local executive bodies to collect payments to the budget and provide information on them are determined by the Special Part of this Code.

7. Tax authorities have the right to interact with authorized state bodies, local executive bodies and other persons electronically in accordance with the procedure established by this Code.

8. In the course of a tax audit, tax authorities shall interact with the authorized body for regulation, control and supervision of the financial market and financial organizations to obtain an opinion in respect of the audited taxpayer on the compliance of the amount of insurance reserves for unearned premiums, non- incurred losses, declared but unsettled losses that have occurred, but undeclared losses to the requirements established by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

The authorized body for regulation, control and supervision of the financial market and financial organizations, upon the request of the authorized body, shall submit such a conclusion in the manner determined by the authorized body jointly with the authorized body for regulation, control and supervision of financial market and financial organizations.

8-1. In the course of a tax audit, the tax authorities shall cooperate with the authorised body in the field of trade regulation to obtain, in relation to the taxpayer being audited, a conclusion on the adequacy of insurance reserves for unearned premiums, unrealised losses, reported but unsettled losses, realised but unreported losses under insurance and reinsurance contracts concluded by the Export Credit Agency of Kazakhstan, and the requirements established by the legislation of the Republic of Kazakhstan on the regulation of commercial activities.

Upon request by the tax authority, the authorised body in the field of trade regulation shall submit such a conclusion in the manner specified by the authorised body in the field of trade regulation jointly with the authorised body.

9. The authorized body, the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations shall develop and take joint control measures, in accordance with the legislation of the Republic of Kazakhstan, ensure the mutual exchange of information.

The authorized agency assists the National Bank of the Republic of Kazakhstan in performing tasks related to currency control.

The authorized body shall have the right to carry out information interaction with the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations electronically. The procedure for interaction of the authorized body with the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations shall be determined by joint acts.

10. The National Bank of the Republic of Kazakhstan provides the authorized agency with information received from authorized banks on payments and (or) money transfers from the Republic of Kazakhstan and to the Republic of Kazakhstan of an individual (to an individual), legal entity (to a legal entity), as well as a structural unit (to a structural unit) of a legal entity in currency transactions in the amount of more than 50 000 US dollars in equivalent, conducted through second-tier banks and organizations carrying out certain types of banks operations on transactions (contracts), including fictitious sale operations.

The information specified in part one of this Paragraph shall be sent in the manner, in the form and within the time limits established by jointly-authored document of the authorized agency and the National Bank of the Republic of Kazakhstan.

11. Quarterly, tax authorities provide the authorized state body in the field of environmental protection with information on manufacturers, indicating their legal addresses, volumes and types of products (goods) manufactured in the territory of the Republic of Kazakhstan which are subject to extended obligations of manufacturers (importers).

12. Authorized state bodies granting subsoil use rights and local executive bodies shall submit to a tax authority copies of subsoil use contracts and (or) non-disclosure agreements concluded with subsoil users and (or) minutes of the State Commission on mineral reserves of the Republic of Kazakhstan ofthe approval of reserves of useful fossils and entry of mineral reserves in the state balance sheet, as well as additions and amendments to them within five business days from their conclusion or introduction of additions and amendments to them, also by way of automated exchange of information.

13. Local executive bodies submit information to local tax authorities on the use of tickets by taxpayers with regard to urban public transportation services in the form approved by the authorized body.

14. Persons who avail of information about violations in the use of a till and cash register equipment (device) intended for accepting payments using payment cards, shall have the right to report to the tax authority about the facts of violations known to them, confirmed by video recording.

A person who has reported the facts of violation in the use of a till and cash register equipment (device) intended for accepting payments using payment cards, if such a fact is proven, shall be rewarded in the manner determined by the Government of the Republic of Kazakhstan.

The provisions of part two of this paragraph shall not apply to persons who knowingly provided false information about the facts of offenses committed. Furthermore, persons who knowingly provided false information shall bear responsibility established by the laws of the Republic of Kazakhstan.

15. The authorized body shall interact with the authorized state bodies and the National Chamber of Entrepreneurs of the Republic of Kazakhstan in order to maintain an information system for independent verification by the taxpayer of counterparties based on indices calculated according to the methodology approved by the authorized body in agreement with the National Chamber of Entrepreneurs of the Republic of Kazakhstan. The interaction procedure is determined by the authorized body.

Footnote. Article 22 as amended by the Law of the Republic of Kazakhstan dated 01.01.2019 № 215-VI (shall be enforced upon expiry of three months after the day its first official publication); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2024).

Article 23. Interaction of the authorized body with military administration bodies

1. Local military administration bodies shall submit information to the authorized body on individuals called up for obligated military service and discharged from compulsory military service within the following terms:

1) no later than July 31 of the year in which in April – June the individuals were:

called up for compulsory military service;

discharged from compulsory military service;

2) no later than January 31 of the year following the year in which in October – December the individuals were:

called up for compulsory military service;

discharged from compulsory service.

2. The Ministry of Defense of the Republic of Kazakhstan shall submit to the authorized body, in the manner prescribed by the legislation of the Republic of Kazakhstan, the list of local military administration bodies within the following terms:

1) no later than January 1 of the year specified in subparagraph 2) of paragraph 1 of this article;

2) no later than July 1 of the year specified in subparagraph 1) of paragraph 1 of this article.

Article 24. Responsibilities of second-tier banks and organizations carrying out certain types of banking operations

Second-tier banks and organizations carrying out certain types of banking operations are obliged:

1) when opening bank accounts for a taxpayer - a legal entity, including a non-resident, its structural units, an individual registered as an individual entrepreneur or a person engaged in

private practice, a foreigner and a stateless person, or when changing an individual identification code in a bank account in the cases provided for in Articles 60-1, 61-2, 61-11, 61-12 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", the authorized body shall be notified of the opening or change of these accounts via telecommunications networks that ensure a guaranteed message delivery no later than two business days following the day of their opening or change, indicating the identification number.

Notification shall not be required for bank accounts intended for storing pension assets of the unified accumulative pension fund and voluntary accumulative pension funds, assets of the social health insurance fund, assets of the State Social Insurance Fund, assets that are collateral for the issue of bonds of a special financial company, and assets of an investment fund, savings accounts of non-resident legal entities, foreigners and stateless persons, correspondent accounts of foreign correspondent banks, bank accounts intended for receiving benefits and social payments paid from the state budget and (or) the State Social Insurance Fund, financial assistance provided in accordance with subparagraph 1) of paragraph 4 of Article 112 of the Social Code of the Republic of Kazakhstan, current accounts intended for crediting money on the terms of a notary deposit, a current account of a private bailiff intended for storing collected amounts in favor of creditors, escrow accounts, bank accounts under the contract on educational savings deposit concluded in accordance with the Law of the Republic of Kazakhstan Kazakhstan "On the State Educational Accumulative System".

Information on taxpayers, including individuals registered as individual entrepreneurs or private practice owners, is provided to second-tier banks and organizations carrying out certain types of banking operations to enable them to fulfill their obligations under this subparagraph and subparagraphs 4), 6), 8), 11), 13) and 15) of this article, in accordance with the procedure established by the authorized body in coordination with the National Bank of the Republic of Kazakhstan.

If it is impossible to notify of the opening or change of these accounts via the telecommunications network for technical problems, the notification shall be sent on paper to the tax authority at the location (residence) of the taxpayer within two business days;

2) in accordance with the international treaty of the Republic of Kazakhstan on the exchange of information, to provide information on the existence of bank accounts and their numbers, on the balance of money in these accounts, as well as information on the existence, type and value of other assets, including those placed on metal accounts or managed by non-resident individuals, non-resident legal entities, as well as legal entities, whose beneficial owners are non-residents, in accordance with the procedure and within the time limits established by the authorized body in coordination with the National Bank of the Republic of Kazakhstan;

3) provide information at the authorized body’s request on the availability of bank accounts and their numbers, on the balances and cash flow on these accounts, other

information related to the agreement concluded between an individual or legal entity and a second-tier bank, an organization carrying out certain types of banking operations, an agreement providing for the provision of banking services, as well as information on the availability, type and cost of other property, including those placed on metals accounts or managed by individuals and legal entities specified in the request of a foreign state's authorized body sent in accordance with an international treaty of the Republic of Kazakhstan ;

4) when accepting payment documents for the payment of taxes and payments to the budget, social welfare payments, to verify the identification number in accordance with the rules for identification number creation.

If an identification number indicated in a payment document differs from the data of the authorized state body in charge of creation of identification numbers and maintenance of national registers of identification numbers or does not exist, second-tier banks or organizations carrying out certain types of banking operations shall refuse to execute such a payment document.

The provisions of parts one and two of this subparagraph shall not apply to making payments to the budget, provided for by subparagraph 2) of paragraph 1 of Article 189 of this Code, by a foreigner and stateless person;

5) to refuse to execute a payment document for tax on vehicles of individuals in case of discrepancy of the identification number of cars and trucks, buses indicated in the payment document with the data submitted by the authorized body for road safety.

If there is no vehicle identification number in the data submitted by the authorized body for road safety, second-tier banks or organizations carrying out certain types of banking operations may not refuse to execute a payment document for tax on vehicles of individuals;

6) when closing bank accounts for a taxpayer, referred to in subparagraph 1) of this article , the authorized body shall be notified of their closure via telecommunications network that ensures guaranteed message delivery no later than two business days following the day of their closure, indicating the identification number.

If it is impossible to notify of the closure of the said accounts via the telecommunications network due to technical problems, the notification shall be sent in hard copy to the tax authority at the location (residence) of the taxpayer within two business days;

7) upon termination of recognition of income in the form of remuneration for a granted credit (loan) by suspending the payment of such remuneration to an individual registered as an individual entrepreneur or to a legal entity, to notify the authorized body thereof on or before March 31 of a year following the tax accounting period determined in accordance with Article 314 of this Code, in which such recognition was terminated, in the form established by the authorized body;

8) if there is enough money in bank accounts of a client to satisfy all demands made on him/her/it, to execute the taxpayer's payment orders for taxes and payments to the budget

from his/her/its bank account as a matter of priority. Likewise, to execute collection orders of tax authorities on the recovery of tax debt within one business day following the receipt of tax authorities' instructions.

If money in bank accounts is insufficient to satisfy all demands made on a client, a second-tier bank withdraws money to pay off tax debt in the order of priority set by the Civil Code of the Republic of Kazakhstan;

9) to transfer the amounts of taxes, payments to the budget and social welfare payments:

on the day of their initiation by a taxpayer, except for cases where payment is made using a payment card;

not later than one business day from writing off money from a taxpayer's bank account in cases where payment is made using a payment card;

during a business day, but not later than the next business day of the payment at cash departments of second-tier banks or organizations carrying out certain types of banking operations, or payment in cash through point-of-sale terminals of second-tier banks or organizations carrying out certain types of banking operations;

10) ensure access of an official of tax authorities to checks of the availability of money and transactions in bank accounts of an audited individual registered as an individual entrepreneur or a private practice owner or a legal person, given a relevant order;

11) upon the decision of a tax authority, in cases provided for by this Code, to suspend all debit transactions in bank accounts, except for correspondent ones, of an individual registered as an individual entrepreneur or a private practice owner, a legal entity, a structural unit of a legal entity or structural unit of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, in accordance with the procedure established by

the laws of the Republic of Kazakhstan, with due regard to paragraph 2 of Article 118 of this Code;

12) in accordance with the civil legislation of the Republic of Kazakhstan, upon termination of obligations for credits (loans) granted to a borrower, who is an individual registered as an individual entrepreneur or a legal entity as of the date of termination of an obligation, within thirty calendar days, to notify the tax authority at the location (place of residence) of the borrower of the amount of the terminated obligation.

The provisions of part one of this subparagraph shall not apply if an obligation is terminated due to its execution;

13) within ten business days from the receipt of a tax authority's request, to submit information on the existence of bank accounts and their numbers, on the balances and movements of money in these accounts:

of a legal entity and (or) its structural unit audited for tax-related issues;

the individual being audited, including those registered as sole traders or persons engaged in private practice, on matters relating to taxation;

of an individual entrepreneur, a private practice owner, a legal entity subject to special considerations in the performance of a tax obligation when the activity is terminated in accordance with Articles 59 and 66 of this Code;

of an individual registered as an individual entrepreneur or a private practice owner, a legal entity and (or) its structural unit, whose actual absence from the place of location is confirmed by the procedure set forth in Article 70 of this Code, and who failed to submit tax returns within six months after the deadline for their filing set by this Code, except for its extension in cases provided for by this Code;

of an individual deregistered as an individual entrepreneur in accordance with Article 67 of this Code for a time period not exceeding the limitation period set in paragraph 2 of Article 48 of this Code;

an individual registered as an individual entrepreneur, a legal entity, a structural unit of a legal entity that has a tax debt not paid off within two months from the date of its occurrence, in the amount of more than 5,000 times the monthly calculation index established by the law on the republican budget and the relevant financial year effective as of January 1;

of an inactive individual registered as an individual entrepreneur, a legal entity in accordance with the procedure prescribed by the authorized body in coordination with the National Bank of the Republic of Kazakhstan;

of a person registered in accordance with the procedure established by the law of the Republic of Kazakhstan as a candidate for President of the Republic of Kazakhstan, as a deputy of the Parliament of the Republic of Kazakhstan and maslikhat, as well as a member of local self-government bodies and his/her spouse;

of a person who is a candidate for public office or for a position related to the performance of state functions or those equated to them, and his/her spouse;

of a person holding a public office, during the period of his/her being in office, and his/her spouse during the same period;

of a person released on parole from serving a sentence;

a legal entity whose activity is the organization and conduct of gambling and (or) betting.

13-1) within ten working days of receiving a request from the tax authority, provide information on the existence of bank accounts and their numbers, on the balances of these accounts belonging to the individual who is required to submit declarations on assets and liabilities, income and property;

13-2) within ten working days of receiving a request from the tax authority, file information on the movement of funds in the bank accounts of an individual who is required to file an income tax return due to the acquisition of property worth more than 20,000 times the monthly calculation index established by the law on the republican budget and in effect on 31 December of the reporting tax period times the monthly calculation index established by the law on the republican budget and in effect on 31 December of the reporting tax period;

14) within ten working days of receiving a request from the tax authority, provide data on loans granted to individuals who are required to submit a declaration of assets and liabilities, income and property, showing the amounts repaid, including interest.

The data specified in sub-paragraph 13) of part one of this article, with the exception of paragraph seven, as well as the information mentioned in sub-paragraphs 13-1) and 13-2) of part one of this article, shall be submitted in the form established by the authorised body in agreement with the National Bank of the Republic of Kazakhstan. The data referred to in part one of this sub-paragraph shall be submitted in the form established by the authorised body in agreement with the authorised body in charge for the regulation, control and supervision of the financial market and financial organisations;

15) refuse to open bank accounts, with the exception of correspondent accounts, as well as bank accounts intended for receiving benefits and social payments paid from the state budget and the State Social Insurance Fund, material assistance submitted under sub-paragraph 1) of paragraph 4 of Article 112 of the Social Code of the Republic of Kazakhstan, pensions, paid from the state budget and/or the unified accumulative pension fund, and/or the voluntary accumulative pension fund, alimony (money intended for the maintenance of minor and incapacitated adult children), as well as bank accounts under an educational savings deposit agreement concluded in accordance with the Law of the Republic of Kazakhstan "On the State Educational Savings System, Bank Accounts Intended for the Crediting of Payments and Subsidies for the Purpose of Paying for Rented Housing in the Private Housing Fund, One-Time Pension Payments, Credited from the Unified Pension Fund for the Purpose of Improving Housing Conditions and/or Paying for Medical Treatment, Compensating for Material Damage, and Providing Required Assistance from the State Budget and/or Charitable Organisations as a Result of a Natural or Man-Made Emergency":

a taxpayer recognized inactive in accordance with the procedure set forth in Article 91 of this Code;

a taxpayer who has an open bank account with this second-tier bank, which is subject to collection orders or orders to suspend debit operations in the taxpayer's bank accounts issued by tax authorities;

a taxpayer who has tax debt, debts on social payments.

At the same time, with consent of the taxpayer who has tax arrears, debts on social payments, the bank shall be entitled to open a bank account, provided that debit transactions are carried out on such a bank account after the full repayment of tax arrears, debts on social payments, including by transferring these types of debts by the taxpayer from the specified bank account.

The provisions of part one of this Subparagraph shall not apply:

in case of opening bank accounts by a parent bank in lieu of bank accounts transferred by a second-tier bank within operations for simultaneous transfer of assets and liabilities of second-tier banks in accordance with the legislation of the Republic of Kazakhstan on banks

and banking activity and bank accounts opened by a successor bank in lieu of those transferred by a second-tier bank in case of its incorporation within their reorganization;

upon opening bank accounts by a taxpayer, in respect of whom a court decision has entered into force on declaring it bankrupt and liquidating with the initiation of bankruptcy proceedings;

in case of paying the amount of debt by a taxpayer provided by Sub-paragraph four of part one of this Subparagraph on the day of contacting a second-tier bank or organization carrying out certain types of banking operations to open a bank account;

16) provide information on taxpayers engaged in collection activities under agreements containing the conditions for the transfer of rights (claims) to the tax authority at the location of the said taxpayers no later than the 25th day of the month following the quarter, in the form established by the authorized body in agreement with the authorized body regulation, control and supervision of the financial market and financial organizations;

16-1) provide information on taxpayers exercising the creditor's rights in relation to the right (claim) assigned to him under the bank loan agreement under the trust management agreement concluded with a collector agency, information to the tax authority at these taxpayers' location no later than the 25th day of the month following per quarter, in the form established by the authorized body in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations;

17) to submit information on the existence of bank accounts and their numbers, on the balances and movements of money in these accounts of taxpayers registered for the activity provided for by subparagraph 10) of paragraph 1 of Article 88 of this Code, in accordance with the procedure and within the time limits established by the authorized body in coordination with the National Bank of the Republic of Kazakhstan.;

18) excluded, in accordance with the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022);

19) at the request of the authorized body, provide the taxpayers - individual registered as an individual entrepreneur or a person engaged in private practice, a legal entity with information on the total amounts of payments for the calendar year received on the current account through the use of equipment (device), intended for making payments using payment cards and mobile payments.

The categories of taxpayers, the procedure, form and terms for submitting information are established by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

20) submit information and (or) documents to the authorized body in accordance with the rules for withdrawing cash from bank accounts by business entities, approved by a joint act of the National Bank of the Republic of Kazakhstan, the authorized body and the authorized body for regulation, control and supervision of the financial market and financial organizations;

21) submit to the authorized body for taxpayers - individuals registered as individual entrepreneurs, applying certain special tax regimes and being users of a special mobile application, information on the total amounts of payments received on the account for entrepreneurial activities for the calendar month, except for the amounts of payments, information on which is received in a special mobile application by checks of such an app in accordance with the provisions of paragraph 4 of Article 686-1 of this Code.

The procedure, form and terms for submitting information are established by the authorized body in agreement with the National Bank of the Republic of Kazakhstan;

22) provide the authorized body with information on the total amounts of payments and transfers for the calendar year made in favor of and in the context of foreign companies specified in paragraphs 1 and 2 of Article 779 of this Code no later than the 15th day of the second month following the reporting year.

In order to obtain information, the authorized body sends to second-tier banks and organizations engaged in certain types of banking operations the information specified in subparagraph 4-1) of paragraph 1 of Article 778 of this Code no later than the 10th day of the month following the reporting year.

The information and data specified in parts one and two of this subparagraph are provided in the manner, in the form and within the time limits established by the authorized body in agreement with the National Bank of the Republic of Kazakhstan;

23) submit to the authorized body information on individuals who are not registered as individual entrepreneurs or individuals engaged in private practice, on identified transactions that have signs of receiving income from entrepreneurial activity according to certain criteria.

The criteria for classifying transactions carried out on bank accounts of individuals as transactions that have characteristics of receiving income from entrepreneurial activity, the procedure, form and deadlines for submitting information shall be established by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

For the purposes of this article, accounts of state institutions opened with the central authorized body for budget execution shall be equated to bank accounts, and the central authorized body for budget execution shall be equated to an organization that carries out certain types of banking operations.

The reports and information provided for in subparagraphs 7), 12), 13) and 16) of part one of this Article shall be submitted via the telecommunications network. If it is impossible to submit them via the telecommunications network due to technical problems, the said reports and information shall be sent on paper.

Information provided by second-tier banks and organizations carrying out certain types of banking operations, in accordance with this Code, shall be used by tax authorities in the manner determined by the authorized body.

Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced from 01.01.2019); dated 21.01.2019 № 217-VI (

shall be enforced upon expiry of ten calendar days after its first official publication);dated 02.04.2019 № 241-VI (enforcement see Article 2); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); № 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.07.2020 № 354-VI (effective from 01.01.2021); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (see Article 2 for the procedure for enactment); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 20.03.2023 № 213-VII (shall be enforced sixty calendar days after the date of its first official publication); dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); dated 01.07.2024 № 105-VIII (shall be enforced upon expiry of ten calendar days from the date of its first official publication); № 208-VIII of 15.07.2025 (shall take effect upon expiry of sixty calendar days after the date of its first official publication).

Article 24-1. Obligation of payment organizations to provide information to the authorized body

Payment organizations are obliged to provide the authorized body with information on the total amounts of payments and transfers for the calendar year made in favor of and in the context of foreign companies specified in paragraphs 1 and 2 of Article 779 of this Code no later than the 15th day of the second month following the reporting year.

In order to obtain information, the authorized body sends to payment organizations the information specified in subparagraph 4-1) of paragraph 1 of Article 778 of this Code no later than the 10th day of the month following the reporting year.

The information and data specified in parts one and two of this article are provided in the manner, in the form and within the time limits established by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

Footnote. The law is supplemented by Article 24-1, in accordance with the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 25. Cooperation of authorized state agencies and the State Corporation "Government for Citizens" for implementation of tax administration

Footnote. Heading of Article 25 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

For implementation of tax administration, tax authorities interact with the following authorized state agencies and the State Corporation “Government for Citizens”:

1) performing state registration, reregistration of legal entities, state registration of termination of the activity of legal entities, registration, reregistration, deregistration of structural units;

2) in the field of state statistics;

3) performing accounting and (or) registration of taxable and tax-related items, including: state registration of rights to real estate;

state registration of the pledge of movables and vessel mortgage;

state registration of radio electronic means and high-frequency devices;

state registration of space objects and rights to them;

state registration of vehicles;

state registration of medicinal products and medical devices;

state registration of rights to works and objects of related rights, license agreements on the use of works and objects of related rights;

registration of mass media;

4) issuing licenses, certificates or other licensing and registration documents;

5) registering individuals at their place of residence in the Republic of Kazakhstan;

6) registering vital statistics acts;

7) performing notarial acts;

8) forguardianship and trusteeship;

9) fortransport and communications;

10) carrying out state regulation in the field of subsoil use in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

11) carrying out foreign policy activity;

11-1) carrying out management and cross-sectoral coordination in digital assets area;

12) other authorized state bodies determined by the Government of the Republic of Kazakhstan.

Footnote. Article 25 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023); dated 06.02.2023 № 196-VII (effective from 01.01.2024).

Article 26. Duties of authorized state bodies, the National Bank of the Republic of Kazakhstan, an authorized body for regulation, control and supervision of the financial market and financial organizations, local executive bodies, organizations and authorized persons in interaction with tax authorities

Footnote. The title of Article 26 as amended by laws of the Republic of Kazakhstan № 241-VI dated 02.04.2019 (shall be enforced since 01.01.2019); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020).

1. Authorized state bodies performing state registration, reregistration of legal entities, state registration of termination of the activity of legal entities, registration, reregistration, deregistration of structural units are required, within three business days from the day of state registration, reregistration of a legal entity, state registration of termination of the activity of legal entities, registration, reregistration, deregistration of a structural unit, to submit information in electronic form on state registration, reregistration of a legal entity, state registration of termination of the activity of legal entities, registration, reregistration,

deregistration of a structural unit to a tax authority, second-tier banks or organizations carrying out certain types of banking operations.

2. Unless otherwise provided for by this article, authorized state bodies issuing licenses, certificates or other licensing and registration documents are required to submit to tax authorities at their location information on taxpayers to whom licenses and annex (annexes) thereto were issued (terminated), as well as certificates or other licensing and registration documents, and also on items taxed with payments to the budget in accordance with the procedure and within the time limits established by Section 18 of this Code, and in the forms established by the authorized body.

Internal affairs bodies issuing permits to a labor immigrant are required to submit to tax authorities at their location information on taxpayers who received labor immigrant permits in accordance with the procedure, within the time limits and in the form established by the authorized body.

3. Authorized state agenciesand the State Corporation "Government for Citizens" responsible for the record and (or) registration of taxable and (or) tax-related items shall be required to provide information on taxpayers owning taxable and (or) tax-related items, as well as on taxable and (or) tax-related items to tax authorities in accordance with the procedure, within the time limits and in the form established by the authorized agency.

4. Authorized state agenciesand the State Corporation "Government for Citizens" collecting payments to the budget, recording and (or) registering taxable and (or) tax-related items shall be required to indicate a taxpayer identification number in submitted information, except for individuals using specially protected natural areas for scientific, environmental-educational, tourist, recreational and limited economic purposes.

5. The authorized state body responsible for registering the arrival (departure) of foreigners is obliged to submit information on foreign incomers indicating the purpose, place and duration of their stay to a tax authority, within ten business days after the registration of their arrival (departure) in accordance with the procedure established by the authorized body.

6. The authorized body for investments shall be obliged to submit to the authorized body information on investment contracts concluded in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship and providing for the implementation of investment priority projects, as well as information on the termination of these investment contracts and other information in the manner, terms and according to the forms that are established by the authorized body in agreement with the authorized investment body.

6-1. The authorized body in the field of state support for industrial activities shall provide information to the authorized body on legal entities engaged in the collection (procurement), storage, processing and sale of scrap and waste of non-ferrous and ferrous metals, and persons engaged in the sale of such scrap and waste, in the manner, terms and in the form established by the authorized body in the field of state support for industrial activities in coordination with the authorized body.

7. Authorized state and local executive bodies exercising state regulation within their competence in the field of subsoil use in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use are required to submit to a tax authority at their location information on participants and details of a transaction for which tax obligations arise in accordance with Article 650 of this Code, including information on a non-resident who is a tax agent, within ten business days from the date of transactions on purchase and sale of participatory interests in the form established by the authorized body.

8. The Ministry of Foreign Affairs of the Republic of Kazakhstan is required to submit to a tax authority at the location of a diplomatic mission or equivalent representative office of a foreign country accredited in the Republic of Kazakhstan documents confirming the accreditation and location of such a diplomatic mission and equivalent representative office, within ten business days from their accreditation.

9. The authorized body for regulation, control and supervision of the financial market and financial organizations, upon the request of the authorized body during a tax audit in relation to the audited taxpayer, shall submit an opinion on the compliance of the amount of insurance reserves for unearned premiums, non- incurred losses, declared but unsettled losses that have occurred, but undeclared losses to the requirements established by the legislation of the Republic of Kazakhstan on insurance and insurance activities, in the manner determined by the authorized body jointly with the authorized body for regulation, control and supervision of the financial market and financial organizations.

9-1. Upon request of the tax authority during a tax audit of the taxpayer being audited, the authorised body in the field of trade regulation shall furnish an opinion on the adequacy of insurance reserves for unearned premiums, unincurred losses, reported but unsettled losses, but unreported losses under insurance and reinsurance contracts concluded by the Export Credit Agency of Kazakhstan, to the requirements established by the legislation of the Republic of Kazakhstan on the regulation of commercial activities, in the manner prescribed by the authorised body in the field of commercial activity regulation in conjunction with the authorised body;

10. The authorized body for regulation, control and supervision of the financial market and financial organizations is obliged, no later than the 25th day of the month following the quarter, to provide information to the authorized body on contracts containing the conditions for the transfer of rights (claims) in respect of a taxpayer engaged in collector activities, in the form established by the authorized body in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations.

11. The territorial subdivisions of the National Bank of the Republic of Kazakhstan shall be obliged, no later than the 25th day of the month following the quarter, to provide the tax authorities with information on exchange offices of legal entities operating exclusively

through exchange offices on the basis of a license of the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash, in the form established by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

12. Valid until 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

13. Notaries shall be obliged to submit to the authorized body the following information on individuals about (on):

1) transactions and agreements on property subject to state or other registration, as well as property on which rights and (or) transactions are subject to state or other registration;

2) issued certificates on inheritance right;

3) other transactions and agreements not specified in this paragraph, if the price stipulated by the transaction (agreement) exceeds 2000 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of the corresponding financial year, with the exception of contracts specified in subparagraphs 4) and 5) of this paragraph;

4) loan agreements concluded between individuals;

5) other agreements on the transfer of property not subject to state or other registration.

The form, procedure and terms for submitting the information specified in part one of this paragraph shall be established by the authorized body in agreement with the Ministry of Justice of the Republic of Kazakhstan.

14. An organization that maintains a system of registers of securities holders shall submit, within thirty working days from the date of receipt of a request from a tax authority, the available information on individuals holding securities, as well as on transactions of individuals with securities in the manner and according to form, established by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

15. Brokers shall submit information, within thirty working days from the date of receipt of a request from the tax authority, on transactions of individuals with securities, while commodity exchanges shall submit information on transactions of individuals with exchange commodities sold on a commodity exchange, in the manner and in the form established by the authorized body in agreement with the authorized body for the regulation, control and supervision of the financial market and financial organizations and the authorized body in the trading activities regulation.

15-1. The authorized trading activity regulation body shall provide information on transactions of individuals with exchange commodities in the manner, terms and in the form established by the authorized body.

16. A legal entity established by the resolution of the Government of the Republic of Kazakhstan, which ensures, in accordance with the legislation of the Republic of Kazakhstan, the accounting for pension contributions, social contributions and social payments,

contributions and deductions for compulsory social health insurance, shall submit to the authorized body the available information about individuals in the manner , terms and in the form established by the authorized body in agreement with the authorized body in public services rendering.

17. Within thirty working days from the date of receiving the tax authority's request, the insurance (reinsurance) companies, insurance brokers shall submit information on insurance contracts concluded by individuals in the form and in the manner determined by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

18. Educational organizations shall, within thirty working days from the date of receiving the tax authority's request to confirm education expenses incurred by individuals in the territory of the Republic of Kazakhstan, submit information in the manner prescribed by Article 112 of this Code.

19. Healthcare subjects shall, within thirty working days from the date of receiving the tax authority's request to confirm the medical expenses incurred by individuals in the territory of the Republic of Kazakhstan, submit information in the manner prescribed by Article 112 of this Code.

19-1. The authorized body in the field of equity participation in housing construction shall , in the manner, terms and in the form established by the authorized body, submit information to the tax authorities on individuals who have entered into an agreement on equity participation in housing construction, as well as on individuals who have concluded a claim assignment agreement on them.

19-2. The authorized state body for labor shall provide information on individuals who are unemployed, on issued permits to attract foreign labor to carry out labor activities in the manner, terms and in the form established by the authorized body

19-3. The authorized civil service affairs body shall provide information on political and administrative civil servants from a single automated database (information system) on civil service personnel in the manner, terms and in the form established by the authorized body in agreement with the authorized civil service affairs body.

19-4. The authorized body in the field of culture shall provide information on individuals who own material cultural values that are of particular importance for the history and culture of the country and are included in the State Register of national cultural heritage objects, in the manner determined by the authorized body.

19-5. The authorized state statistics body shall submit administrative data recorded in the household accounting register in the manner, terms and in the form established by the authorized body.

19-6. The central executive body that exercises management, and also, within the limits provided for by the legislation of the Republic of Kazakhstan, cross-sectoral coordination in the social protection of the population, shall provide information on persons receiving social

benefits and on the amount of benefits paid to them, on persons receiving pension payments, and their amounts, with the exception of pension payments from insurance organizations, in the manner, terms and in the form established by the authorized body.

20. Submission of information on taxpayers, taxable items (items subject to taxation (collection of) with payments to the budget) and (or) tax-related items in electronic form using appropriate software intended for automated interaction of tax authorities and authorized state agenciesand the State Corporation “Government for Citizens” shall be performed within ten working days in accordance with the procedure and in the forms established by the authorized agency.

In case of submission of information by the authorized state agenciesand the State Corporation “Government for Citizens” on taxpayers, taxable items (items subject to taxation (collection of) with payments to the budget) and (or) tax-related items shall be submitted in electronic form, authorized state agenciesand the State Corporation “Government for Citizens ” shall not be required to submitthis information in hard copy.

21. The authorized body for road traffic safety, when submitting information on the state registration of vehicles, ensures the submission of information on the day of primary importation into the territory of the Republic of Kazakhstan, as well as on the country of origin of such a vehicle.

22. Local executive bodies shall, on or before the 20th day of a month following a reporting quarter, submit to tax authorities at their location a report on the use of tickets by taxpayers with regard to urban public transportation services in the form approved by the authorized body.

Paragraph 23 shall remain in force 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

23. The authorized agency in the field of informatization shall be obliged to submit information about the participants of the Astana Hub international technology park to the tax authorities in the manner, terms, and in the form established by the authorized agency in agreement with the authorized agency in the field of informatization.

24. Organizations providing water supply, wastewater, sewage, gas, electricity, heat, waste collection (waste disposal) services, elevator services and (or) transportation services shall submit information to the tax authorities on the services provided to third parties.

This information shall be used by the tax authorities to carry out tax administration in cases provided by this Code.

The procedure for submission of information shall be determined by the authorized agency.

25. The authorized state body authorized by the Government of the Republic of Kazakhstan to conclude an investment agreement shall submit information to the authorized body on concluded investment agreements and termination of such agreements, as well as

other information in the manner, terms and in the forms established by the authorized body upon agreement with the authorized investment body.

26. A digital mining pool shall provide information to the authorized body about the digital assets distributed by it between persons engaged in digital mining activities on a monthly basis no later than the 25th day of the month following the month of submission of such information, in the form approved by the authorized body.

27. Digital asset exchanges, as well as other participants of the Astana International Financial Center, shall provide information on transactions conducted by residents of the Republic of Kazakhstan on digital asset exchanges and remunerations paid to residents and non-residents from activities related to digital assets to the authorized body no later than the 15th of the second month following the reporting quarter, in accordance with the procedure determined by the authorized body.

28. Organizers of the gambling business operating as a bookmaker and (or) totalizator are obliged to ensure the integration of hardware and software systems with the information systems of the tax authority in order to ensure automated interaction for the transfer of information.

The procedure, list and form of information to be transmitted through the integration of hardware and software systems of gambling business organizers operating as a bookmaker's office and (or) totalizator with the information systems of the tax authority are determined by the authorized body.

29. A participant of the Astana International Financial Centre licensed to operate a borrowed crowdfunding platform shall furnish the authorised body with details of contracts concluded on crowdfunding platforms, as well as remuneration paid to residents and non-residents, in the manner and form established by the authorised body.

30. Credit bureaus must present data from credit reports on the debts of individuals who are required to file declarations of assets and liabilities, income and property to collection and /or microfinance organisations, in the manner and form established by the authorised body in agreement with the authorised body for the regulation, control and supervision of the financial market and financial organisations.

The provisions of this clause shall not apply to data presented to credit bureaus by second-tier banks and organisations engaged in certain types of banking operations, established under the laws of the Republic of Kazakhstan, for the purpose of forming the credit history of an individual.

Footnote. Article 26 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 03.07.2019 № 262-VI (effective from 01.01.2020); dated 26.12, 2019 № 284-VI (effective upon expiry of ten calendar days after the date of its first official publication); dated 10.12.2020 № 382-VI (effective from

01.01.2021); dated 06.02.2023 № 196-VII (effective from 01.01.2024); dated 20.03.2023 № 213-VII (shall be enforced sixty calendar days after the date of its first official publication; dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); № 208-VIII of 15.07.2025 (see Article 2 for the procedure for entry into force).

Article 27. Obligations of custodians, a single registrar, brokers and (or) dealers entitled to maintain clients' accounts as nominal holders of securities, investment portfolio managers, as well as insurance organizations in their interaction with tax authorities

Footnote. Heading is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019).

1. Custodians, a single registrar, brokers and (or) dealers entitled to maintain clients' accounts as nominal holders of securities shall be obliged to:

1) submit information on the existence of securities accounts opened for non-resident individuals, non-resident legal entities, legal entities whose beneficial owners are non-residents, as well as on the balances and movements of securities in these accounts;

2) provide information at the authorized body's request on the availability of personal accounts for accounting for securities opened by individuals and legal entities indicated in the request of a foreign state's authorized body, sent in accordance with an international treaty of the Republic of Kazakhstan, and also on the balances and movement of securities on these accounts and other information related to the concluded agreement between an individual or legal entity and custodians, central depository, brokers and (or) dealers entitled to maintain customer accounts as nominee holders of securities.

2. Custodians managing an investment portfolio are required to:

1) submit information on the existence of other assets, except for securities owned by non-resident individuals, non-resident legal entities, as well as legal entities whose beneficial owners are non-residents, to the authorized body via a telecommunications network;

2) provide information at the authorized body's request on the presence of other assets, with the exception of those specified in paragraph 1 of this article, held by individuals and legal entities specified in the request of a foreign state's authorized body, sent in accordance with an international treaty of the Republic of Kazakhstan, and also other information, relating to an agreement between an individual or legal entity and custodians managing an investment portfolio.

3. Insurance organizations carrying out the activity in the field of "life insurance" are obliged to:

1) submit information on concluded accumulative insurance agreements, beneficiaries of which are non-resident individuals, to the authorized body via a telecommunications network;

2) provide information at the authorized body's request on concluded accumulative insurance contracts, whose beneficiaries are individuals specified in the request of a foreign

state's authorized body, sent in accordance with an international treaty of the Republic of Kazakhstan, and also other information related to these concluded insurance contracts.

4. The information provided for in paragraphs 1, 2 and 3 of this article shall be submitted in accordance with the international treaty of the Republic of Kazakhstan on the exchange of information in the manner and terms established by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

Footnote. Article 27 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 28. Obligations of collection agencies and taxpayers engaged in e-commerce related activity

1. Collector agencies are obliged to provide information on agreements containing conditions for the transfer of a right (claim) to a collector agency, also on taxpayers exercising the rights of a creditor in respect of the right (claim) assigned to him under a bank loan agreement under a trust management agreement concluded with the collector agency, to the tax authority at its location no later than the 25th day of the month following the quarter, in the form established by the authorized body in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations.

2. Persons engaged in e-commerce and applying rules of the tax legislation of the Republic of Kazakhstan in terms of reducing the calculated amount of corporate income tax, reducing the taxable income of an individual entrepreneur by the taxable income of an individual entrepreneur, reducing the taxable income of an individual by the taxable income of an individual entrepreneur, are obliged to submit information on such an activity to a tax authority at their location in accordance with the procedure, within the time limits and in the form approved by the authorized body.

3. Persons engaged in the dispatch, transportation, delivery of goods related to e-commerce shall submit information upon the request of a tax authority in accordance with the procedure, within the time limits and in the form approved by the authorized body.

Footnote. Article 28 as amended by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 20.03.2023 № 213-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 29. Obligations of a person and (or) structural units of a legal entity when receiving, spending money and (or) other assets from foreign states, international and foreign organizations, foreigners, stateless persons in certain cases

1. Persons and (or) structural units of a legal entity are obliged:

1) in accordance with the procedure, in the form and within the time limits established by the authorized body, notify tax authorities of the receipt of money and (or) other assets from foreign states, international and foreign organizations, foreigners, stateless persons, the

amount of which exceeds that set by the authorized body, in the case when the activity of a recipient of money and (or) other assets is aimed at:

the provision of legal assistance, including legal awareness raising, protection and representation of interests of citizens and organizations, as well as their consulting;

the study and conduct of public opinion polls, sociological surveys, except for public opinion polls and sociological surveys conducted for commercial purposes, as well as dissemination and placement of their results;

collection, analysis and dissemination of information, except for cases when the specified activity is carried out for commercial purposes;

2) in the case provided for by subparagraph 1) of part one of this paragraph, to submit to tax authorities information on the receipt and spending of money and (or) other assets received from foreign states, international and foreign organizations, foreigners, stateless persons in accordance with the procedure, within the time limits and in the form established by the authorized body.

Requirements provided for by this paragraph do not apply to:

1) state institutions;

2) persons holding top management public positions, persons authorized to perform state functions, deputies of the Parliament of the Republic of Kazakhstan and maslikhats, except for deputies of maslikhats performing their activity on a part-time basis, servicemen, law enforcement and special state employees when they perform official duties;

3) second-tier banks, organizations carrying out certain types of banking operations, insurance organizations;

4) taxpayers subject to tax monitoring;

5) preschool and secondary educationalinstitutions, educational institutionswith technical and professional, post-secondary, higher and postgraduate educational programs, as well as autonomous educational institutions and international schools;

6) money and (or) other assets received in connection with the activity of private practice owners, arbitrators, appraisers, auditors;

7) quasi-public sector entities;

8) diplomatic missions and equivalent representative offices of a foreign state, consular offices of a foreign state accredited in the Republic of Kazakhstan, as well as their employees;

9) money and (or) other assets aimed at the development of national, technical and applied sports, support and promotion of physical education and sport, as well as those intended for conducting sporting events, including international sports competitions, public sporting events;

10) money and (or) other assets received under international treaties of the Republic of Kazakhstan;

11) money and (or) other assets received for the purpose of paying for medical treatment or taking health-improving and preventive care procedures;

12) money and (or) other assets received in the form of revenue under foreign trade contracts;

13) money and (or) other assets received for the organization and conduct of international transportation, the provision of international postal services;

14) money and (or) other assets received under investment contracts concluded in accordance with the legislation of the Republic of Kazakhstan;

15) the amount of dividends, rewards, winnings previously levied with individual income tax at the source of payment, given documents confirming the withholding of such a tax at the source of payment;

16) other cases established by the Government of the Republic of Kazakhstan.

2. Information and materials published, disseminated and (or) placed by the persons, specified in subparagraphs 1) and 2) of part one of paragraph 1 of this article, for the money of foreign states, international and foreign organizations, foreigners and stateless persons must contain information on the persons who made the order, indication that information and materials are produced, distributed and (or) placed at the expense of foreign countries, international and foreign organizations, foreigners and stateless persons.

3. The procedure for tax authorities' maintaining a database on persons specified in subparagraphs 1) and 2) of part one of paragraph 1 of this article, the specified information and other information subject to placement, as well as the procedure for addition to and removal from the database are determined by the authorized body.

The authorized body shall publish the register of persons specified in subparagraphs 1) and 2) of part one of paragraph 1 of this article on its Internet resource.

Footnote. Article 29 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 30. Tax secret

1. A tax secret is any information received by a tax authority on a taxpayer (tax agent), except for that:

1) on the amount of taxes and payments to the budget paid (transferred) by the taxpayer (tax agent), except for individuals;

2) on the amount of refund to a taxpayer from the budget that is a difference between the excess ofVAT to be offset and the amount of the assessed tax;

3) on the amount of tax debt of a taxpayer (tax agent);

4) on inactive taxpayers;

5) subject to placement in the database on the Internet resource of the authorized body in the case provided for by Articles 19 and 29 of this Code;

6) on submission by a taxpayer of a tax application for a tax audit in connection with liquidation (termination of activity);

7) on the assessed amount of taxes and payments to the budget fora taxpayer (tax agent), except for individuals;

8) on the assessed amount of property tax, land tax, vehicle tax for individuals;

9) on sanctions applied to a taxpayer (tax agent) who violated the tax legislation of the Republic of Kazakhstan;

10) on the existence (absence) of taxpayer registration of a non-resident operating through a permanent establishment, a structural unit or without the formation of a permanent establishment in accordance with Article 650 of this Code;

11) on the following registration data of a taxpayer (tax agent):

identification number;

last name, first name, patronymic (if it is indicated in an identity document) of an individual, head of a legal entity;

the name of an individual entrepreneur, legal entity;

the date of registration, the date of deregistration, a reason for deregistration of a taxpayer (tax agent);

type of activity;

the date of commencement and termination of suspension of anactivity;

the residence of a taxpayer;

the registration number of a cash register with a tax authority;

the point of use of a cash register;

applicable tax regime;

11-1) on the semi-annual schedule of periodic tax audits based on risk assessment;

12) on the failure of a taxpayer (tax agent) to file tax returns;

13) not confidential in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

14) on the tax burden ratio of a taxpayer (tax agent), calculated according to the procedure established by the authorized body, except for individuals not registered with tax authorities as individual entrepreneurs and private practice owners;

15) on the individual identification number of the natural person who submitted personal tax statements;

16) on the presence (absence) in the income and property declaration of a claim for a refund of the amount exceeding the individual income tax;

17) subject to publication in accordance with the Law of the Republic of Kazakhstan On Combating Corruption;

18) on the results of risk categorization of taxpayers;

19) on the number of employees, reflected in the tax reporting.

2. Information on a taxpayer (tax agent), which is a tax secret, may not be submitted by tax authorities to another person without written permission of the taxpayer (tax agent), unless otherwise provided for by this article.

3. Tax authorities provide information on a taxpayer (tax agent) constituting a tax secret without obtaining written permission from the taxpayer (tax agent), if it is required by:

1) to law enforcement bodies and the State Security Service of the Republic of Kazakhstan within their competence established by the legislation of the Republic of Kazakhstan, on the basis of a motivated request on paper or in electronic document form sanctioned by the investigating judge, prosecutor. A sanction shall not be required if such information is requested by the investigating judge, prosecutor;

2) to the court and judges on the basis of their application (instruction, demand, requisition, request) sent during the administration of justice if the taxpayer is a party to the case under consideration;

3) a law enforcement officer within his/her competence established by the legislation of the Republic of Kazakhstan, with regard to cases of enforcement proceedings maintained by him/her on the basis of a resolution certified by the stamp of a private law enforcement officer or territorial subdivision;

3-1) financial manager within his competence in respect of the debtor, for which he conducts the procedures prescribed by the legislation of the Republic of Kazakhstan on the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan;

4) central government bodies of the Republic of Kazakhstan in the field of state planning, state statistics, regulation of trade activities, foreign trade activities, environmental protection, veterinary medicine, the oil and gas industry, the petrochemical industry, hydrocarbon transportation, subsoil use in relation to hydrocarbons, and state regulation of petroleum product production, gas and gas supply, main pipelines, social protection of the population, informatisation, the authorised body for external state audit and financial control, the antitrust authority and the authorised body for interaction with non-governmental organisations in cases provided for by this Code and/or the laws of the Republic of Kazakhstan.

The state bodies of the Republic of Kazakhstan, specified in this subparagraph, shall approve the list of officials who have access to information constituting a tax secret.

The procedure and the list of submitted information constituting tax secrets shall be established by joint acts with the authorized body;

5) the central authorized state body for state planning, the authorized state body conducting financial monitoring and taking other measures to counter money laundering and the authorized body for internal state audit in cases provided for by the laws of the Republic of Kazakhstan.

The authorized state bodies specified in this subparagraph shall approve the list of officials having access to information constituting a tax secret;

5-1) human resources offices of state bodies in terms of information on the existence of money in foreign banks outside the Republic of Kazakhstan, owned by persons holding a responsible public position, persons authorized to perform state functions.

The authorized state body referred to in this subparagraph shall approve the list of officials who have access to information;

6) a person involved in conducting a tax audit as a specialist;

7) tax or law enforcement agencies of other states, to international organizations in accordance with international treaties (agreements) on mutual cooperation between tax or law enforcement agencies to which the Republic of Kazakhstan is a party, as well as treaties concluded by the Republic of Kazakhstan with international organizations;

8) state corporation "Government for Citizens" and state bodies with regard to information required for the provision of public services;

9) local executive bodies, local self-government bodies with regard to information on individuals, on property tax, land tax, vehicle tax, as well as on payment for the placement of outdoor (visual) advertising and individual income tax on income subject to self-assessment by an individual.

The bodies specified in this subparagraph shall approve the list of officials having access to information constituting a tax secret;

10) state bodies and (or) persons who, under the laws of the Republic of Kazakhstan, are entitled to obtain information on the absence (existence) of debts, the record of which is maintained by tax authorities;

11) the National Bank of the Republic of Kazakhstan with regard to information necessary to carry out currency control and its transfer to authorized banks that are currency control agents.

The list and procedure for submitting of information constituting a tax secret shall be determined by a joint act of the National Bank of the Republic of Kazakhstan and the authorized agency;

11-1) second-tier banks, organizations carrying out certain types of banking operations, payment organizations in terms of the information specified in Article 778 of this Code, in order to obtain information by the authorized body regarding the amounts of payments and transfers made by individuals in favor of foreign companies, specified in paragraphs 1 and 2 of Article 779 of this Code;

12) members of an appeal commission considering a complaint of a taxpayer (tax agent) about an audit findings report;

13) a structural unit of the authorized body that considers complaints about an audit findings report and (or) notice of the elimination of violations, with regard to information required for the consideration of complaints of taxpayers (tax agents) about an audit findings report;

14) authorized state bodies with regard to information on submitted assets and income declarations, indicating the date of submission and the code of a tax authority, by persons on whom the Law of the Republic of Kazakhstan "On Combating Corruption" imposes such a duty.

The procedure for submitting the specified information is determined by the authorized body;

15) to the national security bodies of the Republic of Kazakhstan for the purposes and in the manner prescribed by the Law of the Republic of Kazakhstan On the National Security Bodies of the Republic of Kazakhstan.

4. The rules of paragraph 3 of this article do not apply to data and information on a taxpayer received by tax authorities through legalization in accordance with the Law of the Republic of Kazakhstan "On amnesty to citizens of the Republic of Kazakhstan, kandases and persons having a residence permit of the Republic of Kazakhstan, due to legalization of their property".

5. A tax secret is not subject to disclosure by persons having access to a tax secret, both during their official period of service and after it.

6. The loss of documents containing information constituting a tax secret or disclosure of such information entails responsibility established by the laws of the Republic of Kazakhstan.

7. It shall not be the disclosure of tax secrets:

1) transfer for storage of the backup copy of an electronic information resource to a single platform for the backup storage of electronic information resources.

In this case, data transferred for storage may only be used by the authorized agency.

The transfer and storage of the backup copy of an electronic information resource shall be carried out in accordance with the procedure and within the time limits set by authorized agencies in the field of information security and national security in coordination with the authorized agency;

2) transfer of information received by the central state authority in the field of environmental protection to monitor the accuracy of calculation, completeness and timeliness of payments by manufacturers (importers) for organizing the collection, transportation, processing, disposal, use and (or) disposal of waste, in the order established by the legislation of the Republic of Kazakhstan;

3) transfer of information received by the authorized foreign trade activity regulation body :

to the competent authority of a third country and (or) a union of third countries when conducting special protective, anti-dumping, compensatory investigations in respect of goods originating from the Republic of Kazakhstan;

to the competent authority of a member state of the Eurasian Economic Union and (or) the Eurasian Economic Commission in the event of a compensatory investigation in respect of goods originating from the Republic of Kazakhstan;

Eurasian Economic Commission for the purposes of investigations in accordance with the legislation of the Republic of Kazakhstan on special protective, anti-dumping and countervailing measures in relation to third countries.

Such information shall be transferred in the manner and on the terms provided for by the legislation of the Republic of Kazakhstan on the regulation of trading activities and special protective, anti-dumping and countervailing measures in relation to third countries.

4) transfer information to second-tier banks about the identification number of the vehicle for the payment of vehicle tax by an individual;

5) transfer to second-tier banks of information about the legal address of an individual entrepreneur for the fulfillment of tax obligations provided for by this Code.

6) transfer by the central state body in the field of information technology to the operator of the information and communication infrastructure of the "electronic government" of information obtained for the formation of a risk assessment system for the purpose of conducting state control and supervision.

Footnote. Article 30 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.10.2018 № 184-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (shall come into effect since 01.01.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 20.03.2023 № 213-VII (enforcement see Art. 2); dated 12.07.2023 № 25-VIII (shall be enforced sixty calendar days after the date of its first official publication); dated 12.12.2023 № 45-VIII (effective from 01.01.2024); № 208-VIII of 15.07.2025 (see Article 2 for the procedure for entry into force).

SECTION 2. TAX OBLIGATION Chapter 4. GENERAL PROVISIONS

Article 31. Tax obligation

1. A tax obligation is a taxpayer's obligation to the state arising in accordance with the tax legislation of the Republic of Kazakhstan, by virtue of which the taxpayer is obliged to perform the actions specified in paragraph 2 of Article 36 of this Code.

2. The state, represented by a tax authority, has the right to require a taxpayer (tax agent) to perform his/her/its tax obligation in full, and in the event of a failure to perform or improper performance of the tax obligation, to apply measures for its fulfillment and enforcement in accordance with the procedure established by this Code.

Article 32. A taxable and (or) tax-related item

A taxable and (or) tax-related item are assets and actions, owing to the existence and (or) on the basis of which a tax obligation arises for a taxpayer.

Article 33. Tax base

A tax base is a set of value, physical or other properties of a taxable item, on the basis of which amounts of taxes and payments payable to the budget shall be assessed.

Article 34. Tax rate

1. Tax rate is the value of a tax obligation for the calculation of a tax and a payment to the budget per unit of a taxable item or tax base.

2. Tax rate is set in percentage terms or in absolute amount per unit of a taxable item or tax base.

Article 35. Taxable period

A taxable period shall be understood to mean a period of time established for certain types of taxes and payments to the budget, after the end of which a taxable item, a tax base are assessed, amounts of taxes and payments payable to the budget are calculated.

Chapter 5. FULFILLMENT OF A TAX OBLIGATION

Article 36. Fulfillment of a tax obligation

1. A tax obligation is fulfilled by a taxpayer on his/her/its own, unless otherwise provided for by this Code.

2. To fulfill a tax obligation, a taxpayer shall:

1) register with a tax authority;

2) keep record of taxable and (or) tax-related items;

3) based on taxable and (or) tax-related items, the tax base and tax rates, calculate the amounts of taxes and payments payable to the budget, as well as advance and current payments on them, in accordance with the Special Part of this Code;

4) draw up and submit tax forms and other forms established by this Code, except for tax registers, to tax authorities in accordance with the established procedure;

5) pay the calculated and assessed amounts of taxes and payments to the budget, advance and current payments for taxes and payments to the budget in accordance with the Special Part of this Code.

3. A taxpayer must fulfill a tax obligation in accordance with the procedure and within the time limits established by the tax legislation of the Republic of Kazakhstan.

In cases provided for by the Special Part of this Code, a tax obligation may be fulfilled by a taxpayer that is an individual by making several payments during a taxable period, the total amount of which shall not be less than the calculated amount of tax.

4. The tax obligation of a taxpayer to pay taxes and payments to the budget and also the obligation to pay fines and penalties in a non-cash form are considered to be fulfilled from the date of receipt of a payment order for the amount of taxes and payments to the budget, penalties and fines by a second-tier bank or an organization carrying out certain types of banking operations, or from the date of payment through ATMs or point-of-sale terminals, and as to obligations executed in cash - from the date a taxpayer pays these amounts to a second-tier bank or an organization carrying out certain types of banking operations, the authorized state body, a local executive body.

5. When an authorized representative of a taxpayer pays taxes, payments to the budget, transfers social welfare payments, in the cases specified in this Code, the sender of money shall indicate his/herlast name, first name, patronymic (if it is indicated in an identity document) or the name of the taxpayer and its identification number.

6. The tax obligation of a taxpayer to pay tax, which is executed by a tax agent, is considered to be fulfilled on the day of tax withholding.

7. A tax obligation to pay taxes, payments to the budget, as well as an obligation to pay penalties and fines may be fulfilled by offsetting in accordance with the procedure set forth in Article 102 of this Code.

8. A tax obligation to pay taxes, payments to the budget, as well as an obligation to pay penalties and fines shall be executed in the national currency, except for cases provided for by this Code, the Law of the Republic of Kazakhstan "On Joint Stock Companies", and when the legislation of the Republic of Kazakhstan and production sharing agreements (contracts), a subsoil use contract approved by the President of the Republic of Kazakhstan, specified in Article 722 of this Code, provide for payment in kind or in foreign currency.

Article 37. Features of calculation of taxes and payments to the budget for the fulfillment of a tax obligation

1. The calculation of the amount of taxes withheld at the source of payment shall be made by a tax agent.

2. In cases provided for by the Special Part of this Code, the responsibility for calculating the amount of certain types of taxes and payments to the budget may be assigned to a tax authority and authorized state bodies.

Article 38. Time period for the fulfillment of a tax obligation

1. Time period for the fulfillment of a tax obligation is established by this Code.

2. The running of the time period starts on the day following the occurrence of an actual event or legal action that marks the beginning of the time period for the fulfillment of a tax obligation.

The time period expires at the end of the last day of a taxable period. If the last day of the time period falls on a non-business day, the period shall expire at the end of the next business day.

3. A taxpayer (tax agent) has the right to fulfill a tax obligation ahead of schedule.

Unless otherwise provided for by this Code, the tax obligation to file tax returns is executed by a taxpayer (tax agent) at the end of a taxable period.

Article 39. Order of payment of tax debts

Payment of tax debts shall be made in the following order:

1) the amount of arrears;

2) assessed penalty;

3) the amount of fines.

Article 40. Fulfillment of tax obligations in transfer of assets into trust management

1. For the purposes of this Code, a tax obligation for trust management activity means a tax obligation arising as a result of the establishment of trust management of assets, in the course of its performance and (or) termination.

A tax obligation for corporate and individual income taxes on trust management activity is fulfilled:

1) by the founder of trust management under a trust management agreement, an act on the establishment of trust management of assets or by the beneficiary in other cases of emergence of trust management of assets (hereinafter referred to as the founder of trust management) for:

participatory interest and (or) shares transferred into trust management;

property transferred to the trust management of the National Bank of the Republic of Kazakhstan, except for the assets of the National Fund of the Republic of Kazakhstan;

assets transferred into trust management under an act on the establishment of trust management of assets;

income received by a legal entity, an individual entrepreneur for trust operations from a second-tier bank;

drawing up and submitting a declaration in accordance with the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan", the Penal Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Combating Corruption", if the founder of trust management is an individual entrusted with this duty.

For the purposes of this Code, an act on the establishment of trust management of assets means a document giving rise to the emergence of trust management of assets, the trust manager of which is a non-resident individual or a non-resident legal entity not operating in the Republic of Kazakhstan;

2) by a trust manager - in other cases. At the same time, a tax obligation for income received by an individual, except for an individual entrepreneur and a non-resident legal entity operating in the Republic of Kazakhstan without establishing a permanent establishment, from trust operations performed by a second-tier bank that is a tax agent, is fulfilled by this second-tier bank by way of performing duties of a tax agent.

A trust manager fulfills tax obligations arising on the date of:

state registration of the right to trust management of assets - in the event that this right is subject to state registration in accordance with the legislation of the Republic of Kazakhstan;

conclusion of a trust management agreement or a document confirming the occurrence of another case of the emergence of trust management of assets - in the event that the right to trust management is not subject to state registration in accordance with the legislation of the Republic of Kazakhstan.

2. Fulfillment of an obligation arising for VAT on trust management activity shall be effected by a trust manager in accordance with the procedure set forth inSection 10 and Articles 82 and 83 of this Code.

3. Fulfillment of an obligation arising for taxes not specified in paragraphs 1 and 2 of this article and payments to the budget shall be effected by a person recognized as a payer of such a tax, a payment to the budget in accordance with this Code, unless otherwise provided for by Article 41 of this Code.

4. A trust manager that is a resident individual must register with a tax authority as an individual entrepreneur in accordance with the procedure set forth in Article 79 of this Code, unless assets received for trust management are participatory interest and shares.

5. The provisions of this Article and Articles 41-45 of this Code shall not apply to tax obligations arising as a result of the establishment, performance and (or) termination of trust management of the assets of an investment fund by a management company in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds.

Footnote. Article 40 as amended by the Law of the Republic of Kazakhstan dated 04.07.2018 № 174-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 41. Features of fulfillment of tax obligations in transfer of state institutions' assets into trust management

1. When state institutions transfer property into trust management, tax liabilities on property tax, land tax and vehicle tax shall be executed by the trustee, unless otherwise established by the property trust management agreement or the act on the establishment of property trust management, with the exception of electric power networks that are on the right of economic management or in operational management of state legal entities, transferred into trust management or gratuitous use of energy transmission organizations, to whose electrical networks they are directly connected in accordance with Article 13-1 of the Law of the Republic of Kazakhstan On Electric Power Industry.

2. A trust manager fulfills tax obligations, unless otherwise provided for by a trust management agreement or an act on the establishment of trust management of assets, with regard to the calculation and payment of taxes, drawing up and filing tax returns from the date :

of state registration of the right to trust management - in the event that this right is subject to state registration in accordance with the legislation of the Republic of Kazakhstan,

of conclusion of a trust management agreement or an act on the establishment of trust management of assets - in the event that the right of trust management is not subject to state registration in accordance with the legislation of the Republic of Kazakhstan.

3. A trust manager:

fulfills tax obligations, unless otherwise provided for by a trust management agreement or an act on the establishment of trust management of assets, for the calculation and payment of taxes, drawing up and filing tax returns on his/her/its behalf, at rates and in accordance with the procedure set forth in the Special Part of this Code for persons, including this trust manager;

shall maintain separate accounting in accordance with Article 194 of this Code in order to fulfill a tax obligation in case of transferring assets into trust management.

4. If at the property transfer by state institutions to trust management the property of a state institution is not accounted for by the trustee as part of fixed assets, investments in real

estate in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting , then the deed of acceptance and transfer of such property should reflect the book value of such property as of the date of its compilation.

Footnote. Article 41 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020 № 382-VI (enforcement, Article 2).

Article 42. General provisions on the accounting of income, expenses and assets arising as a result of trust management of assets for corporate and individual income taxes

1. For the purposes of this Code, income, expenses and assets from trust management of assets shall be understood to mean those arising in the course of performance of duties of trust management of assets by a trust manager in his/her/its own name and in the interests of the founder of trust management, respectively:

income (to be) received;

expenses to be paid (incurred), the compensation of which is provided for by a trust management agreement, an act on the establishment of trust management of assets or in other cases of the emergence of trust management of assets, including remuneration;

assets acquired and (or) received by a trust manager through the performance of duties of trust management of assets in his/her/its own name and in the interests of the founder of trust management.

2. For the purposes of fulfilling a tax obligation for corporate and individual income taxes for activity under a trust management agreement, a trust manager is required to keep separate accounting in accordance with Articles 194 and 195 of this Code.

3. The transfer of assets to a trust manager by the founder of trust management shall not mean the sale of such assets by this founder and is not recognized as the income of the trust manager.

4. The trust manager’s return of assets to the founder of trust management upon termination of a trust management agreement, an act on the establishment of trust management of assets or in other cases of the emergence of trust management of assets is not the sale of this property by a given manager and is not considered to be the income (loss) of the founder of trust management.

5. The positive difference between income and expenses from trust management over a taxable period, which is determined on the basis of the trust manager’s report on his/her/its activity provided for by the civil legislation of the Republic of Kazakhstan, is net income of the founder of trust management from trust management.

6. In cases where, in accordance with paragraph 1 of Article 40 of this Code, the fulfillment of tax obligations for corporate and individual income taxes on trust management activity is performed by a trust manager, the founder of trust management is not entitled to

recognize as deduction the amount of remuneration provided for by the trust management agreement or in other cases of the emergence of trust management of assets and paid to the trust manager.

Article 43. Features of tax accounting by a trust manager fulfilling tax obligations for corporate and individual income taxes

1. In the event that a tax obligation for corporate and individual income taxes on trust management activity in accordance with Article 40 of this Code is fulfilled by a trust manager , income, expenses and assets from trust management of assets are income expenses and assets of the trust manager for income tax purposes.

Remuneration provided for by a trust management agreement or in other cases of the emergence of trust management of assets is included in the total annual income of a trust manager that is accounted separately from the proceeds from the trust management of assets.

Identifying a taxable item for trust management activity, a trust manager recognizes as deduction the amount of remuneration included in his/her/its total annual income that is accounted separately from the proceeds from the trust management of assets.

2. A trust manager shall draw up and submit a single corporate income tax declaration for all the activity, including that in the interests of the founder of trust management, and annexes to the declaration for trust management activity separately for each trust management agreement or another case of emergence of trust management of assets and other activities.

3. A trust manager that is a legal entity fulfills obligations for corporate income tax in accordance with the procedure set forth in this Code, with due regard to that:

the rate of corporate income tax on the activity on trust management of assets specified in paragraph 1 of Article 313 of this Code shall be applied;

the provisions of Chapter 29 and Section 21 of this Code for the activity on trust management of assets shall not apply;

special tax regimes for the activity on trust management of assets shall not apply.

4. In cases when the founder of trust management is a legal entity, a trust manager, who is an individual,:

fulfills a tax obligation for calculating individual income tax on the activity on trust management of assets at the rate specified in paragraph 1 of Article 313 of this Code without applying the provisions of Article 341 of this Code;

is not entitled to apply special tax regimes to the activity on trust management of assets;

fulfills other tax obligations for individual income tax in accordance with the procedure set forth in the Special Part of this Code for persons, including a trust manager.

5. In cases when the founder of trust management is a resident individual, a trust manager, who is an individual,:

fulfills a tax obligation for calculating individual income tax on the activity on trust management of assets without applying the provisions of Article 341 of this Code;

shall not be entitled to apply a special tax regime on trust management activity;

fulfills other tax obligations for individual income tax in accordance with the procedure set forth in the Special Part of this Code for persons, including a trust manager.

6. In cases when the founder of trust management is non-resident individual, a trust manager, who is an individual, fulfills tax obligations for individual income tax in accordance with the procedure determined by this Code, with due regard to that:

the rate specified in subparagraph 1) of paragraph 1 of Article 646 of this Code for the activity on trust management of assets shall be applied;

the provisions of Article 341 of this Code shall not apply;

special tax regimes shall not apply.

Footnote. Article 43 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall come into effect since 01.01.2018).

Article 44. Features of tax accounting for corporate and individual income taxes in case of trust management of assets in the form of participatory interest and shares

1. For the purposes of tax accounting:

income in the form of dividends on the participatory interest and shares held in trust, reduced by the amount of costs incurred by the trustee, reimbursed (reimbursable) on the basis of an agreement on trust management of property, an act on the establishment of trust management of property or other cases of occurrence of trust management of property and the trust manager's report on its activities (hereinafter -dividends from trust management), shall be deemed the income of the trust management founder;

assets from trust management of participatory interests and shares are assets of the founder of trust management.

Remuneration provided for by a trust management agreement, an act on the establishment of trust management of assets or in other cases of the emergence of trust management of assets, subject to payment to a trust manager, is the expense of the founder of trust management.

The income of a trust manager from trust management of participatory interests and shares shall include:

remuneration provided for by the act on the establishment of trust management of assets;

the amount of expenses incurred by a trust manager, the compensation of which is provided for by a trust management agreement, an act on the establishment of trust management of assets or in other cases of the emergence of trust management of assets and the trust manager’s report on his/her/its activity.

Expenses related to trust management of participatory interests and shares incurred by a trust manager, the compensation of which is provided for by a trust management agreement, an act on the establishment of trust management of assets or in other cases of the emergence of trust management of assets and the trust manager’s report on his/her/its activity are those of such trust managers, for the purposes of tax accounting.

Such expenses reduce the income of the founder of trust management in the form of dividends on participatory interests and shares that are in trust management and not accounted as costs and expenses of the founder of trust management.

2. The founder of trust management fulfills a tax obligation for corporate and individual income taxes in accordance with the procedure set forth in this Code.

3. A trust manager fulfills a tax obligation for corporate and individual income taxes on income, expenses and assets from trust management of participatory interests and shares in accordance with the procedure set forth in the Special Part of this Code for persons, including such a trust manager.

Footnote. Article 44 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 45. Features of tax accounting for corporate and individual income taxes on acts on the establishment of trust management of assets, except for participatory interest and shares

1. For the purposes of tax accounting:

income on property in trust management, except for participatory interest and shares, reduced by the amount of expenses incurred by a non-resident trust manager, reimbursed (subject to reimbursement) on the basis of an act on the establishment of trust management of assets and the trust manager's report on his/her/its activity, is the income of the founder of trust management;

assets from trust management of such assets belong to the founder of trust management;

remuneration provided for by an act on the establishment of trust management of assets, subject to payment to a trust manager, is the expense of the founder of trust management.

The income of a trust manager from trust management of assets, except for participatory interest and shares, shall include:

remuneration provided for by the act on the establishment of trust management of assets;

the amount of costs incurred by the trust manager, the compensation of which is provided for by the act on the establishment of trust management of assets and the trust manager's report on his/her/its activity.

Expenses related to trust management of assets, except for participatory interest and shares, incurred by a trust manager, the compensation of which is provided for by the act on the establishment of trust management of assets and the trust manager's report on his/her/its activity, are those of such a trust manager.

Such expenses reduce the income of the founder of trust management on assets, which are in trust management and not accounted as expenses of the founder of trust management.

2. The founder of trust management fulfills a tax obligation for corporate and individual income taxes on income from trust management and assets from trust management in accordance with the procedure set forth in this Code for persons, including such a founder.

3. A trust manager fulfills tax obligations for corporate and individual income taxes on income, expenses and assets from trust management in accordance with the procedure set forth in this Code for persons, including such a trust manager.

Article 46. Fulfillment of tax obligations of an individual declared missing

1. A tax obligation of an individual shall be suspended from the moment of his/her being declared missing by a final and binding court judgment.

2. Tax debt of an individual declared missing by court is paid by a person entrusted with the custody of assets of the individual declared missing.

3. If the assets of an individual declared missing are not sufficient to pay off tax debt, the outstanding part of his/her tax debt is written off by a tax authority pursuant to a court decision on insufficiency of assets.

4. When a court revokes a decision on declaring a person missing, the tax debt earlier written off by a tax authority is reinstated in court regardless of the limitation period established by Article 48 of this Code.

Article 47. Payment of tax debt of a dead individual

1. Tax debt, generated on the day of the death of an individual or on the day he/she was declared dead by a final and binding court judgment, shall be paid by his/her heir (heirs) within the value of inherited property and in proportion to the share in inheritance as of the day of coming into possession of it.

If the assets of a dead individual, also of an individual declared dead by a final and binding court judgment, are not sufficient to pay off his/her tax debt, the unpaid portion of the tax debt is written off by a tax authority pursuant to a court decision on insufficiency of assets .

2. If an heir (heirs) is (are) underage, an obligation to pay the tax debt of an individual, which generated on the day of his/her death or on the day he/she was declared dead, within the value of inherited property and in proportion to the share in inheritance as of the day of coming into possession of it is imposed on this (these) heir (heirs) only by a final and binding court judgment.

3. Tax debt of an individual, generated on the day of the death of an individual or on the day he/she was declared dead by a final and binding court judgment, is deemed paid in cases if:

1) underage heir (heirs) is (are) exempted from the fulfillment of the tax obligation to pay such debt by a final and binding court judgment;

2) there is no heir (heirs).

When a court revokes its decision on declaring an individual dead, the tax debt earlier written off by a tax authority is reinstated in a judicial proceeding regardless of the limitation period established by Article 48 of this Code.

4. The provisions of this article shall apply to the payment of tax debt generatedas of the date of the death of an individual entrepreneur, a private practice owner or declaring him/her dead by a final and binding court judgment.

Article 48. Periods of limitation of actions on tax obligation and claim

1. The limitation period for a tax obligation and claim shall be a period of time during which:

1) the tax authority has the right to calculate, charge or revise the calculated, assessed amount of taxes and payments to the budget;

2) a taxpayer (tax agent) is obliged to submit tax reports, has the right to make changes and additions to tax reports, to withdraw tax reports;

3) the taxpayer, (tax agent) has the right to demand offset and (or) refund of taxes and payments to the budget, penalty interest.

2. Unless otherwise provided by this article, the limitation period shall be three years.

3. The limitation period shall be five years, taking into account the specifics established by this article, for the following categories of taxpayers:

1) large businesses classified as such a category of entities in accordance with the Entrepreneur Code of the Republic of Kazakhstan;

2) carrying out activities in accordance with the subsoil use contract;

3) residents of the Republic of Kazakhstan who meet the terms of Chapter 30 of this Code ;

4) individuals whose lump-sum pension payments are not subject to standard tax deductions by the tax agent due to the individual submitting an application and supporting documents for the application of standard tax deductions after the date of withholding individual income tax from income in the form of lump-sum pension payments, in respect of the specified income.

4. The course of the limitation period shall begin after the end of the relevant tax period, except for the cases provided for by paragraphs 5, 6, 7, 8 and 12 of this article.

5. The taxpayer shall have the right to calculate, and the tax authority shall have the right to calculate and charge the amount of taxes:

1) when applying Chapter 80 and 80-1 of this Code for taxes specified in the investment contract providing for the implementation of an investment priority project, or an investment agreement - during the validity period of such a contract or agreement and five years from the expiration date or other termination of an investment contract or agreement;

2) when applying subparagraph 4) of paragraph 1 of Article 288 of this Code - during the training period of an individual and five years from the date of completion of the training of an individual.

6. For taxpayers operating in accordance with a subsoil use contract, the tax authority, during the validity term of the subsoil use contract and five years after the subsoil use contract

expiration, shall have the right to assess or revise the calculated, accrued amount of the following taxes, payments to the budget:

excess profit tax;

the share of the Republic of Kazakhstan under the production sharing;

taxes and payments to the budget, in whose calculating methodology one of the following indicators is used: internal rate of return (IRR) or internal profit rate or R-factor (profitability indicator).

6-1. The taxpayer has the right to calculate, and the tax authority has the right to calculate and accrue the amount of taxes and payments to the budget for the period of validity of the agreement on investment obligations concluded in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, during the period of validity of such an agreement and five years from the date of expiration or other termination of the agreement on investment obligations, starting from January 1 of the year following the year of termination of such an agreement.

7. The course of the limitation period shall begin in the following cases:

1) application of paragraph 1 of Article 432 of this Code on the tax obligation and the requirement to return the amount of excess value added tax for the period of construction of buildings and structures for industrial purposes - after the end of the tax period in which such buildings and structures were first put into operation on the territory of the Republic of Kazakhstan;

2) application of paragraph 2 of Article 432 of this Code on the tax obligation and the requirement to return the amount of excess value added tax for the period of exploration and development of the deposit - after the end of the tax period, which accounts for the beginning of the export of minerals extracted under the relevant contract for subsoil use, with the exception of widespread minerals, groundwater and therapeutic mud.

If the export was made before January 1, 2016, the limitation period shall begin on January 1, 2016;

3) the return and (or) offset in accordance with Article 104 of this Code of the confirmed amount of the excess value added tax specified in Article 432 of this Code - after the end of the tax period in which the authenticity of the amount of the excess value added tax presented for the return has been confirmed, including on the basis of appealing the results of the audit in accordance with the legislation of the Republic of Kazakhstan.

8. For the purposes of calculating or revising the calculated, assessed amount of value added tax specified in subparagraphs 1) and 2) of paragraph 7 of this article, the limitation period shall begin after the end of the tax period in which the taxpayer submits a value added tax declaration with demand for the refund of the excess value added tax.

9. The limitation period shall be extended:

1) for one calendar year - in the case of submission by a taxpayer (tax agent) of additional tax reporting for the period for which the limitation period established by paragraphs 2 and 3

of this article expires in less than one calendar year, in terms of the calculation and (or) revision of the calculated amount of taxes and payments to the budget;

2) for three calendar years - if the taxpayer (tax agent) submits additional tax returns with amendments and additions regarding the transfer of losses for the period after which the limitation period established by paragraphs 2 and 3 of this article expires in less than one calendar year , regarding the accrual and (or) revision of the calculated amount of corporate income tax to the budget;

3) prior to the execution of the decision made based on the results of consideration of the complaint (application), in the following cases:

appeals by a taxpayer (tax agent) in the manner prescribed by the legislation of the Republic of Kazakhstan, of audit findings report, notification of horizontal monitoring findings, as well as actions (inaction) of officials of tax authorities - in the disputed part;

consideration of a non-resident's tax application for a refund of income tax from the budget on the basis of an international agreement;

appeals by a non-resident in the manner determined by the legislation of the Republic of Kazakhstan against a decision of a tax authority made upon the results of consideration of a tax application for a return of income tax from the budget on the basis of an international agreement

appeal by a non-resident of a decision of an authorized body made following the results of consideration of a complaint by a non-resident against the decision of a tax body specified in paragraph four of this sub-paragraph;

4) before the execution of the decision of the authorized body and (or) the competent body of a foreign state, adopted as a result of the mutual agreement procedure, in the event that the authorized body carries out the mutual agreement procedure in accordance with Article 221 of this Code;

5) prior to the execution of the notification on the elimination of violations revealed by the tax authorities based on the results of an in-house audit, sent and delivered before the expiration of the limitation period, in terms of the violations identified;

6) from the date of delivery of the recommendation based on the horizontal monitoring findings until execution of the decision based on the horizontal monitoring findings;

7) if the investor initiated proceedings in international arbitration, then the tax authority has the right to charge or revise the calculated, assessed amount of taxes and payments to the taxpayer's budget, in respect of which the investor initiated proceedings, for the period from the moment of the period contested by the investor and until the final decision on to this arbitration - within five years after the completion of such arbitration;

8) for three calendar years from the date of completion of the provision of services for collection activities in respect of debt under a debt collection agreement established by the

legislation of the Republic of Kazakhstan, in terms of the calculation and (or) revision of the calculated, assessed amount of taxes and payments to the budget of the taxpayer carrying out collection activities.

10. The limitation period regarding the accrual or revision of the calculated, assessed amount of taxes and payments to the budget shall be suspended for the period:

preparation and submission of a written objection by a taxpayer (tax agent) to a preliminary tax audit act and its consideration by the tax authority in the manner determined by the legislation of the Republic of Kazakhstan;

sending requests and receiving documents and (or) information on them during a tax audit in accordance with the legislation of the Republic of Kazakhstan on transfer pricing. At the same time, the total limitation period regarding the revision of the calculated, assessed amount of taxes and payments to the budget, taking into account its suspension, cannot exceed seven years;

time from the date of completion of the tax audit until the completion of criminal proceedings in the case of a tax audit conducted as part of a pre-trial investigation.

11. The accrual or revision of the calculated amount of taxes and payments to the budget for the action (actions) on the issuance of an invoice, performed (committed) with a private enterprise entity without the actual shipment of goods, performance of work, provision of services, shall be carried out by the tax authority for the tax obligation and (or) a demand on the basis of a decision, sentence, or court ruling that has entered into legal force - within the limitation period.

12. An excessively (erroneously) paid amount of tax and payment to the budget, penalties shall be offset and (or) returned in the amounts paid during the current year and previous calendar years within the action limitation period established by paragraphs 2 and 3 of this article, except for the case established by Article 108 of this Code.

Footnote. Article 48 as amended by the Laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement Art 2); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2021).

Chapter 6. Change in the deadlines for fulfilling the tax obligation to pay taxes, state duties and (or) fees. Grounds for termination of tax liability. Investment tax credit

Footnote. The title of Chapter 6 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 49. General provisions on changing deadlines for the fulfillment of tax obligations to pay taxes and (or) fees

1. Change of deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees is extension of the time period established by this Code for their payment or postponement of atax debt maturity date. The provisions of this paragraph do not apply to the amounts of fines.

For the purposes of this chapter, fees shall be understood to mean those for:

land use;

surface water use;

negative impact on the environment.

2. Change of deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees is made in the form of deferred payment, payment by installments of taxes and (or) fees calculated by a taxpayer in accordance with filed tax returns, as well as assessed by a tax authority subsequent to the results of tax audits, data furnished by state bodies.

Deadlines for the payment of taxes and (or) fees may be changed in respect of the entire amount of tax payable and (or) fee or part thereof.

3. Deadlines for the fulfillment of tax obligation on taxes withheld at the source of payment, excises, value added tax on goods imported from the territory of the Eurasian Economic Union member states, signature bonus, also taxes received in accordance with the budget legislation of the Republic of Kazakhstan by the National fund of the Republic of Kazakhstan, are not subject to change.

Deadlines for the payment of indirect taxes on imported goods, except for goods imported from the territory of the member states of the Eurasian Economic Union, are changed with respect to value-added and excise taxes, except for excise tax on imported goods subject to marking in accordance with this Code in accordance with the procedure specified in paragraphs 9 and 10 of this article.

4. Deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees may not be changed if a tax authority suspends its previous decision to change deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees due to the taxpayer's disruption of the schedule for the fulfillment of a tax obligation within three years preceding the day of the taxpayer's submission of an application for changing deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees.

5. Change of deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees is made against the pledge of assets of a taxpayer and (or) a third party and (or) under bank guarantee.

6. A tax application for changing deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees shall be submitted by a taxpayer in the form set by the authorized body together with an estimated schedule for the payment of taxes and (or) fees.

7. Change of deadlines for the fulfillment of a tax obligation to pay taxes and (or) fees does not exempt a taxpayer from paying a penalty for their late payment in accordance with Article 117 of this Code, except for the case of granting a deferred payment or payment by installments of taxes and (or) fees:

within the procedure for resolving insolvency provided for by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

on the ground set forth in subparagraph 1) of paragraph 2 of Article 51 of this Code.

8. The provisions of this chapter shall also apply when allowing a deferred payment or payment by installments of penalties.

9. A ground for changing deadlines for the payment of indirect taxes on imported goods is a declaration of goods placed under the customs procedure for release for home use in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan to a customs authority.

Change of deadlines for the payment of indirect taxes on imported goods is made:

1) upon submission to a customs authority of documents provided for by the customs legislation of the Eurasian Economic Union and (or) customs legislation of the Republic of Kazakhstan, for customs clearance of such imported goods in full;

2) if persons who, as a result of the application of the risk management system established by the authorized body, are classified as persons of a low risk.

Change of deadlines for the payment of indirect taxes on imported goods in accordance with this article is made by entering the calculated amount of tax into personal account by a tax authority on the 20th day of a month following the month in which the imported goods for home use were produced in accordance with the customs legislation of the Eurasian Economic union and (or) the customs legislation of the Republic of Kazakhstan.

10. Change of deadlines for the payment of VAT on imported goods is made:

1) upon submission to a customs authority of documents provided for by the customs legislation of the Eurasian Economic Union and (or) customs legislation of the Republic of Kazakhstan, for customs clearance of such imported goods in full;

2) if a person importing the goods is an authorized economic operator in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

3) a person importing goods into the customs territory of the Eurasian Economic Union from the territory of the port's special economic zone or the logistics special economic zone is a participant in the port's special economic zone or a participant in the logistics special economic zone.

An additional reason for changing the deadline for paying indirect taxes on imported goods for the persons specified in Subparagraph 3) of part one of this Paragraph shall be the availability of tax payment in the amount not less than 167 000-time monthly calculation indexes.

A ground for changing deadlines for the payment of indirect taxes on imported goods is a declaration of goods placed under the customs procedure for release for home use in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan to a customs authority.

Change of deadlines for the payment of indirect taxes on imported goods in accordance with this article is made by entering the calculated amount of tax into personal account by a tax authority on the 20th day of the third month following a month in which the imported

goods for home use were produced in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Footnote. Article 49 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 02.01.2021 № 402-VI (effective from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023)

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Article 49-1.Ivestment tax credit

1. An investment tax credit is a change in the deadline for paying taxes for the upcoming periods, in which taxpayers are given the opportunity to reduce their tax payments by 100 percent within a certain period, followed by a phased payment of the loan amount.

An investment tax credit may be granted on corporate income tax and/or property tax for up to three years.

2. The procedure for reducing tax payments shall be determined by the concluded agreement on an investment tax credit.

3. If the taxpayer has a loss, the transfer of the loss is carried out in the manner prescribed by Article 300 of this Code. Furthermore, the term of the investment tax credit shall not be extended.

Footnote. Chapter 6 is supplemented by Article 49-1 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 50. The body authorized to make a decision on changing the deadline for the fulfillment of a tax obligation to pay taxes and (or) fees or to grant an investment tax credit

Footnote. The heading of Article 50 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

1. A decision on changing a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees received by the state budget, and also those distributed between the state and local budgets, shall be made by a tax authority at the location of a taxpayer.

2. A decision on changing a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees received in full by local budgets shall be made by a tax authority at the place of their payment, specified by the Special Part of this Code.

3. The decision to grant an investment tax credit shall be made on the basis of a taxpayer's application and formalized by an agreement in the established form between the applicant and the authorized investment body.

An investment tax credit agreement must contain the following provisions:

procedure for reducing tax payments;

duration of the agreement;

a ban on the sale or transfer into possession, use or disposal of equipment or other property to other persons, the acquisition of which by the taxpayer was a condition for granting an investment tax credit;

responsibilities of the parties.

The taxpayer shall send a copy of the agreement to the tax authority at the taxpayer's registration place no later than five calendar days from the date of its submission to the authorized body for investments.

The procedure for concluding an agreement on an investment tax credit for obtaining an investment tax credit shall be determined by the authorized body for investments in agreement with the authorized body and the central authorized body for state planning.

Footnote. Article 50 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 51. Order and conditions for deferrals or payment by installments of taxes and (or) fees

1. Deferrals or payment by installments of taxes and (or) fees is changing deadlines for the payment of taxes and (or) fees given the grounds provided for by this article, with one-time or phased payment of taxes and (or) fees, respectively.

Deferred one-time payment of taxes and (or) fees is allowed for a period not exceeding six months.

An installment plan with monthly or quarterly payment of taxes and (or) fees in equal installments is granted for a period not exceeding three years. At the same time, an installment plan for the payment of taxes and (or) fees for a period of more than one year can only be granted against the pledge of real estate of the taxpayer and (or) a third party and (or) against a bank guarantee.

Deferrals or payment by installments may be allowed for one or several taxes and (or) fees.

2. Deferrals or payment by installments of taxes and (or) fees may be allowed to a taxpayer whose financial position does not allow the payment of a tax and (or) fee before the prescribed deadline, but there are reasonable grounds to believe that the possibility of their payment will arise within the time period for which deferrals or payment by installments is allowed, given one of the following grounds:

1) damage to the taxpayer was caused as a result of force majeure (emergency situations of social, natural, technogenic, ecological nature, military actions and other circumstances of force majeure);

2) the production and (or) sale of goods, works or services by the taxpayer is seasonal;

3) the property status of an individual not registered as an individual entrepreneur (without regard to assets which, in accordance with the legislation of the Republic of Kazakhstan, may not be foreclosed on) rules out the possibility of one-time tax payment;

4) a court declared a decision to apply the procedure for resolving insolvency;

5) the taxpayer's basic activity is part of an economic sector of strategic importance according to the laws of the Republic of Kazakhstan;

6) the taxpayer filed additional tax returns;

7) the taxpayer's consent to the amounts of charged taxes and (or) fees specified in the audit findings report. The provisions of this subparagraph shall not apply to taxpayers whose period from the date of registration as a taxpayer to the date of filing an application for a deferral or installment is less than five years.

3. The following documents shall be attached to an application for changing a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees:

1) a list of counterparties-debtors of a taxpayer with the prices of contracts concluded with relevant counterparties-debtors (the amount of other obligations and grounds for their emergence), and deadlines for their fulfillment, as well as copies of these contracts (documents confirming the existence of other grounds giving rise to an obligation). The provisions of this subparagraph do not apply to an individual not registered as an individual entrepreneur, a private practice owner;

2) documents confirming the existence of grounds for changing deadlines for the payment of taxes and (or) fees specified in paragraph 4 of this article;

3) documents on assets that can be a pledged item with an attached report of an appraiser on the market value of assets to be pledged or a bank guarantee agreement concluded between a guarantor bank and a taxpayer, and a bank guarantee. This appraiser's report on the market value of pledged assets must be drawn up within ten business days prior to the taxpayer's submission of an application for deferrals or payment by installments.

4. Documents confirming the existence of grounds for changing a deadline for the payment of taxes and (or) fees on the ground provided for by:

subparagraph 1) of paragraph 2 of this article areconfirmation by relevant authorized state bodies of the commencement of force majeure in respect of a taxpayer;

subparagraph 2) of paragraph 2 of this article are a document drawn up by a taxpayer to confirm that the share of his/her/its income from seasonal branches and activities in his/her/its total income from the sale of goods, works, services, is at least 50 percent;

subparagraph 3) of paragraph 2 of this article are data on the income for a year preceding the date of submission of the application, on movables and real estate of an individual, furnished by a relevant authorized body within ten business days prior tothe application's submission.

5. A decision to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees or to refuse to change it is made by a body authorized to make such a decision in accordance with Article 50 of this Code, within twenty business days from the receipt of the taxpayer's application in the form established by the authorized body. Alongside this, a schedule for the tax obligation fulfillment shall be attached to the decision on granting an installment plan for the payment of taxes and (or) fees.

A decision to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees shall take effect on the day of its signing.

6. A decision to refuse the change of a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees must be well-reasoned.

7. The schedule for the fulfillment of a tax obligation may be revised on the basis of a motivated application of the taxpayer.

At the same time, the schedule for the tax obligation fulfillment can be revised no more than once.

Footnote. Article 51 as amended by Law of the Republic of Kazakhstan № 213-VI dated 03.01.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.03.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 51-1. Conditions for granting an investment tax credit

1. An investment tax credit shall be granted to taxpayers on the basis of an investment tax credit agreement.

2. Taxpayers may not apply for an investment tax credit in one of the following conditions :

1) applying special tax regimes provided for by Section 20 of this Code;

2) engaged in the production and (or) sale of all types of alcohol, alcoholic products, tobacco products;

3) taxation of taxpayers is carried out in accordance with Sections 21 and 23 of this Code.

Footnote. Chapter 6 supplemented by Article 51-1 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 51-2. The procedure and conditions for granting a deferral on the payment of state duties in the courts

1. A change in the deadline for payment of the state duty shall be carried out in the form of a deferral in the payment of the state duty when the court issues a ruling on the deferral in the payment of the state duty.

2. A deferral in the payment of state duty in the courts is a change in the deadline for payment of the state duty based on the property status of an individual or the financial situation of a legal entity, with the exception of a large business entity.

3. A deferral shall be granted if there are grounds provided for in this article, for a period not exceeding one year from the date of the court’s ruling to defer the payment of the state duty.

In this case, an individual or legal entity has the right to pay the amount of the state duty partially and (or) ahead of schedule before the end of the deferral period.

4. A deferral may be granted to an individual based on his property status, or to a legal entity, with the exception of a large business entity, based on the financial situation that does

not allow paying the state fee when filing a claim, but there are sufficient grounds to believe that the possibility of paying it will arise during the period for which the deferral is granted if one of the following grounds exists:

1) damage caused by a natural disaster or technological disaster;

2) late payment of wages to an individual;

3) registration as an unemployed person;

4) a serious illness of an individual and being under treatment for more than three months;

5) failure to pay a legal entity money for goods supplied, work performed, services rendered to it;

6) the seasonal nature of production and (or) sale of goods, works or services by a legal entity;

7) provision of targeted social assistance.

5. After issuing a ruling on a deferral in the payment of the state duty, the courts shall send a copy of the ruling on the deferral in the payment of the state duty to the tax authorities at the place of hearing on the cases.

Footnote. Chapter 6 has been supplemented with Article 51-2 in accordance with the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 52. Conditions for concluding an asset pledge agreement

An asset pledge agreement shall be concluded within ten business days from the taxpayer' s submission of an application for changing a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees, given that:

1) the content of the pledge agreement meets the requirements established by the legislation of the Republic of Kazakhstan;

2) an asset to be pledged must be insured against loss or damage, and its market value must at least equal the amount of taxes and (or) fees specified in the application for changing a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees, inclusive of the penalty assessed for the period of deferrals or payment by installments, as well as the expenses associated with its sale in case of the taxpayer's disruption of the schedule for payment of taxes and (or) fees. The following items may not be pledged:

life support facilities;

electric, thermal and other types of energy;

distrainedassets;

property on which restrictions are imposed by state bodies, with the exception of restrictions imposed by state revenue bodies;

assets encumbered with the rights of third parties;

the only housing of an individual, an individual entrepreneur, a person engaged in private practice;

perishable raw materials, food products;

3) repledging of assets provided as collateral is not allowed;

4) where the Laws of the Republic of Kazakhstan provide for compulsory state registration of an asset pledge agreement, a taxpayer shall, within five working days from the conclusion of a pledge agreement, submit to a tax authority, making a decision to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees, a document confirming the registration of the pledge agreement with State Corporation "Government for Citizens".

Footnote. Article 52 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 20.12.2021 № 85-VII (shall be enforced from 01.03.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 53. Bank guarantee

1. Under a bank guarantee, a bank (guarantor) has a duty to fulfill a taxpayer's obligation to pay taxes and (or) fees in case of violation by the taxpayer of conditions for allowing deferrals, payment by installments of taxes and (or) fees.

2. A bank guarantee must meet the following requirements:

1) the content of a bank guarantee must comply with the requirements established by the legislation of the Republic of Kazakhstan;

2) a bank guarantee must be irrevocable;

3) the validity period of a bank guarantee shall expire at least six months after the expiration of a deadline set for a taxpayer to fulfill an obligation to pay taxes and (or) fees secured by a bank guarantee;

4) the amount, for which a bank guarantee was issued, shall secure the guarantor's fulfillment of a taxpayer's obligation to pay taxes and (or) fees in full.

3. A guarantor shall fulfill a bank guarantee obligation within three business days from the day a claim for the money under the bank guarantee is received.

4. A guarantor is not entitled to refuse a tax authority to satisfy a claim for the money under a bank guarantee (unless such a claim is presented to a guarantor after the period of validity of a bank guarantee).

Article 54. Termination of deferral, payment by installments and investment tax credit

Footnote. The heading of Article 54 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

1. Deferral, installment and investment tax credit shall be terminated upon expiry of the relevant decision or agreement.

2. Deferral, installment and investment tax credit shall be terminated, including ahead of schedule, in the following cases:

1) payment by a taxpayer of the entire amount of taxes and (or) fees before the expiration of the set deadline;

2) breach by the taxpayer of the conditions for granting deferrals, installments and investment tax credits for the payment of taxes and (or) fees;

3) lodging a complaint against an audit findings report within the period specified in the decision of a tax authority to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees specified in the audit findings report - if deferrals and payment by installments are allowed on the ground set forth in subparagraph 7) of paragraph 2 of Article 51 of this Code. If the case, specified in this subparagraph, occurs, the decision to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees terminateson the day the tax authority makes a relevant decision;

4) by a court resolution;

5) delay of the due date established by the schedule for the fulfillment of tax obligation on paying taxes and (or) fees for more than five working days.

3. A tax authority that made a decision to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees may terminate it and send a notice of annulment of the decision to change a deadline for the fulfillment of a tax obligation to pay taxes and (or) fees to the taxpayer within five business days from the date of the decision.

4. If during the term of the investment tax credit agreement the taxpayer who has entered into it violates the conditions provided for by the agreement for the sale or transfer into possession, use or disposal of equipment or other property to other persons, the acquisition of which was the basis for granting an investment tax credit, this taxpayer is obliged during the tax period following the reporting date from the date of termination of the investment tax credit agreement, to pay all previously unpaid tax amounts in accordance with the agreement, as well as the corresponding penalties accrued for each calendar day of the investment tax credit agreement in the amount of 1.25 times the base rate National Bank of the Republic of Kazakhstan on the date of payment for the period from the conclusion to the termination of the said agreement.

Footnote. Article 54 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (effective from 01.01.2023).

Article 55. Order for the foreclosure and sale of pledged assets, and also for the demand to execute a bank guarantee

1. Upon termination of the deferral or installment plan in the cases established by subparagraphs 2) and 5) of paragraph 2 of Article 54 of this Code, the tax authority shall foreclose on the pledged assets of the taxpayer and (or) a third party or require execution of the bank guarantee.

2. The sale of assets pledged by a taxpayer and (or) a third party shall be carried out by an authorized legal person through auctions.

The procedure for the sale of assets pledged by a taxpayer and (or) a third party, as well as the taxpayer’s (tax agent’s) assets on which restrictions are imposed, is determined by the authorized body.

3. A tax authority, within five business days from expiration of a deadline for the execution of a demand for the payment of taxes and (or) fees, shall submit a request to a guarantor for the payment of the amount of money under a bank guarantee.

Footnote. Article 55 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 56. Termination of tax obligations

1. A tax obligation of an individual shall be terminated in the event of:

1) his/her death;

2) declaring him/her dead by a final and binding court judgment.

2. A tax obligation of an individual entrepreneur shall be terminated after the individual entrepreneur ceases to operate in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

3. A tax obligation of a legal entity shall be terminated:

1) after its liquidation;

2) after its reorganization through incorporation (in respect of an incorporated legal entity) , merger and separation.

Chapter 7. FULFILLMENT OF TAX OBLIGATIONS IN THE EVENT OF LIQUIDATION, REORGANIZATION, TERMINATION OF ACTIVITY OF A TAXPAYER

Article 57. General Provisions

The provisions of this chapter apply, if a taxpayer adopts a resolution on reorganization through merger, incorporation, separation, liquidation or termination of activity.

Article 58. Fulfillment of tax obligations of a legal entity in liquidation, as well as in the event of termination of activity in the Republic of Kazakhstan of a structural unit, permanent establishment of a non-resident legal entity

1. A resident legal entity, within three business days from the day of adoption of a resolution on liquidation, shall notify thereof the tax authority at the place of its location in writing.

2. Within three business days from the day of approval of an interim liquidation balance sheet, a legal entity in liquidation shall submit to the tax authority at the place of its location all of the following documents:

1) a tax application for a tax audit;

2) liquidation tax returns.

3. Liquidation tax returns shall be drawn up by types of taxes, payments to the budget and social welfare payments for which a legal entity in liquidation is a payer and (or) a tax agent, for the period from the beginning of a taxable period, within which a tax application for a tax audit was submitted, until the date of submission of such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

4. A legal entity in liquidation shall pay taxes, payments to the budget and social welfare payments entered into liquidation tax returns, within ten calendar days from the day of filing liquidation tax returns witha tax authority.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the period specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the date of filing liquidation tax returns with a tax authority.

5. Tax authorities shall initiate a tax audit within twenty business days from the receipt of a tax application of a legal entity in liquidation by a tax authority.

6. Tax debt of a legal entity in liquidation arising, among other things, on the grounds specified in paragraphs 4 and 11 of this article, shall be paid at its expense, including proceeds from the sale of its assets, in order of priority established by the laws of the Republic of Kazakhstan. Concurrently, the tax debt of structural units, permanent establishments, structural units of a non-resident legal entity shall be paid in case of joint fulfillment of tax obligations by such a non-resident legal entity with a group of permanent establishments, structural units of legal entities through a permanent establishment, a structural unit terminating activity.

7. If the assets of a legal entity in liquidation are not sufficient to fully pay its tax debt, the remaining part of the tax debt is paid by the founders (participants) of the legal entity in liquidation in cases established by laws of the Republic of Kazakhstan.

8. If a legal entity in liquidation has amounts of taxes, payments to the budget and penalties paid in excess, the latter are subject to offset against the tax debt of the legal entity in liquidation in accordance with the procedure set forth in Article 102 of this Code.

In the event that a legal entity in liquidation has amounts of taxes, payments to the budget and penalties paid erroneously, these amounts are subject to offset in accordance with the procedure set forth in Article 103 of this Code.

9. If, before the date of its VAT deregistration, a legal entity in liquidation has the amount of VAT to be offset in excess of the amount of assessed tax, which is refundable in accordance with Chapter 49 of this Code, the excess shall be returned to the legal entity in liquidation in accordance with the procedure set forth in Article 104 of this Code.

10. If a legal entity in liquidation has no tax debts,:

1) erroneously paid amounts of taxes, payments to the budget and penalties are subject to return to this legal entity in accordance with the procedure set forth in Article 103 of this Code;

2) amounts of taxes, payments to the budget and penalties paid in excess are subject to return to this legal entity in accordance with the procedure set forth in Article 101 of this Code;

3) paid amounts of fines are subject to return to this legal entity on the grounds and in accordance with the procedure set forth in Article 106 of this Code;

4) amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid to the budget in excess (erroneously) are subject to return to this legal entity in accordance with the procedure established by the customs legislation of the Republic of Kazakhstan.

11. If an obligation arises to calculate and pay taxes and payments to the budget, social welfare payments for the period fromthe date of filing liquidation tax returns until that of completion of a liquidation tax audit, a legal entity in liquidation is obliged to fulfill such obligations pursuant to the notice of a tax authority specified in subparagraph 3) paragraph 2 of Article 114 of this Code.

12. In case of generation of income in the form of dividends of individuals and non-residents subject to taxation at the source of payment during the period from the day after the dayon which a liquidation tax audit was completed until that of approval of a liquidation balance sheet, a legal entity in liquidation shall file with the tax authority at its location additional tax returns along with liquidation tax returns on such a tax obligation and fulfill it in full.

13. After the completion of a tax audit and performance of the provisions specified in paragraph 12 of this article, a legal entity in liquidation shall submit a liquidation balance sheet to the tax authority at its location.

A legal entity in liquidation submits a liquidation balance sheet within three business days from the completion of a tax audit and performance of the provisions specified in paragraph 12 of this article, provided all of the following requirements are met:

1) absence of tax debt, arrears in social welfare payments;

2) absence ofamounts of taxes, payments to the budget, penalties and fines paid in excess (erroneously);

3) absence of VAT amount to be offset exceeding the assessed tax amount subject to refund in accordance with Chapter 49 of this Code;

4) absence of unfulfilled tax application for offsetting and (or) refunding amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid in excess (erroneously).

In the event of tax debts, arrears in social welfare payments, amounts of taxes, payments to the budget, penalties and fines paid in excess (erroneously) and (or) VAT amount to be offset exceeding the assessed tax amount subject to refund in accordance with Chapter 49 of this Code, a legal entity in liquidation shall submit a liquidation balance sheet within three business days from the date, whichever comes last:

1) of the payment of tax debt, arrears in social welfare payments;

2) of refund of amounts of taxes, payments to the budget, penalties and fines paid in excess (erroneously);

3) of refund of VAT amount to be offset exceeding the assessed tax amount subject to refund in accordance with Chapter 49 of this Code;

4) of refund of amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid in excess (erroneously).

14. A tax obligation of the structural unit of a non-resident legal entity terminating its activity in the Republic of Kazakhstan, as well as the permanent establishment of a non-resident legal entity shall be fulfilled in accordance with the procedure set forth in this article.

15. The provisions of this article shall not apply to resident legal entities in liquidation in case they choose to comply with special considerations in fulfilling tax obligations set forth inArticles 59 or 60 of this Code.

Article 59. Features of fulfilling tax obligations by certain categories of resident legal entities in liquidation

1. This article sets forth special considerations in the fulfillment of a tax obligation of a resident legal entity in liquidation meeting all ofthe following requirements:

1) is a value added tax payer who does not carry out financial and economic activities from the date of registration for value added tax, or is not a value added tax payer;

2) it does not apply a special tax regime to producers of agricultural products, aquaculture products (fish farming) and agricultural cooperatives;

3) itwas not reorganized or is not the legal successor of a reorganized legal entity.

The provision of this subparagraph does not apply to legal entities reorganized through transformation;

4) is not included in the list of selective tax audits based on the results of measures of the risk assessment system or is not included in the semi-annual schedule of tax audits conducted in a special order based on risk assessment, as well as periodic tax audits based on risk assessment;

5) it is not registered as a taxpayer performing certain types of activities.

This article applies to resident legal entities meeting the requirements specified in this paragraph during the limitation period established by Article 48 of this Code. The provisions of this paragraph also apply to legal entities, which life span is less than the limitation period set forth by Article 48 of this Code.

2. In the event of adopting a resolution to liquidate, a legal entity submits to the tax authority at its location all of the following documents:

1) a tax application for the termination of its activity;

2) liquidation tax returns;

3) an interim liquidation balance sheet;

4) a tax application for deregistering a cash register in accordance with the procedure set forth in Article 169 of this Code.

A legal entity in liquidation submits the document specified in subparagraph 4) of part one of this paragraph in the event that the cash register is registered with a tax authority.

3. Liquidation tax returns shall be drawn up by types of taxes, payments to the budget and social welfare payments for which a legal entity in liquidation is a payer and (or) a tax agent, for the period from the beginning of a taxable period, within which a tax application for termination of activity was submitted, until the date of submission of such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

4. A legal entity in liquidation shall pay taxes, payments to the budget and social welfare payments entered into liquidation tax returns, within ten calendar days from the day of filing liquidation tax returns with a tax authority.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the period specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the day of filing liquidation tax returns with a tax authority.

5. A tax authority, within three business days from the receipt of a tax application for terminating activity of a legal entity in liquidation, shall submit a request for the period during which no tax audit was conducted with respect to the legal entity, within the limitation period set forth in Article 48 of this Code:

1) to authorized state bodies - concerning information on transactions with assets subject to state registration, made by a legal entity terminating its activity, as well as its assets as of the date of receipt of the tax authority's request;

2) to second-tier banks and (or) organizations carrying out certain types of banking operations - concerning information on balances and movements of money in bank accounts of a legal entity terminating its activity as of the date of receipt of the tax authority's request.

Information upon the requests of a tax authority specified in this paragraph shall be submitted within twenty business days from their receipt, unless otherwise specified by subparagraph 13) of part one of Article 24 of this Code.

6. A tax authority, within ten business days from the day of receipt of all the information provided for in paragraph 5 of this article, shall conduct an in-house audit and draw up an opinion in accordance with the procedure set forth in this Code.

An opinion reflects results of an in-house audit and a situation with settlements in respect of taxes, payments to the budget and social welfare payments.

An opinion shall be drawn up at least in two copies and signed by tax officials. One copy of the opinion is delivered, within three business days after its signing, to a legal entity in liquidation against signature or sent to it by registered mail with return receipt.

In case a postal or any other communication organization returns an opinion sent by a tax authority to a taxpayer (tax agent) in liquidation by registered mail with return receipt, the date of delivery of such an opinion shall be that of the tax audit, involving witnesses on the grounds and in accordance with the procedure set forth in this Code.

7. In case an in-house audit reveals violations, a legal entity in liquidation, within five business days from the receipt of an opinion, shall be delivered a notice of elimination of violations revealed in the course of the in-house audit in accordance with the procedure set forth inChapter 12 of this Code.

A legal entity in liquidation executes a notice of the elimination of violations revealed in the course of an in-house audit in accordance with the procedure set forth in Article 96 of this Code.

In case of a failure to execute a notice and (or) tax authorities' disagreement with explanations provided by a taxpayer, a tax audit shall be conducted with respect to a legal entity in liquidation. In this case, the tax audit must begin within ten business days after expiration of the deadline set for the execution of such a notice and (or) after obtaining an explanation of disagreement concerning revealed violations.

8. Tax debt of a legal entity in liquidation arising, among other things, on the grounds specified in paragraph 4 of this article, shall be paid at the expense of this person, including proceeds from the sale of its assets, in order of priority established by the laws of the Republic of Kazakhstan.

9. If the assets of a legal entity in liquidation are not sufficient to fully pay its tax debt, the remaining part of the tax debt is paid by the founders (participants) of the legal entity in liquidation in cases established by laws of the Republic of Kazakhstan.

10. If a legal entity in liquidation has no tax debts:

1) erroneously paid amounts of taxes, payments to the budget and penalties are subject to return to this legal entity in accordance with the procedure set forth in Article 103 of this Code;

2) amounts of taxes, payments to the budget and penalties paid in excess are subject to return to this legal entity in accordance with the procedure set forth in Article 101 of this Code;

3) paid amounts of fines are subject to return to this legal entity on the grounds and in accordance with the procedure set forth in Article 106 of this Code;

4) amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid to the budget in excess (erroneously) are subject to return to this legal entity in accordance with the procedure established by the customs legislation of the Republic of Kazakhstan.

11. In case of generation of income in the form of dividends of individuals and non-residents subject to taxation at the source of payment during the period beginning on the day a legal entity person receives an opinion on an in-house audit until that of approval of a

liquidation balance sheet, a legal entity in liquidation shall file with the tax authority at its location additional tax returns along with liquidation tax returns on such a tax obligation and fulfill it in full.

12. A legal entity in liquidation shall submit a liquidation balance sheet to the tax authority at its location.

A legal entity in liquidation submits a liquidation balance sheet within three business days from the receipt of an opinion on the results of an in-house audit if there is no tax debt, arrears in social welfare payments and provisions specified in paragraph 11 of this article are observed.

13. In case an in-house audit reveals violations with respect to tax debt, arrears in social welfare payments, a legal entity in liquidation submits a liquidation balance sheet within three business days from the payment of the tax debt, arrears in social welfare payments, provided that the violations revealed in the course of the in-house audit are eliminated, and provisions specified in paragraph 11 of this article are observed.

14. After submission of a liquidation balance sheet specified in Paragraph 12 of this Article and observance of provisions specified in Paragraph 13 of this Article, a tax authority shall send to the registering authority conducting state registration, reregistration of legal entities, state registration of termination of activities of legal entities, accounting registration, reregistration, deregistration of structural units, information on the absence (existence) of debts, the record of which is kept by tax authorities with regard to a legal entity in liquidation in accordance with the procedure and within the time limits established by Article 100 of this Code.

Footnote. Article 59 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 60. Features of the fulfillment of tax obligations by certain categories of resident legal entities in liquidation and individual entrepreneurs terminating activity pursuant to a tax audit report

1. This article sets forth special considerations in the fulfillment of a tax obligation by certain categories of resident legal entities in liquidation and individual entrepreneurs terminating their activities,meeting all of the following requirements:

1) total amount of the total annual income, with account of adjustments, of a legal entity in liquidation and an individual entrepreneur terminating activity, for the limitation period set forth in Article 48 of this Code does not exceed 150000 times the monthly calculated index established by the law on the republican budget and effective as of January 1 of a relevant financial year;

2) they have a tax audit report on taxes drawn up notearlier than twenty calendar days before the date of submission of a tax application for terminating activity to a tax authority;

3) they are or were not registered as a taxpayer performing certain types of activities during the limitation period set forth in Article 48 of this Code.

At the same time, if, pursuant to a tax audit report, obligations arise for calculating and paying taxes and payments to the budget, for calculating, withholding, transferring social welfare payments, such obligations are subject to fulfillment by a legal entity in liquidation or an individual entrepreneur terminating activity within ten calendar days from the day after the day on which the tax audit report in question was delivered to a taxpayer.

2. A resident legal entity, in the event of a resolution to liquidate, an individual entrepreneur in case of a decision to terminate an activity, submit to the local tax authority, all of the following documents:

1) a tax application for termination of activities;

2) liquidation tax returns;

3) audit opinion on taxes;

4) a tax application for deregistering a cash register in accordance with the procedure set forth by Article 169 of this Code.

The document specified in subparagraph 4) of part one of this paragraph shall be submitted by the legal entity in liquidation or individual entrepreneur terminating activity in the event that the cash register is registered with the tax authority.

3. Liquidation tax returns are drawn up by types of taxes, payments to the budget and social welfare payments for which the legal entity in liquidation or individual entrepreneur terminating activities is a payer and (or) tax agent for the period from the beginning of the taxable period in which the tax application forthe termination of activities is submitted, until the date of submission of such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

4. A legal entity in liquidation or individual entrepreneur terminating activity shall pay taxes, payments to the budget and transfer social welfare payments entered into liquidation tax returns within ten calendar days from the day of filing liquidation tax returns witha tax authority.

If the payment of taxes, payments to the budget and transfer of social welfare payments entered into tax returns filed before liquidation tax returns are due after the expiration of the period specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the day of filing liquidation tax returns witha tax authority.

5. If a legal entity in liquidation or an individual entrepreneur terminating activity has no tax debt:

1) erroneously paid amounts of taxes, payments to the budget and penalties are subject to return to this taxpayer in accordance with the procedure set forth in Article 103 of this Code;

2) amounts of taxes, payments to the budget and penalties paid in excess are subject to return to this taxpayer in accordance with the procedure set forth in Article 101 of this Code;

3) paid amounts of fines are subject to return to this taxpayer on the grounds and in accordance with the procedure set forth in Article 106 of this Code;

4) amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid to the budget in excess (erroneously) are subject to return to this legal entity in accordance with the procedure established by the customs legislation of the Republic of Kazakhstan.

6. A tax authority, within ten business days from the day of receipt of all the documents provided for in paragraph 2 of this article, shall conduct an in-house audit in accordance with the procedure set forth in Article 95 of this Code.

If tax authorities reveal violations in the course of an in-house audit, a legal entity in liquidation or individual entrepreneur terminating activity shall be delivered a notice of the elimination of violations in accordance with the procedure set forth in Chapter 12 of this Code.

The execution of the notice of the elimination of violations revealed in the course of an in-house audit is carried out by a legal entity in liquidation or an individual entrepreneur terminating activity in accordance with the procedure set forth in Article 96 of this Code.

Payment (transfer) of tax debts, arrears in social welfare payments is made by the taxpayer within ten calendar days from the execution of the notice of elimination of violations revealed by an in-house audit.

7. In cases of failure to execute a notice and (or) tax authorities' disagreement with explanations provided by a taxpayer, a tax authority shall conduct a tax audit in respect of a legal entity in liquidation or an individual entrepreneur terminating its activity with regard to facts and circumstances revealed in respectof such a taxpayer, which served as a ground for scheduling this audit.

8. In case of generation of income in the form of dividends of individuals and non-residents subject to taxation at the source of payment during the period from the day after the day on which an in-house audit was completed until that of approval of a liquidation balance sheet, a legal entity in liquidation shall file with the tax authority at its location additional tax returns along with liquidation tax returns on such a tax obligation and fulfill it completely.

9. In cases where the provisions set forth in paragraphs 4, 5, 6 and 8 of this article are observed and there are no tax debts, arrears in social welfare payments, as well as in case of elimination of violations revealed by an in-house audit conducted by a tax authority, a legal entity in liquidation submits a liquidation balance sheet to the tax authority at its location.

A legal entity in liquidation submits a liquidation balance sheet within fifteen business days from the receipt of documents specified in paragraph 2 of this article by a tax authority, provided that there is no tax debt, arrears in social welfare payments and provisions set forth in paragraph 8 of this article are observed.

In case an in-house audit reveals violations with respect to tax debt, arrears in social welfare payments, a legal entity in liquidation submits a liquidation balance sheet within three business days from the payment of the tax debt, arrears in social welfare payments, provided that the violations revealed in the course of the in-house audit are eliminated, and provisions specified in paragraph 11 of this article are observed.

10. After fulfillment of provisions specified in Paragraph 9 of this Article, a tax authority shall send to the registering authority conducting state registration, reregistration of legal entities, state registration of termination of activities of legal entities, accounting registration, reregistration, deregistration of structural units (hereinafter referred to as judicial bodies), information on the absence (existence) of debts the record of which is kept by tax authorities with regard to a legal entity in liquidation in accordance with the procedure and within the time limits established by Article 100 of this Code.

11. A tax obligation of an individual entrepreneur that terminated its activity is deemed fulfilled after an in-house audit, given the absence or paymentof tax debt, arrears in social welfare payments, and complete elimination of the violations revealed by the in-house audit.

12. The date of deregistration of an individual entrepreneur by a tax authority is that of fulfillment of the tax obligation in accordance with paragraph 11 of this article.

13. A tax authority shall, within three business days from the date specified in paragraph 12 of this article, deregister an individual entrepreneur.

Information on deregistration of an individual entrepreneur is placed on the website of the authorized body.

14. A tax authority shall refuse to deregister an individual entrepreneur within three business days after expiration of the deadline set by paragraph 6 of this article for the payment (transfer) of tax debt, arrears in social welfare payments.

A ground to deregister an individual entrepreneur is also an individual entrepreneur's failure to observe the provisions set forth in this article.

Footnote. Article 60 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019).

Article 61. Fulfillment of tax obligations of a resident legal entity's structural unit terminating its activity

1. If a resident legal entity resolves to terminate activity of its structural unit, a tax authority at the location of the structural unit of the resident legal entity shall be provided with all of the following documents:

1) a tax application for terminating activity;

2) a copy of the resolution of the resident legal entity to terminate the activity of its structural unit;

3) liquidation tax returns of the structural unit of the legal entity, unless otherwise provided for by this article.

2. Liquidation tax returns shall be drawn up by types of taxes, payments to the budget and social welfare payments for which a legal entity's structural unit terminating activity is recognized an independent payer, for the period from the beginning of a taxable period, within which it was resolved to terminate the activity of the structural unit of the legal entity, until the date of submitting a tax application for the termination of its activity.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

3. A legal entity's structural unit terminating its activity shall pay taxes, payments to the budget and social welfare payments entered into liquidation tax returns provided for by paragraph 2 of this article, within ten calendar days from the day of filing liquidation tax returns with a tax authority.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the period specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the date of filing liquidation tax returns.

4. In the event that a legal entity's structural unit terminating its activity is not recognized an independent payer of taxes, payments to the budget and social welfare payments, liquidation tax returns are not filed.

5. Tax debt, arrears in social welfare payments of the legal entity's structural unit terminating its activity are paid at the expense of the legal person that set up this structural unit.

Article 62. Fulfillment of tax obligations in case of reorganization of a legal entity through merger, incorporation, separation

1. A legal entity shall, within three business days from the adoption of a resolution on reorganization through merger, incorporation, separation, notify thereof the tax authority at its location in writing.

Within three business days from the approval of a certificate of transfer, a legal entity, reorganized through merger and incorporation, shall submit to the tax authority at its location all of the following documents:

1) liquidation tax returns;

2) certificate of transfer.

Liquidation tax returns are drawn up by types of taxes, payments to the budget and social welfare payments for which a legal entity being reorganized through merger and incorporation, is a payer and (or) tax agent for the period from the beginning of a taxable

period, within which a tax obligation for filing such returns arose, until the date of its filing with a tax authority.

An obligation to file liquidation tax returns in case of reorganization through merger is imposed on each legal entity incorporated by a newly established legal entity, in case of reorganization through incorporation – on an incorporated legal entity.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

In case of reorganization of a legal entity through separation, such an entity shall, within three business days from the approval of a separation balance sheet, submit the said balance to the tax authority at its location.

2. The fulfillment of a tax obligation of the reorganized legal entity is imposed on its successor (successors), except for filing liquidation tax returns.

3. Identification of a legal successor (successors), as well as participatory interest of the successor (successors) in the payment of the tax debt of a reorganized legal entity is carried out in accordance with the civil legislation of the Republic of Kazakhstan.

4. Reorganization of a legal entity is not a ground for changing deadlines for the fulfillment of its tax obligation to pay taxes, payments to the budget by the legal successor (successors) of this legal entity.

5. If a legal entity under reorganization has amounts of taxes, payments to the budget and penalties paid in excess, the said amounts shall be offset against the tax debt of the legal entity under reorganization in accordance with the procedure set forth in Article 102 of this Code.

In the event that a legal entity under reorganization has erroneously paid amounts of taxes , payments to the budget and penalties, the said amounts shall be offset in favor of the legal entity under reorganization in accordance with the procedure set forth in Article 103 of this Code.

6. If a legal entity under reorganization has no tax debt:

1) erroneously paid amounts of taxes, payments to the budget and penalties are subject to return to its successor (successors) in proportion to the share in the assets obtained by it (them) in the course of reorganization, in accordance with the procedure set forth in Article 103 of this Code;

2) amounts of taxes, payments to the budget and penalties paid in excess are subject to return to its successor (successors) in proportion to the share in the assets obtained by it (them) in the course of reorganization, in accordance with the procedure set forth in Article 101 of this Code.

7. In case of reorganization of a legal entity through separation in accordance with the decision of the Government of the Republic of Kazakhstan, the excess of VAT that a legal

entity under reorganization, which is a VAT payer, has as of the date of reorganization shall be transferred to its successor (successors).

At the same time, the excess of VAT that is subject to transfer to the successor (successors) under reorganization through separation of a legal entity is determined in proportion to the share of the residual value of fixed assets transferred to the successor (successors).

The residual value of fixed assets is calculated on the basis of the separation balance sheet of a legal entity under reorganization through separation.

This paragraph applies in case the controlling stock of a legal entity under reorganization through separation belongs to a national management holding.

8. A tax authority, within ten business days from the receipt of information from national registers of identification numbers on a legal entity under reorganization through:

1) merger, submits the balance of business accounts of legal entities incorporated in a newly established legal entity to the tax authority at the location of the newly established legal entity on the basis of the certificate of transfer;

2) incorporation, submits the balance of business account of the incorporated legal entity to the tax authority at the location of the legal entity that incorporated the said legal entity on the basis of the certificate of transfer;

3) separation, submits the balance of the business account of the legal entity that separated the newly established legal entity to the tax authority at the location of the newly established legal entity on the basis of the separation balance sheet.

Article 63. Fulfillment of tax obligations of a permanent establishment without setting up a structural unit of a non-resident legal entity transferring rights and obligations owing to the fact that the place of effective management (the location of the actual management body) is in the Republic of Kazakhstan

1. A non-resident legal entity having a permanent establishment in the Republic of Kazakhstan without setting up a structural unit and resolving to relocate the place of effective management (to change the location of the actual management body) from a foreign state to the Republic of Kazakhstan shall, within three business days after submitting a tax application for registration as a taxpayer in accordance with paragraph 2 of Article 76 of this Code, inform the tax authority at the location of such a permanent establishment in writing of the transfer of rights and obligations by such a permanent establishment to a legal entity, the place of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan.

Within fifteen calendar days from the day of registration as a taxpayer, a permanent establishment of the said non-resident legal entity is required to submit to the tax authority:

1) a tax application for deregistration;

2) liquidation tax returns;

3) certificate of transfer.

Liquidation tax returns are drawn up by types of taxes, payments to the budget and social welfare payments for which the permanent establishment transferring rights and obligations is a payer and (or) a tax agent for the period from the beginning of a taxable period, within which an obligation to file such returns arose, until the date of their filing with a tax authority.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

2. The fulfillment of the tax obligation of a permanent establishment transferring rights and obligations to a legal entity is imposed on such a legal entity established under the laws of a foreign state, the place of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan (successor).

3. The transfer of rights and obligations by a permanent establishment to a legal entity is not a ground for changing a deadline for the fulfillment of its tax obligation to pay taxes and payments to the budget by a legal entity established under the laws of a foreign state, the place of effective management (the location of the actual management body) of which is in the Republic Kazakhstan.

4. If a permanent establishment transferring rights and obligations to a legal entity has no tax debt, amounts of taxes, payments to the budget and penalties paid in excess (erroneously) are subject to return to the legal entity established under the laws of a foreign state, the place of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan.

5. A tax authority shall, within ten business days from the receipt of documents specified in paragraph 1 of this article, transfer the balance of the business account of a permanent establishment transferring rights and obligations to a legal entity to the tax authority at the location of the legal entity to which the rights and obligations of the permanent establishment are transferred, on the basis of the certificate of transfer.

Article 64. Fulfillment of tax obligations of a legal entity in case of reorganization through separation

1. A legal entity shall, within three business days from adopting a resolution on reorganization through separation, notify thereof a tax authority at its location in writing.

A legal entity under reorganization through separation, within three business days from the approval of a separation balance sheet, submits to a tax authority at its location all of the following documents:

1) a tax application for a tax audit;

2) liquidation tax returns.

2. Liquidation tax returns are drawn up by types of taxes, payments to the budget and social welfare payments for which a legal entity under reorganization is a payer and (or) a tax agent, for the period from the beginning of a taxable period, within which a tax application for a tax audit was submitted, until the date of submission of such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

3. Payment of taxes, payments to the budget and social welfare payments entered into liquidation tax returns shall be made by a legal entity under reorganization within ten calendar days from the day of filing liquidation tax returns with a tax authority.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the deadline specified in part one of this paragraph, payment (transfer) is made within ten calendar days from the day of filing liquidation tax returns.

4. A tax authority must initiate a tax audit within twenty business days after receiving a tax application of a legal entity under reorganization.

5. After the completion of a tax audit in the course of reorganization by separation, a legal entity under reorganization shall submit a separation balance sheet to a tax authority at its location.

If a legal entity under reorganization has amounts of taxes, payments to the budget and penalties paid in excess, the said amounts shall be offset against the tax debt of the legal entity under reorganization in accordance with the procedure set forth in Article 102 of this Code.

In the event that a legal entity under reorganization has amounts of taxes, payments to the budget and penalties paid erroneously, the said amounts are subject to offset in accordance with the procedure set forth in Article 103 of this Code.

If a legal entity under reorganization has no tax debt:

1) erroneously paid amounts of taxes, payments to the budget and penalties are subject to return to its successor (successors) in proportion to the share in the assets obtained by it (them) in the course of reorganization in accordance with the procedure set forth in Article 103 of this Code;

2) amounts of taxes, payments to the budget and penalties paid in excess are subject to return to its successor (successors) in proportion to the share in the assets obtained by it (them) in the course of reorganization in accordance with the procedure set forth in Article 101 of this Code;

3) amounts of customs duties, taxes, customs charges and penalties levied by the customs authorities paid to the budget in excess (erroneously) are refunded to its successor (successors) in proportion to the share in the assets obtained by it (them) in the course of reorganization in accordance with the procedure established by customs legislation Republic of Kazakhstan;

4) amounts of fines paid in excess (erroneously) shall be returned to its successor (successors) in proportion to the share in the assets obtained by it (them) in the course of reorganization in accordance with the procedure set forth in Article 106 of this Code.

A legal entity under reorganization submits the documents specified in this paragraph within three business days from the completion of a tax audit provided all of the following requirements are met:

1) absence of tax debt, arrears in social welfare payments;

2) absence of amounts of taxes, payments to the budget, penalties and fines paid in excess (erroneously);

3) absence of unfulfilled tax application for offsetting and (or) refunding amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid in excess (erroneously).

In the event of tax debts, arrears in social welfare payments, amounts of taxes, payments to the budget, penalties and fines paid in excess (erroneously), a legal entity under reorganization shall submit the documents specified in this paragraph within three business days from the date, whichever comes last,:

1) of the payment of tax debt, arrears in social welfare payments;

2) of refund of amounts of taxes, payments to the budget, penalties and fines paid in excess (erroneously);

3) of refund of amounts of customs duties, taxes, customs charges and penalties levied by customs authorities paid in excess (erroneously).

6. A tax authority shall, within ten business days from the receipt of information from national registers of identification numbers, transfer the balance of business accounts of a separated legal entity to a tax authority at the location of newly established legal entities on the basis of a separation balance sheet.

7. The fulfillment of a tax obligation of a legal entity under reorganization is imposed on its successor (successors), except for filing liquidation tax returns.

8. A successor (successors), as well as participatory interest of the successor (successors) with respect to the payment of the tax debt of a reorganized legal entity, is identified in accordance with the civil legislation of the Republic of Kazakhstan.

4. Reorganization of a legal entity is not a ground for changing deadlines for the fulfillment of its tax obligation to pay taxes, payments to the budget by this legal entity‘s successor (successors).

Article 65. Fulfillment of tax obligation of an individual entrepreneur, a person engaged in private practice, upon termination of activities

Footnote. The heading of Article 65 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

1. Within a month from the date of the decision to terminate the activity, an individual entrepreneur or a person engaged in private practice shall simultaneously submit to the tax authority at the place of its location:

1) a tax application for a tax audit;

2) liquidation tax reporting.

2. Liquidation tax reporting shall be compiled by types of taxes, payments to the budget and social payments, on which an individual entrepreneur or a person engaged in private practice, terminating activity, is a payer and (or) a tax agent, for the time from the tax period commencement in which tax application for a tax audit was filed, before the date of filing such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

3. Payment of taxes, payments to the budget and social payments, reflected in the liquidation tax reporting, shall be made by an individual entrepreneur or a person engaged in private practice, terminating activities, no later than ten calendar days from the date of submitting the liquidation tax reporting to the tax authority.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the period specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the date of filing liquidation tax returns.

4. A tax audit must be started no later than twenty working days after the receipt by the tax authority of a tax application from an individual entrepreneur or a person engaged in private practice terminating activities.

5. The tax arrears of an individual entrepreneur or a person engaged in private practice, terminating activities, shall be repaid from the money of the indicated individual entrepreneur or person engaged in private practice, including that received from the sale of his property, in the order of priority established by the laws of the Republic of Kazakhstan.

6. If an individual entrepreneur or a person engaged in private practice terminating activity has overpaid amounts of taxes, payments to the budget and penalties, then these amounts shall be offset against the tax debt of an individual entrepreneur or person engaged in private practice terminating activity, in the manner determined by Article 102 of this Code.

If an individual entrepreneur or a person engaged in private practice, terminating activities has erroneously paid amounts of taxes, payments to the budget and penalties, then these amounts shall be offset as determined by Article 103 of this Code.

7. In the absence of tax debt of an individual entrepreneur or a person engaged in private practice, terminating activities:

1) erroneously paid amounts of taxes, payments to the budget and penalties shall be refunded to this taxpayer as prescribed by Article 103 of this Code;

2) overpaid amounts of taxes, payments to the budget and penalties shall be refunded to this taxpayer in the manner prescribed by Article 101 of this Code;

3) the amounts of fines paid shall be refunded to this taxpayer in the manner prescribed by Article 106 of this Code;

4) the amounts of excessively (erroneously) paid to the budget customs duties, taxes, customs fees and fines collected by the customs authorities shall be refunded to this taxpayer in the manner determined by the customs legislation of the Republic of Kazakhstan.

8. The tax obligation of an individual entrepreneur or a person engaged in private practice who has ceased operations shall be deemed fulfilled after tax audit completion and in the absence of, or repaid tax arrears, debt on social payments, including those resulting from a tax audit, within the time frames established by Article 115 of this Code.

9. The date of deregistration from a tax authority of an individual entrepreneur or a person engaged in private practice shall be the date of fulfillment of the tax obligation in accordance with paragraph 8 of this article.

10. No later than three working days from the date of the tax obligation fulfillment in accordance with paragraph 8 of this article, the tax authority shall deregister an individual entrepreneur or a person engaged in private practice, and place information on the deregistration of such a taxpayer on the Internet resource of the authorized body.

11. The ground for refusal to deregister as an individual entrepreneur or a person engaged in private practice is the existence of tax arrears, debts on social payments not paid within the time limits established by Article 115 of this Code.

12. The provisions of this article shall not concern individual entrepreneurs or persons engaged in private practice, applying the specifics of the tax obligation fulfillment upon termination of activities in accordance with this Code.

Footnote. Article 65 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 66. Features of the fulfillment of tax obligations by certain categories of individual entrepreneurs and private practice owners terminating their activities

1. This article sets forth special considerations in the fulfillment of a tax obligation by individual entrepreneurs and private practice owners terminating their activities, meeting all of the following requirements:

1) are value added tax payers who do not carry out financial and economic activities from the date of registration for value added tax, or are not payers of value added tax;

2) are not included in the list of selective tax audits based on the results of measures of the risk assessment system or are not included in the semi-annual schedule of tax audits conducted in a special order based on risk assessment, as well as periodic tax audits based on risk assessment.

This article applies to individual entrepreneurs or private practice owners meeting the requirements specified in this paragraph during the limitation period set forth in Article 48 of this Code. The provisions of this paragraph also apply to individual entrepreneurs, whose period of activity from the date of their registration as individual entrepreneurs is less than the limitation period set forth in Article 48 of this Code.

2. If an individual entrepreneur or a private practice owner resolves to terminate his/her activity, he/she shall submit to a tax authority at his/her location all of the following documents:

1) a tax application for terminating activity;

2) notification of the beginning or termination of activities as a taxpayer carrying out certain types of activities in the form approved by the authorized body in the field of permits and notices, given such recording;

3) liquidation tax returns;

4) a tax application for deregistration of a cash register in accordance with the procedure set forth in Article 169 of this Code.

An individual entrepreneur terminating his/her activity submits the document specified in subparagraph 4) of part one of this paragraph in the event that the cash register is registered with a tax authority.

3. Liquidation tax returns are drawn up by types of taxes, payments to the budget and social welfare payments for which an individual entrepreneur or a private practice owner is a payer and (or) a tax agent, for the period from the beginning of a taxable period, within which a tax application for termination of activity was submitted, until the date of submission of such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

4. Payment of taxes, payments to the budget and social welfare payments entered into liquidation tax returns shall be made by an individual entrepreneur or a private practice owner within ten calendar days from the date of filing liquidation tax returns with a tax authority.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the deadline specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the date of filing liquidation tax returns with a tax authority.

5. A tax authority, within three business days from the receipt of a tax application for terminating activity of an individual entrepreneur or a private practice owner, shall submit a request:

1) to authorized state bodies - concerning information on transactions with assets subject to state registration, made by an individual entrepreneur or a private practice owner terminating activity, as well as their assets as of the date of receipt of their tax application for terminating activity;

2) to second-tier banks and (or) organizations carrying out certain types of banking operations – concerning information on balances and movements of money in bank accounts

of an individual entrepreneur or a private practice owner terminating activity as of the date of receipt of their tax application for terminating activity.

Information on transactions provided for by subparagraph 1) of part one of this paragraph, as well as on the movement of money in bank accounts, shall be submitted for the period, within which no tax audit was conducted with respect to an individual entrepreneur or a private practice owner terminating activities within the limitation period set forth in Article 48 of this Code, until the day a tax authority receives a tax application for terminating activity.

6. Information upon the requests of a tax authority specified in paragraph 5 of this article shall be submitted within twenty business days from their receipt, unless otherwise specified by subparagraph 13) of part one of Article 24 of this Code.

7. A tax authority, within ten business days from the date of receipt of all the information provided for in paragraph 5 of this article, shall conduct an in-house audit and draw up an opinion in accordance with the procedure set forth in this Code.

An opinion reflects results of an in-house audit and a situation with settlements in respect of taxes, payments to the budget and social welfare payments.

An opinion shall be drawn up at least in two copies and signed by tax officials. One copy of the opinion is delivered, within three business days after its signing, to an individual entrepreneur or a private practice owner against signature or sent to him/her by registered mail with return receipt.

In case a postal or any other communications organization returns an opinion sent by a tax authority to an individual entrepreneur or a private practice owner by registered mail with return receipt, the date of delivery of such an opinion shall be that of the tax audit, on the grounds and in accordance with the procedure set forth in this Code.

8. In case an in-house audit reveals violations, an individual entrepreneur or a private practice owner, within five business days from the receipt of an opinion, shall be delivered a notice of elimination of violations revealed in the course of the in-house audit in accordance with the procedure set forth in Chapter 12 of this Code.

An individual entrepreneur or a private practice owner executes a notice of the elimination of violations revealed in the course of an in-house audit in accordance with the procedure set forth in Article 96 of this Code.

In case of a failure to execute a notice and (or) tax authorities' disagreement with explanations provided by a taxpayer, a tax audit shall be conducted with respect to an individual entrepreneur or a private practice owner. In this case, the tax audit must begin within ten business days after the deadline, set for the execution of such a notice, expires and (or) after obtaining an explanation of disagreement concerning revealed violations.

9. Tax debt of an individual entrepreneur or a private practice owner terminating activities shall be paid at the expense of the said individual entrepreneur or private practice owner, including proceeds from the sale of his/her assets, in order of priority established by the laws of the Republic of Kazakhstan.

10. If an individual entrepreneur or a private practice owner terminating activity has amounts of taxes, payments to the budget and penalties paid in excess, the said amounts are to be offset against the payment of tax debts of this individual entrepreneur or private practice owner in accordance with the procedure set forth in Article 102 of this Code.

If an individual entrepreneur or a private practice owner terminating activity has erroneously paid amounts of taxes, payments to the budget and penalties, the said amounts are to be offset in accordance with the procedure set forth in Article 103 of this Code.

11. If an individual entrepreneur or a private practice owner terminating activity has no tax debt:

1) erroneously paid amounts of taxes, payments to the budget and penalties are subject to return to this taxpayer in accordance with the procedure set forth in Article 103 of this Code;

2) amounts of taxes, payments to the budget and penalties paid in excess are subject to return to this taxpayer in accordance with the procedure set forth in Article 101 of this Code;

3) paid amounts of fines shall be returned to this taxpayer in accordance with the procedure set forth in Article 106 of this Code;

4) amounts of customs duties, taxes, customs charges and penalties levied by the customs authorities erroneously paid to the budget are returned to this taxpayer in accordance with the procedure established by customs legislation Republic of Kazakhstan.

12. Tax debt, arrears in social welfare payments are paid by a taxpayer within ten calendar days from the day an opinion was drawn up or a notice of elimination of violations revealed in the course of the in-house audit was executed.

13. An individual entrepreneur or a private practice owner shall be deemed deregistered on the day:

1) an opinion is drawn up, in case there are no violations revealed in the course of an in-house audit and no tax debts, arrears in social payments;

2) a notice of elimination of violations revealed in the course of an in-house audit, in case such violations exist and there are no tax debts, arrears in social welfare payments;

3) tax debt, arrears in social welfare payments are paid, in case there are tax debts and violations revealed in the course of an in-house audit are eliminated completely.

Information on deregistration of an individual entrepreneur or a private practice owner in accordance with the procedure set forth in this paragraph shall be placed on the website of the authorized body within three business days from the day of deregistration of such taxpayers.

A ground to refuse deregistration of an individual entrepreneur or a private practice owner is the existence of tax debt, arrears in social welfare payments not paid within the time limits setforth in paragraph 12 of this article.

Footnote. Article 66 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 67. Simplified procedure for the termination of activities of certain categories of individual entrepreneurs

1. Activities of certain categories of individual entrepreneurs shall be terminated under a simplified procedure without conducting an in-house audit, established by Article 95 of this Code, on the grounds of:

1) a taxpayer's tax application for terminating activity;

2) written consent in the tax application for suspending (extending, resuming) the filing of tax returns or the calculation of the cost of a patent, in the cases provided for by paragraph 5 of this article;

3) consent indicated in a special mobile application when switching to a special tax regime with its use, in the cases provided for in paragraph 5 of this article.

2. A simplified procedure for the termination of activity shall apply to individual entrepreneurs who, at the time of filing a tax application for terminating activity, meet all of the following requirements:

1) they are not registered as VAT payers;

2) they do not carry out their activity in the form of a joint venture;

3) they do not carry out certain types of activities specified in paragraph 1 of Article 88 of this Code;

4) are not in the list of selective tax audits based on the results of activities of the risk assessment system or are not in the semi-annual schedule of tax audits conducted in a special order based on risk assessment, as well as periodic tax audits based on risk degree assessment ;

5) they have no tax debts, arrears in social welfare payments;

6) not having a high level of risk in the risk management system.

This article applies to individual entrepreneurs meeting the requirements specified in subparagraphs 1), 2), 3) and 4) of part one of this paragraph, within the limitation period set by Article 48 of this Code until the date of submission of a tax application for terminating activities or the emergence of cases set forth in paragraph 5 of this article.

3. In case of termination of activities under a simplified procedure on the grounds provided for by subparagraph 1) of paragraph 1 of this article, an individual entrepreneur shall submit to a tax authority at his/her location all of the following documents:

1) a tax application for terminating activity;

2) liquidation tax returns;

3) a tax application for deregistering a cash register in accordance with the procedure set forth in Article 169 of this Code.

Liquidation tax returns are drawn up by types of taxes, payments to the budget and social welfare payments for which an individual entrepreneur terminating activity is a payer and (or)

a tax agent, for the period from the beginning of a taxable period, within which a tax application for terminating activity was submitted, until the date of submission of such an application.

In the event that next scheduled tax returns are due for filing after liquidation tax returns, such next scheduled tax returns shall be filed on or before the date of filing liquidation tax returns.

4. In case of termination of activities under a simplified procedure on the grounds provided for by subparagraph 1) of paragraph 1 of this article, payment of taxes, payments to the budget and social welfare payments entered into liquidation tax returns shall be made within ten calendar days from the date of filing liquidation tax returns.

In the event that the payment of taxes, payments to the budget and social welfare payments entered into tax returns filed before liquidation tax returns is due after the expiration of the deadline specified in part one of this paragraph, the payment (transfer) is made within ten calendar days from the date of filing liquidation tax returns.

A tax authority shall, within three business days from the date of fulfillment of a tax obligation in accordance with this paragraph, deregisteran individual entrepreneur and place information on the deregistration of the individual entrepreneur on the website of the authorized body.

A tax authority refuses to deregister an individual entrepreneur and places information on the website of the authorized body, in case of:

1) a failure to observe conditions provided for by paragraph 2 of this article and (or) failure to meet the requirements of paragraph 3 of this article within three business days from the date of submitting a tax application for terminating activity;

2) a failure to meet the requirements provided for by this paragraph within three business days from a deadline set for the payment of taxes, payments to the budget and social welfare payments.

5. Individual entrepreneurs shall terminate activities under a simplified procedure on the grounds provided for in subparagraphs 2) and 3) of paragraph 1 of this article in the following cases:

1) apply a patent-based special tax regime and failed to submit next scheduled calculation of the cost of a patent within sixty calendar days from the expiration of the patent validity or the end of the period of suspension of activity;

1-1) applying a special tax regime with the use of special mobile application and not reflecting income in such an application within sixty calendar days from the date of the last month for which individual income tax and social payments were calculated and paid;

2) suspended the filing of tax returns and failed to file tax returns after the end of the period of suspension of activity within sixty calendar days from the deadline for filing tax returns established by this Code.

A tax authority at the location of an individual entrepreneur deregisters him/her as an individual entrepreneur in the cases specified in this paragraph,:

if conditions provided for by paragraph 2 of this article are observed;

if there is no cash register registered with a tax authority;

within three working days from the date of expiration of one of the deadlines established by subparagraphs 1), 1-1) and 2) part one of this paragraph.

Information on deregistration of an individual entrepreneur in the manner specified in this paragraph shall be posted on the Internet resource of the authorized body within three working days from the date of expiration of one of the deadlines established by subparagraphs 1), 1-1) and 2) of part one of this paragraph.

6. A taxpayer shall be deemed deregistered as an individual entrepreneur from the day following the day:

of payment of taxes, payments to the budget and social welfare payments upon termination of activity under a simplified procedure on the grounds provided for by subparagraph 1) of paragraph 1 of this article;

of expiration of the most recent patent (except for cases of suspension of activity), in case of termination of activity under a simplified procedure on the grounds provided for by subparagraph 2) of paragraph 1 of this article;

the end of the period of suspension of activities specified in the tax application for the suspension (extension, resumption) of filing tax returns in case of termination of activities in a simplified order on the grounds provided for in subparagraphs 2) and 3) of paragraph 1 of this article;

expiry of the last month for which the individual income tax and social payments were calculated and paid (except for cases of suspension of activities) upon termination of activities in a simplified procedure on the grounds provided for in subparagraph 3) of paragraph 1 and subparagraph 1-1) of part one of paragraph 5 of this article.

7. If a tax authority reveals violations within the limitation period after the termination of activity of an individual entrepreneur in accordance with this article, the calculation of tax obligations for taxes, payments to the budget and social welfare payments on the activity, carried out during the period of registration as an individual entrepreneur, shall be made by an individual in accordance with the tax legislation of the Republic of Kazakhstan effective as of the dayon which obligations for their payment arose.

Footnote. Article 67 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.06. 2021 № 53-VII (effective from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

SECTION 3. TAX CONTROL AND OTHER FORMS OF TAX ADMINISTRATION Chapter 8. GENERAL PROVISIONS

Article 68. Tax administration

1. Tax administration is a system (set) of measures and methods carried out by tax authorities and other authorized state bodies to collect taxes and payments to the budget, among other things involving implementation of tax control, application of methods to ensure the fulfillment of an overdue tax obligation and enforced tax debt collection actions, as well as provision of public services and other forms of tax administration stipulated by this Code.

1-1. In order to modernize and improve tax administration, tax authorities shall have the right to realize (implement) pilot projects providing for a different procedure for tax administration and fulfillment of tax obligations by taxpayers.

In this case, the categories of taxpayers to which the pilot project will apply, the rights and obligations of taxpayers, tax and other authorized state agencies, as well as the organization, territory (plot) and (or) region for realization (implementation) of pilot projects, rules and deadlines for realization (implementation) of pilot projects shall be determined by the authorized agency.

1-2. In tax administration, tax authorities may apply biometric identification tools in their information systems.

The procedure for using biometric identification tools in tax authorities' information systems shall be established by the authorised body.

2. Tax administration relies on the principles of:

1) lawfulness;

2) improvement of effectiveness of interaction between the taxpayer and tax authorities;

3) differentiated approach to implementing tax administration based on risk assessment.

Footnote. Article 68 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-VIII of 15.07.2025 (shall be brought into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 69. Tax control

1. Tax control is state control exercised by tax authorities over the execution of rules of the tax legislation of the Republic of Kazakhstan, other legislation of the Republic of Kazakhstan, control over the execution of which is assigned to tax authorities.

2. Tax control is carried out in:

1) the form of a tax audit;

2) other forms of state control.

3. These forms of tax control include:

1) recording of fulfillment of a tax obligation, duty to calculate, withhold and transfer social welfare payments;

2) monitoring of compliance with the procedure for the use of cash registers;

3) control over excisable goods, and alsoover aviation fuel, biofuel and fuel oil;

4) control in the course of transfer pricing;

5) control over observance of the procedure for accounting, storage, evaluation, further use and sale of property transferred (received) into state ownership;

6) control over activities of authorized state bodies, local executive bodies and the State Corporation "Government for Citizens" in terms of completion of the tasks in carrying out the functions aimed at fulfillment of the tax legislation of the Republic of Kazakhstan;

7) control over compliance with the procedure for issuing accompanying invoices for goods;

8) control over the goods turnover subject to labeling and traceability, within the competence.

4. Other forms of state control also include:

1) registration of taxpayers with tax authorities;

2) acceptance of tax forms;

3) in-house audit;

4) tax monitoring;

5) tax inspection;

6) control over the accounting of ethyl alcohol by organizations producing ethyl alcohol;

7) was valid until 01.01.2019 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

8) traceability of the circulation of goods.

5. The authorized body, together with special state bodies, military intelligence bodies of the Ministry of Defense of the Republic of Kazakhstan, law enforcement bodies shall determine a special procedure for conducting an in-house audit, a tax audit and a list of persons subject to such a procedure.

6. The general procedure for conducting a tax audit shall be governed by this Code, as well as the Entrepreneur Code of the Republic of Kazakhstan in the part not regulated by this Code.

7. Special considerations concerning the procedure and time limits for a tax audit shall be determined by this Code.

8. Customs authorities perform tax control within their competence, apply methods of securing the fulfillment of an overdue tax obligation and take actions of enforced collection of taxes payable in connection with the movement of goods across the customs border of the Eurasian Economic Union in accordance with this Code, customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Footnote. Article 69 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 70. Tax inspection

1. A tax inspection is another form of state control exercised by tax authorities in order to confirm the actual presence or absence of a taxpayer (tax agent).

A tax inspection is conducted during business hours at the location specified in the registration data of a taxpayer (tax agent).

The conduct of a tax inspection requires the involvement of witnesses in accordance with the procedure set forth in this Code.

2. A ground for conducting a tax inspection is:

1) impossibility to deliver a notice of a tax audit, an order, an opinion pursuant to an in-house audit, a preliminary tax audit act, a tax audit act, a decision on restricted disposal of property and (or) an inventory of restricted property to a taxpayer (tax agent);

2) the return by a postal or other communications organization of the notice provided for by subparagraphs 2), 3) and 7) of paragraph 2 of Article 114 of this Code, sent by a tax authority by registered mail with return receipt, due to the absence of a taxpayer (tax agent) at his/her/its location.

A tax inspection on the ground provided for by this subparagraph with respect to a taxpayer (tax agent) shall be conducted after the day on whichsuch a letter was returned by a postal or other communications organization.

The provisions of this subparagraph do not apply in the case provided for by paragraph 3 of Article 115 of this Code;

3) the need to confirm actual presence or absence of a taxpayer who is a VAT payer, in accordance with subparagraph 1) of paragraph 1 of Article 367 of this Code, at the location specified in the registration data.

The ground for conducting a tax inspection provided for by this subparagraph does not apply to taxpayers that suspended the filing of tax returns in accordance with the procedure set forthinArticles 213 and 214 of this Code, as well as taxpayers with respect to whom the bankruptcy procedure was applied;

4) the need to confirm actual presence or absence of a taxpayer that failed to comply with the notice provided for by subparagraph 10) of paragraph 2 of Article 114 of this Code, as well as a taxpayer recognized inactive in accordance with Article 91 of this Code.

3. Pursuant to a tax inspection, a tax inspection act is drawn up, which specifies:

the place, date and time of its drawing up;

the position, last name, first name and patronymic (if it is indicated in an identity document) of a tax authority official that issued the act;

the name of the tax authority;

the last name, first name and patronymic (if it is indicated in an identity document), the name and number of the identity document, the residential address of a witness;

thelast name, first name and patronymic (if it is indicated in an identity document) and (or) the name of the taxpayer, his/her/its identification number;

information on the results of the tax inspection.

A tax authority shall, within the day following that of drawing up a tax inspection act, which ascertains the absence of a taxpayer at the location specified in his/her/its registration data, place on the website of the authorized body information on such a taxpayer indicating his/her/its identification number, name or last name, first name, patronymic (if it is indicated in an identity document), the date of the tax inspection act.

4. In the event that a tax inspection conducted on the grounds specified in subparagraph 3) of paragraph 2 of this article ascertains actual absence of a taxpayer at the location specified in the registration data, a tax authority shall send a notification confirming the location (absence) of the taxpayer to such a taxpayer.

5. Within twenty working days from the date the tax authority sends the notification referred to in paragraph 4 of this article, the taxpayer is obliged to present to the tax authority in person a written explanation of the reasons for absence at the time of the tax inspection, attaching copies of documents and the original (for verification) or notarized copies of documents confirming the location of the taxpayer.

A document confirming the location of a taxpayer may be one of the following:

the one confirming the title to real estate (the right to use it);

written consent of a natural person owning real estate that was stated as the location of a taxpayer.

A time period between the dates of notarial certification of a copy of the document confirming the taxpayer's location and its submission to a tax authority shall not exceed ten business days.

If a taxpayer fails to comply with the requirements specified in part one of this paragraph, a tax authority shall take one of the following actions:

1) suspend debit transactions in bank accounts of such a taxpayer in accordance with subparagraph 6) of paragraph 1 of Article 118 of this Code;

2) deregister forVAT in accordance with the procedure set forth in paragraph 4 of Article 85 of this Code, if such a taxpayer has no open bank accounts as of the deadline set forth in this paragraph for submitting a written explanation.

6. In the case specified in subparagraph 1) of part four of paragraph 5 of this article, a taxpayer, without prior arrangement, is obliged to submit to a tax authority a written explanation of reasons of absence at the place of location at the time of tax inspection, within five business days from the day of suspension of debit transactions in his/her/its bank accounts.

If a taxpayer fails to comply with the requirements set in part one of this paragraph, a tax authority shall deregister such a taxpayer forVAT in accordance with the procedure set forth in paragraph 4 of Article 85 of this Code.

Footnote. Article 70 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 71.Participation of witnesses

1. The following actions of officials of tax authorities, at their request or that of a taxpayer (tax agent), may be carried out with the participation of witnesses:

1) the delivery by an official of tax authorities of a notice of the fulfillment of a tax obligation, an order to suspend debit transactions in cash, a decision on restricted disposal of property, an inventory of property, a notice of a tax audit, an improvement notice, a tax audit act and other documents of tax authorities provided for by this Code;

2) restriction on the disposal of the property of the taxpayer (tax agent);

3) inspection of property that is a taxable and (or) tax-related item, regardless of its location, conducted on the basis of an improvement notice;

4) pursuant to an improvement notice, taking an inventory of assets (except for residential premises) of the taxpayer (tax agent), also using special devices (photo, audio, video equipment), in accordance with the procedure set forth in this Code;

5) tax inspection.

2. At least two legally competent adult citizens who are not interested in the outcome of actions of an official of tax authorities and a taxpayer (tax agent) may be involved as witnesses.

3. Officials of state bodies and employees, founders of a taxpayer (tax agent) with respect to whom/which an action is carried out are not allowed to be involved as witnesses.

4. Witnesses testify the fact, content and results of actions of officials of tax authorities and a taxpayer (tax agent) which they witnessed and which are entered in the minutes (act) drawn up by an official of tax authorities.

5. A witness has the right to make remarks concerning the committed actions. Remarks of the witness shall be entered in the minutes (act) drawn up by an official of tax authorities.

6. The minutes (act) drawn up by an official of tax authorities with the participation of witnesses, specify (specifies):

1) the position, last name, first name, patronymic (if it is indicated in an identity document) of the official of tax authorities who drew up the minutes (act);

2) the name of the tax authority;

3) the place and date of the action;

4) last name, first name, patronymic (if it is indicated in an identity document), date of birth, place of residence, name and number of the identity document of each person who as involved in the action or witnessed it;

5) the action’s content and sequence;

6) the time the action began and ended;

7) facts and circumstances revealed in the course of the action.

7. An official of tax authorities is obliged to familiarize all persons, who participated in the action or witnessed it, with the minutes (act). After familiarization with the minutes (act),

the tax official as well as all persons, who participated in the action or witnessed it, shall sign the minutes (act).

8. Photographs and negatives, videotapes or other materials made in the course of the action (if any) are attached to the minutes (act).

9. The minutes (act) drawn up by an official of tax authorities in accordance with the procedure set forth in this article shall record and confirm the fact of conducting the actions specified in paragraph 1 of this article.

Article 72. Determining the income of an individual subject to taxation in certain cases, including by indirect method

1. Determination of the income of an individual subject to taxation, in some cases, including by indirect method, shall be applied in the course of tax control in relation to an individual in order to determine completeness and reliability of the information indicated by him in the tax returns of an individual, also of the data of the authorized bodies and third parties, entailing the occurrence of a tax liability on individual income tax.

2. The information reflected in the tax statements provided for by this Code, as well as the data of the authorized bodies and third parties, may be taken into account to confirm the income directed to meet the individual's expenses regardless of the statute of limitations on tax liability and claim established by Article 48 of this Code.

3. The following data reflected in the tax returns provided for by this Code, may be taken into account to confirm the income used to meet the expenses of an individual, only in the availability of supporting documents issued by the competent authority of a foreign state in accordance with the legislation of the foreign state:

1) on property located in a foreign state, including with preferential taxation, determined in accordance with paragraph 3 of Article 294 of this Code;

2) on the debt of other persons to an individual (accounts receivable) and (or) the debt of an individual to other persons (accounts payable) in the event that an individual or legal entity , being a debtor and (or) creditor, is located and (or) registered in a foreign state, including with preferential taxation determined in accordance with Article 294 of this Code.

4. To determine the income of an individual subject to taxation, in some cases, including by an indirect method, the tax authorities shall avail of information received from authorized bodies, second-tier banks and organizations engaged in certain types of banking operations, third parties, competent authorities of foreign states and from other information sources.

5. The actions within this article shall not apply to an individual who was registered as an individual entrepreneur, a person engaged in private practice, in terms of determining income from such activities.

6. If the income of an individual, reflected in tax returns, does not correspond to his expenses incurred, including for property acquisition, the tax authorities, in the course of tax control of individuals, shall be entitled to apply the following types of indirect method to determine the income of an individual:

1) the asset value increment method is used if, during the period covered by tax control, an individual has expenses for the acquisition of property subject to state or other registration, as well as property for which rights and (or) transactions are subject to state or other registration.

This method is applied by comparing the property gains specified in this subparagraph for a certain period with the income reflected in tax returns;

2) the cost accounting method is used if an individual has expenses during the period covered by tax control that are not indicated in subparagraph 1) of this paragraph.

This method is applied by comparing the expenses of an individual not specified in subparagraph 1) of this paragraph with the income reflected in tax returns;

3) the method of accounting for the flow of funds in bank accounts is used in the event of a change in an individual's monetary savings in accounts with second-tier banks and organizations carrying out certain types of banking operations during the period covered by tax control.

This method is applied by comparing the change in the monetary savings of an individual on accounts in second-tier banks and organizations engaged in certain types of banking operations with the income reflected in tax returns.

7. When exercising tax control, if necessary, tax authorities may use a combination of the methods defined by this article.

8. When applying the methods defined by this article, the obligations of an individual shall be taken into account in the course of tax control.

9. The procedure for determining the income of an individual by the methods specified in this article shall be determined by the authorized body.

Footnote. Article 72 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 73. Assistance to taxpayers

1. Tax authorities assist taxpayers (tax agents) by:

1) clarifying the tax legislation of the Republic of Kazakhstan;

2) providing information on the procedure for making settlements with the budget for the fulfillment of a tax obligation;

3) providing software for filing tax returns, other returns set forthin this Code, in electronic form with the creation of an electronic document for the payment of taxes and payments to the budget;

4) providing information on the existence of tax obligations for vehicle tax, land tax and personal property tax;

5) maintaining the functioning of websites of tax authorities;

6) acceptance by mobile groups of tax authorities of individuals’ statements in the manner determined by the authorized body.

For the purposes of this Code, a mobile group of a tax authority is a mobile group consisting of employees of tax authorities who provide counseling on the preparation of statements of individuals and accept such statements from certain categories of taxpayers;7) taking measures aimed at the improvement of tax culture;

8) taking measures to eliminate causes and conditions that contribute to the violation of the tax legislation of the Republic of Kazakhstan;

9) sending notices through service software products, including to the head and (or) person in charge of budget settlements.

The provisions of this subparagraph shall not apply to large business entities.

2. Outreach activities on the tax legislation of the Republic of Kazakhstan are aimed at increasing the awareness of taxpayers (tax agents) on tax issues, also by bringing to their notice the provisions of the tax legislation of the Republic of Kazakhstan and amendments and additions introduced to it, as well as information on issues related to the fulfillment of a tax obligation.

Tax authorities conduct outreach activities on the tax legislation of the Republic of Kazakhstan by holding workshops, sessions, meetings with taxpayers (tax agents), placing information using mass media, information stands, booklets and other printed materials, as well as video, audio and other technical devices for the dissemination of information, telephone and cellular communications.

3. Tax authorities shall provide taxpayers (tax agents) with information on the procedure for making settlements with the budget for the fulfillment of a tax obligation, including information on the procedure for filling out a payment document, on details required to fill out a payment document.

4. The software is provided along with instructions for its installation, which makes it possible to create an electronic document for the payment of taxes and payments to the budget.

5. Tax authorities shall provide individuals with information on the amounts of tax obligations for property tax, land tax and tax on vehicles of individuals and (or) on the amount of tax debt calculated by tax authorities by:

1) placingit on the website of tax authorities;

2) indicating in documents used for payments by a utility provider;

3) sendingit to e-mail addresses of a taxpayer;

4) sending a short text message to the cell phone number given by a taxpayer;

5) sending through the tax mobile application.

To receive these services, a taxpayer provides e-mail addresses and cell phone numbers to a local tax authority at the place of residence.

6. Tax authorities assist taxpayers (tax agents) in obtaining free information through Internet resources.

Footnote. Article 73 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Chapter 9. REGISTRATION OF A TAXPAYER WITH TAX AUTHORITIES

Article 74. General Provisions

1. The authorized body keeps record of taxpayers by forming a state database of taxpayers .

2. The state database of taxpayers is an information system designed for recording taxpayers.

3. The formation of the state database of taxpayers includes:

1) the registration of an individual, a legal entity, structural unit of a legal entity as a taxpayer with tax authorities;

2) in the registration of the taxpayer:

as an individual entrepreneur and a person engaged in private practice;

on value added tax;

as a taxpayer carrying out certain types of activities.

4. Registration of an individual, a legal entity, structural units of a legal entity as a taxpayer includes:

1) entering information on these persons into the state database of taxpayers;

2) alteration and (or) addition of registration data to the state database of taxpayers;

3) removal of information on a taxpayer from the state database of taxpayers.

5. Registration of a taxpayer includes the registration of a taxpayer as specified in subparagraph 2) of paragraph 3 of this article, alterations and (or) additions to the registration data of a taxpayer, deregistration of a taxpayer.

6. The registration data of a taxpayer are information on a taxpayer submitted to or filed with tax authorities:

1) by authorized state bodies;

2) by second-tier banks or organizations carrying out certain types of banking operations in accordance with subparagraphs 1) and 7) of Article 24 of this Code;

3) by a taxpayer.

7. For the purposes of this Code, it is recognized that:

1) the place of residence of an individual is the place of registration of a citizen in accordance with the legislation of the Republic of Kazakhstan in the field of population migration;

2) the place of residence of a citizen of the Republic of Kazakhstan residing outside the Republic of Kazakhstan and having no place of registration in the Republic of Kazakhstan is the place of the last registration of a citizen in the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan in the field of population migration;

3) the location of an individual entrepreneur and private practice owner is the principal place of business of an individual entrepreneur and a private practice owner that was stated at the time of registration as an individual entrepreneur and a private practice owner with a tax authority;

4) the location of a resident legal entity, its structural unit, structural unit of a non-resident legal entity is the location of its permanent body entered into the National Register of Business Identification Numbers;

5) the location of a non-resident legal entity that carries out activity through a permanent establishment without setting up a branch or a representative office is the place of its economic activity in the Republic of Kazakhstan declared at the time of registration as a taxpayer with a tax authority;

6) the location of a legal entity set up in accordance with the legislation of a foreign country, the place of effective management of which is in the Republic of Kazakhstan, is that of the actual management body in the Republic of Kazakhstan determined by a meeting of the board of directors or a similar management body stated at the time of registration as a taxpayer with a tax authority and specified in the relevant minutes of the management body;

7) place of stay of a foreign national or stateless person - a place of temporary stay of a foreign national or stateless person, determined in accordance with the legislation of the Republic of Kazakhstan in the population migration.

At the same time,the place of stay of a foreigner or a stateless person not residing in the Republic of Kazakhstan, for whom a tax obligation arises in accordance with Article 658 of this Code, shall be the place of residence of a person paying such a foreigner or a stateless person income from sources in the Republic Kazakhstan.

Footnote. Article 74 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Clause 1. Registration as a taxpayer

Article 75. Entering information on individuals, legal entities, structural unit of a legal entity into the state database of taxpayers

1. Unless otherwise provided for by paragraph 12 of Article 76 of this Code, information is entered into the state database of taxpayers by a tax authority after the assignment of an identification number to an individual, a legal entity, structural unit of a legal entity on the basis of information from national registers of identification numbers.

2. Tax authorities shall enter information into the state database of taxpayers on:

1) an individual, including a foreigner or a stateless person, - at the place of residence or stay;

2) a resident legal entity and its structural unit, a structural unit of a non-resident legal entity, a legal entity established in accordance with the legislation of a foreign state, the place

of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan, - at its location;

3) a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without setting up a branch or a representative office,- at the location of the permanent establishment;

4) a non-resident legal entity that is a tax agent in accordance with paragraph 8 of Article 650 of this Code or calculates income tax in accordance with paragraph 11 of Article 650 of this Code, acquiring (selling) shares, participation interests specified in subparagraphs 3), 4) and 5) paragraph 1 of Article 650 of this Code - at the location of the legal entity that is a subsoil user specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 650 of this Code. The provisions of this subparagraph shall not apply if a non-resident legal entity that is a tax agent in accordance with paragraph 8 of Article 650 of this Code or calculates income tax in accordance with paragraph 11 of Article 650 of this Code, carries out operations in the Republic of Kazakhstan through a permanent establishment registered with the tax authorities as a taxpayer.

If such a non-resident legal entity acquires (sells) securities, participation interests in a legal entity, 50 percent or more of the value of assets of which is the property of two or more persons who are subsoil users, then information about the non-resident shall be entered in the state database of taxpayers by the tax authority at the authorized body's location;

5) a non-resident legal entity acquiring securities, participation interests, in case of non-fulfillment of the conditions established by subparagraph 8) of paragraph 9 of Article 645 , subparagraph 7) of Article 654 of this Code - at the location of the legal entity whose securities or participation shares are acquired;

6) a non-resident legal entity that is a tax agent in accordance with paragraph 8 of Article 650 of this Code or calculates income tax in accordance with paragraph 11 of Article 650 of this Code, acquiring (selling) property, with the exception of the property specified in subparagraph 4) of this paragraph, in the Republic of Kazakhstan - at the location of the property. The provisions of this subparagraph shall not apply if a non-resident legal entity that is a tax agent in accordance with paragraph 8 of Article 650 of this Code or calculates income tax in accordance with paragraph 11 of Article 650 of this Code carries out operations in the Republic of Kazakhstan through a permanent establishment registered with the tax authorities as a taxpayer;

7) diplomatic mission and equivalent representative office of a foreign country accredited in the Republic of Kazakhstan - at the location of the diplomatic mission and equivalent representative office;

8) a non-resident legal entity operating through a dependent agent, which is considered as a permanent establishment of a non-resident in accordance with paragraph 3 of Article 220 of this Code - at the location (residence, place of stay) of the dependent agent;

9) a non-resident legal entity operating through an insurance company or an insurance broker, which are considered as a permanent establishment of a non-resident in accordance with paragraph 1 of Article 220 of this Code - at the location of the insurance company or insurance broker;

10) a non-resident legal entity operating under a joint activity agreement, which is considered as a permanent establishment of a non-resident in accordance with paragraph 1 of Article 220 of this Code - at the location (residence, place of stay) of the resident party to the joint activity agreement;

11) a non-resident legal entity opening current accounts in second-tier resident banks - at the location of such a resident bank.

3. Information is entered into the state database of taxpayers by tax authorities within three business days from the day it is received from national registers of identification numbers.

Information on the legal entity specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 650 of this Code that is a subsoil user is entered into the state database of taxpayers by a tax authority at the place of its location within three business days from the receipt of information from the authorized body on the acquisition by a non-resident of shares, participatory interests specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 650 of this Code.

Footnote. Article 75 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 75-1. Taxpayer's passport

1. The taxpayer's passport is placed by taxpayers operating in the field of public catering and trade, in the places of direct location of cash registers and public places available for informing the population.

2. The taxpayer's passport contains the following information:

1) identification number;

2) the name of the individual entrepreneur, legal entity;

3) last name, first name, patronymic (if it is indicated in the identity document) of an individual entrepreneur, head of a legal entity;

4) the status of a taxpayer - active, inactive, suspended the submission of tax reporting;

5) the date of registration, the date of deregistration;

6) the registration number of the cash register with the tax authority, the place of use of the cash register;

7) the presence or absence of a license for the storage and retail sale of alcoholic products, with the exception of activities for the storage and retail sale of alcoholic products in the territory of its production.

3. Information of the taxpayer's passport is formed by the tax authority once a month no later than the 15th day of the second month following the reporting month and is subject to publication on the website of the authorized body.

Footnote. Chapter 9 is supplemented by Article 75-1, in accordance with the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.03.2022).

Article 76. Features of the registration of a non-resident as a taxpayer

1. To register as a taxpayer subject to the provisions of Article 220 of this Code, a non-resident legal entity that carries out activity through a permanent establishment without opening a branch or a representative office shall, within thirty calendar days from the date of commencement of activity in the Republic of Kazakhstan through a permanent establishment, submit a tax application for registration to a tax authority body at the location of a permanent establishment, and attach notarized copies of:

1) constituent documents;

2) documents confirming state registration in the country of incorporation of a non-resident, indicating the state registration number (or its equivalent);

3) documents confirming tax registration in the country of incorporation of a non-resident, indicating the tax registration number (or its equivalent) given of such a document;

4) containing information about the beneficiary owner.

2. A legal entity established in accordance with the legislation of a foreign state, the place of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan, is obliged, within thirty calendar days from the day of a resolution to recognize the Republic of Kazakhstan as the place of effective management (the location of the actual management body), to submit a tax application toa tax authority at the place of its location for registration as a taxpayer and attach notarized copies of:

1) constituent documents;

2) document confirming state registration in the country of incorporation of a non-resident , indicating the state registration number (or its equivalent);

3) documents confirming tax registration, if any, in the country of incorporation or the country of residence of a non-resident, indicating the tax registration number (or its equivalent) given such a document;

4) minutes of a meeting of board of directors or similar management body;

5) containing information about the beneficiary owner.

3. In case a legal entity established in accordance with the legislation of a foreign state, the place of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan, submits a tax application for registration at the location and presence of a permanent establishment in Kazakhstan without setting up a branch (representative office), such a permanent establishment is obliged to transfer its rights and obligations to this legal entity in accordance with the procedure set forth in Article 63 of this Code.

If a legal entity resolves to transfer the place of effective management (the location of the actual management body) to the Republic of Kazakhstan and given the presence in Kazakhstan of a branch (representative office) registered as a permanent establishment, the registration data of such a branch (representative office) shall be altered in accordance with the procedure set forth in Article 77 of this Code.

4. A non-resident legal entity that is a tax agent in accordance with paragraph 8 of Article 650 of this Code or calculates income tax in accordance with paragraph 11 of Article 650 of this Code, acquiring (selling) property in the Republic of Kazakhstan, before acquiring (selling) property, for registration as a taxpayer must submit to the tax authority at the property location a tax application for registration with notarized copies of the following documents:

1) constituent documents of a non-resident legal entity;

2) adocument confirming state registration in the country of incorporation of a non-resident, indicating the state registration number (or its equivalent) of a non-resident legal entity;

3) confirming tax registration in the country of incorporation of a non-resident, indicating the tax registration number (or its equivalent), if such a document is available.

5. An insurance organization (insurance broker) or a dependent agent, whose activity in accordance with paragraphs 1 and 3 of Article 220 of this Code is considered as a permanent establishment of a non-resident, in order to register such a non-resident as a taxpayer, must, within thirty calendar days from the date of commencement of the activity determined in accordance with paragraph 10 of Article 220 of this Code, submit to the tax authority at the location a tax application for registration with the attachment of notarized copies of the following documents:

1) a contract (agreement, deed or other document), if any, to authorize the conduct of entrepreneurial activity on behalf of a non-resident, the signing of contracts or for other purposes;

2) constituent documents of a non-resident legal entity, of which it is a permanent establishment;

3) a document confirming state registration in the country of incorporation of a non-resident, which permanent establishment he/she is, indicating the state registration number (or its equivalent) of a non-resident legal entity;

4) a document confirming tax registration in the country of incorporation of a non-resident, of which he is a permanent establishment, indicating the tax registration number (or its equivalent) if the non-resident has it;

5) a document containing information about the beneficiary owner.

6. A non-resident legal entity that is a party to an agreement on joint activities concluded with a resident, the activity of which leads to the formation of a permanent establishment, is obliged in order to register as a taxpayer within thirty calendar days from the date of commencement of the activity, determined in accordance with paragraph 10 of Article 220 of

this Code, submit to the tax authority at the location (residence, stay) of a resident - a party to a joint activity agreement a tax application for registration with notarized copies of the following documents:

1) a joint activity agreement;

2) constituent documents of a non-resident legal entity;

3) a document confirming state registration in the country of incorporation of a non-resident, indicating the state registration number (or its equivalent);

4) a document confirming tax registration in the country of incorporation of a non-resident, indicating the tax registration number (or its equivalent), if any;

5) a document containing information about the beneficial owner.

7. A non-resident legal entity opening current accounts with resident banks must register as a taxpayer prior to opening an account. To register as a taxpayer, such a non-resident shall submit to the tax authority at the location of the bank a tax application for registration with notarized copies of the documents specified in paragraph 2 of this article.

8. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

9. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

10. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

11. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

12. A non-resident legal entity specified in subparagraph 4) of paragraph 2 of Article 75 of this Code is subject to registration as a taxpayer on the basis of information from authorized state and local executive bodies that exercise state regulation within the competence in subsoil use in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, on acquisition by a non-resident legal entity of shares, participation interests specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 650 of this Code, or a tax application for registration submitted by such a non-resident, with attachment of notarized copies of the documents established by paragraph 4 of this article.

13. A non-resident legal entity specified in subparagraph 5) of paragraph 2 of Article 75 of this Code, for registration as a taxpayer, must submit to the tax authority at the location of the legal entity-issuer or resident legal entity specified in subparagraph 8) of paragraph 9 of Article 645 of this Code, a tax application for registration with attachment of notarized copies of the documents established by paragraph 4 of this article.

14. A diplomatic mission and equivalent representative office of a foreign state, a consular office of a foreign state accredited in the Republic of Kazakhstan, shall be registered

as a taxpayer. To register as a taxpayer, such a representative office or institution shall submit a tax application to a tax authority at its location for registration along with a notarized copy of the document confirming accreditation in the Republic of Kazakhstan.

15. In order to create an identification number and a registration certificate for the persons specified in Paragraphs 1-14 of this Article, a tax authority sends an electronic notice to the registering authority within one working day from the day of receipt of a tax application for registration or information from authorized state agencies.

16. An electronic notice for assignment of an identification number to non-residents specified in Paragraphs 1-14 of this Article shall be sent by the registering authority to tax authorities no later than one working day from the date of receipt of the electronic notice of tax authorities.

17. A tax authority registers non-residents specified in paragraphs 1-14 of this article as taxpayers with concurrent issuance of a registration certificate in the form approved by the authorized body within the time limit set forth in paragraph 3 of Article 75 of this Code.

18. The registration certificate of a non-resident legal entity specified in subparagraph 4) of paragraph 2 of Article 75 of this Code, acquiring securities, participation shares related to subsoil use in the Republic of Kazakhstan, shall be stored with the tax authority at the location of the resident or consortium that holds the right to subsoil use in the Republic of Kazakhstan, specified in subparagraphs 2) - 4) of paragraph 1 of Article 650 of this Code, until it is required by a non-resident legal entity.

19. In case of receiving information from an authorized state agency, a tax application for registration of non-residents specified in Paragraphs 1-14 of this Article, having identification numbers, a tax authority shall not send an electronic notice to create an identification number and registration certificate to the registering authority. In this case, the registration of persons specified in Subparagraph 8) of Paragraph 2 of Article 75 of this Code shall be carried out at the location of their dependent agents.

Footnote. Article 76 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 77. Update of registration data in the state database of taxpayers

1. Tax authorities shall update registration data submitted at the registration as a taxpayer of:

1) an individual - on the basis of information from the National Register of Individual Identification Numbers;

2) a resident legal entity and its structural unit, a structural unit of a non-resident legal entity - on the basis of information from the National Register of Business Identification Numbers or a tax application for registering as a legal entity established in accordance with the legislation of a foreign state, the place of effective management (the location of the actual management body) of which is in the Republic of Kazakhstan;

3) a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without setting up a branch or a representative office - on the basis of a tax application for registration;

4) a non-resident legal entity that is a tax agent in accordance with paragraph 8 of Article 650 of this Code, when the location of a person with the right to subsoil use in the Republic of Kazakhstan specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 650 of this Code changes - on the basis of this non-resident's tax application for registration as a taxpayer or information from authorized state and local executive bodies exercising state regulation within the competence in subsoil use area in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, on the acquisition by a legal entity - by a non-resident of shares, participatory interests specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 650 of this Code;

5) a non-resident legal entity specified in subparagraph 5) of paragraph 2 of Article 75, when the resident legal entity relocates - on the basis of information from the National Register of Business Identification Numbers about such a resident;

6) diplomatic mission and equivalent representative office of a foreign state, a consular establishment of a foreign state accredited in the Republic of Kazakhstan - on the basis of a tax application for registration;

7) a non-resident legal entity operating through a dependent agent, which is considered to be a permanent establishment of a non-resident legal entity in accordance with paragraph 3 of Article 220 of this Code - on the basis of a tax application submitted to the tax authority by a dependent agent;

8) a non-resident legal entity that has a current account with a resident bank - on the basis of a notification from the bank.

2. Information on a senior officer with regard to his/her settlements with the budget, the phone number, e-mail address of a legal entity, its structural unit is updated on the basis of a tax application for registration.

3. Information on bank accounts of taxpayers is updated on the basis of information provided by banks or organizations carrying out certain types of banking operations submitted in accordance with the procedure and within the time limits established by Article 24 of this Code.

4. A tax application for altering the registration data of a taxpayer shall be submitted to a tax authority at the location of the taxpayer (tax agent) within ten business days from the occurrence of changes.

5. Tax authorities shall update the registration data of a taxpayer within three business days from the day of obtaining information from the national registers of identification numbers, authorized state bodies, banks or organizations carrying out certain types of banking operations, a tax application for registration.

Footnote. Article 77 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 78. Removal of a taxpayer from the state database of taxpayers

1.Tax authorities shall remove a taxpayer from the state database of taxpayers on the basis of data from national registers of identification numbers, or pursuant to a tax application due to:

1) the death of an individual or declaring him/her dead;

2) relocation of an individual for permanent residence from the Republic of Kazakhstan and termination of citizenship, provided he/she has no unfulfilled tax obligations or taxable and (or) tax-related items in the territory of the Republic of Kazakhstan;

3) excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021);

4) removal of legal entities, their structural units from the National Register of Business Identification Numbers or deregistration of structural units of legal entities;

5) change of the place of effective management (the location of the actual management body) in the Republic of Kazakhstan of a legal entity established in accordance with the legislation of a foreign state;

6) termination of a non-resident's activity through a permanent establishment;

7) termination of activity in the Republic of Kazakhstan by a foreigner or a stateless person;

8) termination of rights to the assets, shares and (or) participatory interests of a non-resident specified in subparagraphs 4), 5) and 6) of paragraph 2 of Article 75 of this Code , provided that such a non-resident has no other taxable item in the Republic of Kazakhstan;

9) termination of activity of a diplomatic mission and equivalent representative office of a foreign state, a consular establishment of a foreign state accredited in the Republic of Kazakhstan;

10) termination of a non-resident's activity through a dependent agent in the Republic of Kazakhstan, who is considered to be a permanent establishment of this non-resident in accordance with paragraph 3 of Article 220 of this Code;

11) closure of a non-resident legal entity registered as a taxpayer for the purpose of opening a current account with a resident bank, provided that such non-resident does not have current accounts with resident banks, and also in the absence of information about opening current accounts within six months from the date of the bank's notification receipt.

2. In order to exclude from the state taxpayers database of the persons specified in subparagraphs 3) - 11) of paragraph 2 of Article 75 of this Code, the tax authority shall direct to the registering authority an electronic notice of deregistration of:

1) a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without opening a branch, representative office - on the basis of a tax application for deregistration;

2) a non-resident legal entity that is a tax agent calculating income tax, acquiring (selling) property, shares, securities, participatory interests in accordance with Article 650 of this Code - on the basis of a tax application for deregistration;

3) excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021);

4) a diplomatic mission and equivalent representative office of a foreign state, a consular establishment of a foreign state accredited in the Republic of Kazakhstan - on the basis of information on the termination of activities of a diplomatic mission and equivalent representative office of a foreign state, a consular establishment of a foreign state accredited in the Republic of Kazakhstan, furnished by the authorized state body conducting foreign policy activity;

5) a non-resident legal entity specified in subparagraph 8) of paragraph 2 of Article 75 of this Code - on the basis of a dependent agent's tax application for deregistration;

6) a non-resident legal entity that has a current account with a resident bank - on the basis of a bank notification of closing the non-resident's current account.

3. An electronic notice indicating information about non-residents specified in paragraph 2 of this article shall be directed by tax authorities to the registration body within one business day from the date of receipt of the tax application for deregistration, of the bank's notification .

4. Removal of a taxpayer from the state database of taxpayers shall be made by a tax authority on the basis of information from national registers of identification numbers provided that the taxpayer has no unfulfilled tax obligations.

Footnote. Article 78 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Clause 2. Registration of an individual entrepreneur and a private practice owner

Article 79. Registration as an individual entrepreneur and a private practice owner

1. To register as an individual entrepreneur, an individual sends a notification to a tax authority in accordance with the procedure established by the legislation of the Republic of Kazakhstan on permits and notifications.

The notification specified in part one of this paragraph may be sent through a special mobile application.

2. Tax authorities shall not register as an individual entrepreneur an individual prohibited from creating an individual enterprise by the legislation of the Republic of Kazakhstan.

3.Registration of an individual as a private practice owner shall be made on the basis of a tax application of an individual for registration of a private practice owner, filed in electronic

form through service software products before commencement of notarial activities, activities on execution of enforcement documents, practice of law, dispute resolution activities through mediation.

4. Within one working day from the date of the tax application receipt the tax authorities shall register the individual as a person engaged in private practice.

Footnote. Article 79 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 24.06. 2021 № 53-VII (effective from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 80. Update of registration data of an individual entrepreneur and a private practice owner

1. A tax authority shall update registration data on the basis of:

1) a notification submitted by an individual entrepreneur in accordance with the procedure established by the legislation of the Republic of Kazakhstan on permits and notifications;

2) a tax application for the registration of a private practice owner.

2. An individual entrepreneur is obliged to submit the notification specified in paragraph 1 of this article to a tax authority at his/her location within ten business days from the day of change in his/her registration data and (or) data on participants (members) of a joint venture.

3.A private practice owner shall file an electronic tax application referred to in paragraph 1 of this article through service software products no later than ten business days from the date of its location change.

4. A tax authority shall update registration data within one business day following the day of receipt of the notification submitted for the update of registration data.

5. A tax authority shall update data on the location of a private practice owner within one business day following the day of receipt of the tax application submitted for the update of registration data.

Footnote. Article 80 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 81. Deregistration as an individual entrepreneur and a private practice owner

1. Deregistration as an individual entrepreneur shall be carried out by a tax authority in accordance with the procedure established by this Code and (or) in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship.

2. Deregistration as a private practice owner shall be carried out by a tax authority in accordance with the procedure set forth in Article 66 of this Code.

3. A tax authority deregisters an individual as an individual entrepreneur and a private practice owner provided that they have no unfulfilled tax obligations, except for cases stipulated by the legislation of the Republic of Kazakhstan in the field of entrepreneurship.

4. A taxpayer has the right to receive a written confirmation of his/her deregistration (refusal to deregister him/her) as an individual entrepreneur and a private practice owner from a tax authority at his/her location.

Clause 3. Registration of VAT payers

Article 82. Compulsory registration for VAT

1. Resident legal entities, non-residents who carry out activities in the Republic of Kazakhstan through a branch, a representative office, individual entrepreneurs, and professionals with a private practice shall be subject to compulsory VAT registration in accordance with the procedure set forth in this article, except for:

1) state institutions;

2) structural units of resident legal entities;

3) remained in force until 01.01.2019 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI;

4) taxpayers who apply a special tax regime to peasant or farmer households, in respect of activity subject to such a special tax regime.

2. In the event that the amount of turnover for the purposes of VAT registration exceeds the minimum turnover during a calendar year, persons subject to VAT registration specified in paragraph 1 of this article are required to submit a tax application for VAT registration to a tax authority at their location.

A tax application shall be submitted within ten business days after the month in which the amount of turnover exceeded the minimum turnover, in one of the following ways:

1) in hard copy without prior arrangement;

2) in electronic form.

The provisions for submission of a tax application in electronic form shall not apply to taxpayers having a high level of risk in the risk management system.

The amount of turnover is defined by the cumulative total:

1) by newly established resident legal entities, branches, representative offices through which a non-resident operates in the Republic of Kazakhstan - from the date of state (account) registration with the registering authority;

2) by individuals newly registered with tax authorities as individual entrepreneurs, professionals with a private practice - from the date of registration with tax authorities;

3) by taxpayers deregistered for VATin a current calendar year pursuant to the decision of a tax authority - from the date following the date of deregistration for VATpursuant to the decision of a tax authority;

4) by other taxpayers - from January 1 of a current calendar year.

3. For the purposes of VAT registration, the amount of turnover shall be defined as the sum of turnovers specified in Subparagraphs 1) and 2) of Paragraph 1 of Article 369 of this Code.

For the purposes of VAT registration, a taxpayer, performing settlements with the budget and applying a special tax regime to peasant or farmer households, does not include the sales turnover from carrying out activity subject to this special tax regime when calculating the turnover.

4. The minimum turnover is 20 000 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of a relevant financial year.

The turnover minimum established by part one of this paragraph shall not include the turnover of an individual entrepreneur applying a special tax regime based on a simplified declaration, within 124,184-fold size of the monthly calculation index established by the law on the republican budget and effective as of January 1 of the corresponding financial year, made in a non-cash form of settlements with mandatory use of a three-component integrated system.

Also, the turnover minimum does not include the turnover of a taxpayer applying a special retail tax regime.

5. A trust manager is obliged to submit a tax application for VAT registration to a tax authority at the location within five business days from the conclusion of a trust management agreement or another document giving rise to the emergence of trust management, if a founder under a trust management agreement or a beneficiary, in other cases giving rise tothe emergence of trust management, is a VAT payer. In other cases, compulsory registration of such a founder or a beneficiary, as well as a trust manager is carried out in accordance with paragraph 2 of this article.

6. A tax application for VAT registration shall be submitted in accordance with the procedure set forth in Paragraph 2 of this Article, by the chief executive officer of a legal entity that is a resident of the Republic of Kazakhstan, a non-resident operating in the Republic of Kazakhstan through a branch, a representative office, by an individual entrepreneur, professional with a private practice to the tax authority at the location.

The persons specified in paragraph 1 of this article become VATpayers from the date of submitting a tax application for VAT registration.

A tax authority within one business day from the date of submitting a tax application shall register a taxpayer for VAT.

7. In case of detecting a person specified in paragraph 1 of this article that failed to submit a tax application for VAT registration in accordance with the procedure set forth in in paragraph 2 of this article, a tax authority shall, within five business days from the detection of such a taxpayer, send him/her a notice of elimination of violations of the tax legislation of the Republic of Kazakhstan in accordance with the procedure set forth in Article 115 of this Code.

8. In the event that a taxpayer fails to submit a tax application for registration pursuant to the notice of a tax authority sent in accordance with paragraph 7 of this article, upon expiration of the deadline set in paragraph 5 of Article 115 of this Code, the tax authority

shall issue an order to suspend debit transactions in bank accounts of the taxpayer in accordance with the procedure set forth in Article 118 of this Code.

Footnote. Article 82 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.01.2018); dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (enforcement, Article 2).

Article 83. Voluntary VAT registration

1. Unless otherwise provided for by this paragraph, persons who are not subject to compulsory VAT registration in accordance with paragraph 1 of Article 82 of this Code may register for VAT by submitting a tax application for VAT registration in one of the following ways:

1) in hard copy without prior arrangement;

2) in electronic form;

3) during state registration of a resident legal entity with the National Register of Business Identification Numbers.

The provision of Subparagraph 2) of part one of this Paragraph shall not apply to taxpayers having a high level of risk in the risk management system.

The following persons are not eligible for voluntary VAT registration:

individuals who are not individual entrepreneurs, professionals with a private practice;

state bodies;

non-residents not operating in the Republic of Kazakhstan through a branch or a representative office;

structural units of resident legal entities;

persons specified in Article 534 of this Code for gambling activity subject to taxation;

taxpayers who have not fulfilled the tax obligations provided for by paragraph 4 of Article 424 of this Code.

2. A tax authority, within one business day from the submission of a tax application for VAT registration, shall register a taxpayer for VAT and issue a certificate of VAT registration .

The persons specified in paragraph 1 of this article become VAT payers:

1) from the date of submission of a tax application for VAT registration –with respect to persons specified in subparagraphs 1) and 2) of part one of paragraph 1 of this article;

2) from the date of state registration with the National Register of Business Identification Numbers – with respect to persons specified in subparagraph 3) of part one of paragraph 1 of this article.

Footnote. Article 83 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 84.VAT registration certificate

1. A VAT registration certificate ascertains the fact of a taxpayer's VAT registration, it shall beperpetual and issued in the form of an electronic document certified by electronic digital signature of a tax authority's official. The form of the certificate shall be established by the authorized agency.

2. A VAT registration certificate contains the following mandatory details:

1) thename and (or) last name, first name, patronymic (if it is indicated in an identity document) of a taxpayer;

2) identification number;

3) the date of VAT registration of a taxpayer;

4) the name of the tax authority that issued the certificate.

3. If a taxpayer is deregistered for VAT, the VAT registration certificate is deemed invalid .

4. A tax authority shall replace aVAT registration certificate within three business days in case of the change of the last name, first name, patronymic (if it is indicated in an identity document) or the name of aVAT payer - on the basis of information from national registers of identification numbers on the change of the last name, first name, patronymic (if it is indicated in an identity document) or the name of the taxpayer.

Footnote. Article 84 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 85. Deregistration for VAT

1. To deregister for VAT, a VAT payer may submit a tax application for VAT registration toatax authority at his/her/its location provided all of the following requirements are met:

1) if the amount of taxable turnover for a calendar year preceding the year of submission of the tax application did not exceed the minimum sales turnover set forth in paragraph 4 of Article 82 of this Code;

2) if the amount of taxable turnover from the beginning of a current calendar year in which such a tax application was submitted did not exceed the minimum sales turnover set forth in Article 82 of this Code.

The provision of this paragraph does not apply to taxpayers in respect of whom the bankruptcy procedure was applied.

To deregister for value added tax in connection with transition to a special retail tax regime, the VAT payer, shall, no later than five working days before the start of applying such a special tax regime, file a tax application specified in this paragraph, without observing the conditions, established by part one of this paragraph.

2. A VAT liquidation declaration shall be attached to the tax application specified in part one of paragraph 1 of this article.

3. Unless otherwise provided for by this paragraph, tax authorities are obliged to deregister a taxpayer for VAT within five business days from the submission of a tax

application by the taxpayer, provided that the requirement set forth in paragraph 2 of this article is met. The date of deregistration for VAT is that of submitting a tax application to a tax authority by such a taxpayer.

Tax authorities refuse to deregister a taxpayer for VAT within five business days from the taxpayer's submission of atax application if:

1) the amount of the taxable turnover of the taxpayer for a calendar year preceding the year of submission of the tax application exceeded the minimum sales turnover set forth in paragraph 4 of Article 82 of this Code;

2) the amount of the taxable turnover of the taxpayer for the period from January 1 of a current calendar year in which such a tax application was submitted exceeded the minimum sales turnover set forth in paragraph 4 of Article 82 of this Code.

The tax authorities are obliged to deregister for value added tax the taxpayer specified in part three of this paragraph from the date the special retail tax regime begins to apply.

The decision to refuse deregistration for value added tax, indicating the reason for such refusal in the form established by the authorized body, shall be handed over to the taxpayer personally against signature or in another way confirming the fact of dispatching.

A decision to refuse deregistration for VAT with the indication of a reason for such a refusal in the form established by the authorized body shall be delivered to a taxpayer by hand against signature or in any other way confirming the fact of dispatch.

4. A taxpayer may be deregistered for VAT pursuant to the decision of a tax authority in the form established by the authorized body without being notified, in cases of:

1) a VAT payer's failure to file reporting on VAT or gambling business six months after the deadline set for its filing established by this Code;

2) a taxpayer's failure to meet the requirement set forth in part one of paragraph 5 of Article 70 of this Code if such a taxpayer has no open bank accounts as of the deadline for submitting a written explanation specified in part one of paragraph 5 of Article 70 of this Code;

3) a taxpayer's failure to meet the requirement set forth in part one of paragraph 6 of Article 70 of this Code;

4) invalidation of the registration of an individual entrepreneur or legal entity pursuant to a final and binding court judgment;

5) invalidation of the reregistration of a legal entity pursuant to a final and binding court judgment;

6) if the chief executive office or sole founder (participant) of a legal entity, or an individual entrepreneur, a professional with a private practice being:

an incompetent or partially incompetent and (or) missing person;

dead (declared dead) upon expiration of six months from the death (declaration of dead);

an individual with an outstanding or unexpunged conviction under Articles 192-1, 216 and 222 of the Penal Code of the Republic of Kazakhstan as of July 16, 1997;

an individual with an outstanding or unexpunged conviction under Articles 216, 238 and 245 of the Penal Code of the Republic of Kazakhstan as of July 3, 2014;

a wanted individual;

an individual who is a foreigner or a stateless person whose purpose of stay is not connected with the performance of labor activity in the Republic of Kazakhstan or whose authorized period of stay in the territory of the Republic of Kazakhstan expired;

a dormant individual entrepreneur or legal entity;

the chief executive officer or sole founder (participant) of a dormant legal entity;

7) recognition of a taxpayer as inactive in accordance with the procedure set forth in Article 91 of this Code.

5. Atax authority at the location of a taxpayer makes a decision to deregister him/her/it for VAT within five business days:

1) from the establishment of events specified in subparagraphs 1), 6) and 7) of paragraph 4 of this article, unless otherwise provided for by this subparagraph.

The decision to deregister for value added tax in the cases specified in paragraphs eight and nine of subparagraph 6) of paragraph 4 of this article shall be made by the tax authority no later than three working days from the date of registration for VAT;

2) from the deadline set forth in part one of paragraph 5 of Article 70 of this Code, in the case provided for by subparagraph 2) of paragraph 4 of this article;

3) from the deadline set forth in part one of paragraph 6 of Article 70 of this Code, in the case provided for by subparagraph 3) of paragraph 4 of this article;

4) from the day the tax authority receives a final and binding court judgment on invalidation of the registration of an individual entrepreneur or a legal entity;

5) from the day the tax authority receives a final and binding court judgment on invalidation of the reregistration of a legal entity.

6. AVAT payer is deemed deregistered as a VAT payer by the decision of a tax authority:

1) from the date of this decision - for persons specified in subparagraphs 1), 2), 3) and 7) of paragraph 4 of this article;

2) from the date of VAT registration - for persons specified in subparagraph 4) of paragraph 4 of this article;

3) from the date of reregistration with a registration authority maintaining the National Register of Business Identification Numbers that was declared invalid by a final and binding court judgment - for the person specified in subparagraph 5) of paragraph 4 of this article;

4) from the date of emergence of events specified in subparagraph 6) of paragraph 4 of this article, unless otherwise provided for by this subparagraph.

In the cases specified in the eighth and ninth paragraphs of subparagraph 6) of paragraph 4 of this article, a VAT payer shall be deemed deregistered as a VAT payer by the tax authority’s decision from the date of registration for VAT.

7. Deregistration for VAT is made:

1) in case of termination of activity of a person who is a VAT payer, unless otherwise provided for by this paragraph, from the date of submitting a tax application for a tax audit or that for termination of activity specified in Articles 58, 60, 65 and 66 of this Code;

2) in cases of reorganization of legal entities through merger, incorporation - from the date of filing liquidation tax returns and submitting a certificate of transfer;

3) in case of reorganization of a legal entity through separation - from the date of submitting a tax application for a tax audit specified in Article 64 of this Code;

4) in case of the death of an individual registered as an individual entrepreneur, a professional with a private practice and a VAT payer - from the date of removal from the state database of taxpayers in accordance with the procedure set forth in Paragraph 1 of Article 78 of this Code.

8. In the event of liquidation of aVAT payer due to bankruptcy, his/her/its deregistration for VAT shall be effected from the date of removal from the National Register of Business Identification Numbers or deregistration as an individual entrepreneur.

9. Information on a VAT payer's deregistration for VAT by the decision of a tax authority is placed on the website of the authorized body within one business day following the day of the decision to deregister for VAT.

Footnote. Article 85 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.01.2018); № 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Clause 4. Registration as an electronic taxpayer

Footnote. Paragraph 4 of Chapter 9 was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017 .

Clause 5. Registration of a taxpayer carrying out certain types of activities

Article 88. Registration as a taxpayer carrying out certain types of activities

1. Taxpayers are subject to registration as a taxpayer carrying out certain types of activities if they carry out such activities as:

1)production of gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, light hydrocarbons mixture, ecological fuel;

2) wholesale and (or) retail sale of gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, light hydrocarbons mixture, ecological fuel;

3) production of ethyl alcohol and (or) alcohol products;

4) wholesale and (or) retail sale of alcohol products;

5) production and (or) wholesale sale of tobacco products;

6) gambling business;

7) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

8) production, assembly (completion) of excisable goods envisaged by sub-paragraph 6) of part one of Article 462 of this Code, with the exception of the import of excisable goods for which excise duty has been paid under the customs legislation of the Republic of Kazakhstan, also in the presence of an agreement on industrial assembly;

9) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

10) e-commerce.

2. The registration as a taxpayer carrying out certain types of activities shall be performed by tax authorities at the location of taxable and (or) tax-related items used in the performance of certain types of activities specified in paragraph 1 of this article.

3. The registration as a taxpayer carrying out certain types of activities subject to licensing is performed for a time period not exceeding that of license validity, given an appropriate license.

4. Unless otherwise provided for by this paragraph, the registration as a taxpayer carrying out certain types of activities subject to licensing for types of activity specified in subparagraphs 3), 4) and 5) (except for the wholesale of tobacco products) of paragraph 1 of this article is performed given an appropriate license based on the data from the state electronic register of permits and notifications.

The registration as a taxpayer carrying out certain types of activities specified in subparagraphs 1), 2), 5) (except for the production of tobacco products), 6) - 10) of paragraph 1 of this article is performed on the basis of a notification of commencement or termination of the activity as a taxpayer carrying out certain types of activities in accordance with the procedure established by the Law of the Republic of Kazakhstan “On Permits and Notifications”.

5. The notification specified in part two of paragraph 4 of this article is submitted to a tax authority within three business days prior to the commencement of a certain activity. Copies of the following documents shall be attached to the notification:

those confirming the right to own or lease an oil producer’s production facility - when carrying out the activity specified in subparagraph 1) of paragraph 1 of this article;

when pursuing activities specified in subparagraph 2) of paragraph 1 of this article – those confirming the ownership or lease right of the petroleum products base (tank), a filling station or an agency contract with the filling station owner, according to which the filling station owner (authorized person) under the agency contract carries out the retail sales of gasoline (except for aviation gasoline), diesel fuel, gasohol and (or) benzanol on behalf and on commission of the applicant (authorizer), or an oil refining agreement of an oil supplier with oil petroleum products manufacturer;

those confirming the right to own or lease a storage facility for the wholesale of tobacco products - when carrying out the activity specified in subparagraph 5) of paragraph 1 of this article.

The period of validity of agreements must be at least one year, except for an agency agreement and an oil processing agreement of an oil supplier with an oil producer.

In case of failure to submit original agreements for verification, copies of agreements must be notarized.

6. A tax authority shall register a taxpayer as a taxpayer carrying out certain types of activities within three business days:

1) from the date of a notification;

2) from the date of receipt of information on types of activities subject to licensing from the state electronic register of permits and notifications.

7. If a taxpayer has several gambling establishments (fixed places), each gambling establishment (fixed place) is registered separately.

A fixed place is a site of entrepreneurial activity on providing services using slot machines without winnings, personal computers for games, game tracks, go-karts, billiard tables.

8. The use and presence of taxable and (or) tax-related items not registered with tax authorities is not allowed in the premises of a gambling establishment (fixed place).

9. If a taxpayer has several taxable and (or) tax-related items used for carrying out the types of activity specified in subparagraphs 1) - 5) of paragraph 1 of this article, each taxable and (or) tax-related item is registered separately.

10. For the purposes of subparagraphs 1) - 5) of paragraph 1 of this article, tax-related items shall be understood to mean an oil producer's production facility, an oil depot, a tank, a filling station, volumes of oil and (or) gas condensate and the yield of petroleum products specified in an oil and (or) gas condensate processing agreement or an annex (specifications) to an agreement with an oil producer (for oil suppliers), fixed and (or) storage facilities used for carrying out activities specified in subparagraphs 1) - 5) of paragraph 1 of this article.

Footnote. Article 88 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2022); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 89. Update of registration data of a taxpayer carrying out certain types of activities

1. In case of changes in the information on taxable and (or) tax-related items indicated in the registration data, a taxpayer must submit a notification specified in paragraph 4 of Article 88 of this Code to a tax authority at the place of registration of taxable and (or) tax-related items within three business days from the occurrence of changes.

2. In case of changes in the information on taxable and (or) tax-related items, a tax authority shall update the taxpayer's registration data within three business days from the receipt of the notification specified in part two of paragraph 4 of Article 88 of this Code.

A taxpayer carrying out certain types of activities indicated in subparagraphs 1) and 2) of paragraph 1 of Article 88 of this Code shall attach a document specified in paragraph 5 of Article 88 of this Code, confirming the change in the information on taxable and (or) tax-related items, to the notification.

In case of failure to submit an original agreement for verification, copies of agreements and (or) annexes thereto must be notarized.

Article 90. Deregistration as a taxpayer carrying out certain types of activities

1. A taxpayer shall be deregistered by a tax authority as a taxpayer carrying out certain types of activities not subject to licensing pursuant to the notification specified in part two of paragraph 4 of Article 88 of this Code, in case of:

1) termination of the types of activities specified in paragraph 1 of Article 88 of this Code;

2) deregistration of all taxable and (or) tax-related items indicated in the registration data.

2. A tax authority deregisters a taxpayer as a taxpayer carrying out certain types of activities subject to licensing on the basis of information on the termination of license from the state electronic register of permits and notifications.

3. A notification of deregistration as a taxpayer carrying out certain types of activities is submitted to a tax authority at the place of registration of taxable and (or) tax-related items within three business days from the termination of activities specified in paragraph 1 of Article 88 of this Code or deregistration of all taxable and (or) tax-related items indicated in the registration data.

4. A taxpayer shall be deregistered as a taxpayer carrying out certain types of activities pursuant to a decision of a tax authority in case of:

1) termination of the agreement of a taxpayer carrying out certain types of activities specified in subparagraphs 1), 2) and 5) of paragraph 1 of Article 88 of this Code, such as:

on the lease of an oil producer’s production facility;

on the lease of an oil depot (a tank), a filling station;

an agency agreement with the owner of a filling station under which the owner of the filling station (agent) carries out retail trade in gasoline (except for aviation one) and (or) diesel fuel on behalf and instructions of the appointor (principal);

on the processing of oil of an oil supplier made with an oil producer;

on the lease of a storage facility for the wholesale of tobacco products;

2) absence of a taxpayer carrying out types of activities specified in subparagraph 4) of paragraph 1 of Article 88 of this Code from the address indicated in the license;

3) failure to submit a declaration and (or) calculation of an excise by a taxpayer carrying out types of activities specified in subparagraphs 1) and 2), 3), 5) and 8) of paragraph 1 of Article 88 of the Code, within a three-month period after the deadline for their submission established by this Code.

5. A decision to deregister as a taxpayer carrying out certain types of activities is made by a tax authority at the place of registration of taxable and (or) tax-related items in the form

established by the authorized body, within five business days from the occurrence of cases specified in paragraph 4 of this article.

6. Information on a taxpayer deregistered as a taxpayer carrying out certain types of activities shall be placed on the website of the authorized body within three business days from the date of deregistration.

Clause 6. Recognition of a taxpayer as inactive, being in liquidation, involuntarily terminating activity

Article 91. Inactive taxpayer

1. Inactive taxpayers are dormant legal entities and individual entrepreneurs.

2. A dormant legal entity is a resident legal entity, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, as well as a structural unit of a non-resident legal entity that failed to submit, within one year after the deadline established by this Code, for a taxable period:

1) a corporate income tax declaration;

2) a declaration on a gambling tax, on a fixed tax, if no such declaration has been submitted for three taxable periods following the specified taxable period;

3) a simplified declaration, if no such declaration has been submitted for two taxable periods following the specified taxable period.

3. A dormant individual entrepreneur is an individual entrepreneur who failed to submit, within one year after the deadline established by this Code, for a taxable period:

1) an individual income tax declaration;

2) a declaration on a gambling tax, on a fixed tax, if no such declaration has been submitted for three taxable periods following the specified taxable period;

3) a simplified declaration, if no such declaration has been submitted for two taxable periods following the specified taxable period.

4) the calculation of a patent value within two years from the expiration date of the most recent patent.

4. Paragraphs 2 and 3 of this article shall not apply to resident legal entities, non-resident legal entities operating in the Republic of Kazakhstan through a permanent establishment, structural units of a non-resident legal entity and individual entrepreneurs, who suspended activities, during the period of suspension.

5. Annually, on or before April 30, tax authorities issue an order on recognizing taxpayers as inactive, information on them is published on the website of the authorized body on the date of such an order.

6. Information on taxpayers recognized as inactive is removed from the website of the authorized body in accordance with the tax authority’s order issued within five business days after:

1) the taxpayer’s fulfillment of a tax obligation for filing tax returns;

2) the payment of fines for failure to file tax returns within the time limit established by this Code, if they are applied to the taxpayer in accordance with the legislation of the Republic of Kazakhstan.

7. Information on taxpayers recognized as inactive shall be removed from the website of the authorized body within one business day following the day of the tax authority's relevant order.

8. If a taxpayer is removed from the State Register of Legal Persons or deregistered as an individual entrepreneur, such taxpayers are concurrently removed from the list of inactive taxpayers.

Article 92. A taxpayer in liquidation (terminating activity)

1. A taxpayer in liquidation (terminating activity) is a person who submitted a tax application for a tax audit in connection with liquidation (termination of activity) or a tax application for terminating activity. In this case, information on such a taxpayer is placed on the website of the authorized body within three business days from the submission of a relevant application.

2. Tax authorities remove a person being in liquidation (terminating activity) from the list of taxpayers in case of:

1) his/her/its removal from the National Register of Business Identification Numbers - within three business days from the receipt of such information;

2) his/her deregistration as an individual entrepreneur and a private practice owner - within three business days from the date of deregistration.

Article 93. Features of involuntary termination of taxpayers' activities

1. Resident legal entities, their structural units, structural units of a non-resident legal entity, non-resident legal entities operating through a permanent establishment without setting up a structural unit, individual entrepreneurs are subject to involuntary termination of activities, if they meet all of the following requirements at the same time:

1) before January 1 of a calendar year, but not less than the limitation period established by Article 48 of this Code, they:

haven't filed tax returns;

haven't performed export-import transactions;

have made no payments and (or) money transfers in bank accounts, except for cases when the amount of payment and (or) transfer of money for a calendar year shall not exceed 141 times the Monthly Calculation Indexes established by the law on the republican budget and effective as of January 1 of a relevant financial year, and also cases of receiving pension and (or) welfare benefits;

haven't been registered as VAT payers;

2) as of January 1 of a calendar year, they:

are not registered as VAT payers;

haven't suspended the filing of tax returns as prescribed by Articles 213 and 214 of this Code;

don't own items subject to taxation on property, vehicles, land, by uniform land tax, except for items subject to taxation by specified taxes imposed on individuals;

have no arrears in social welfare payments;

have no tax arrears in taxes and payments to the budget, customs payments and taxes in the amount exceeding 6 times the monthly calculated index established by the law on the republican budget and effective as of January 1 of a relevant financial year.

The provisions of this paragraph shall not apply to taxpayers:

1) subject to tax monitoring in accordance with this Code;

2) carrying out activities under a subsoil use contract.

2. Tax authorities annually:

1) on or before March 1, draw up a preliminary list of entities that meet the conditions of paragraph 1 of this article;

2) on or before April 1, place this list of entities subject to compulsory liquidation in the mass media, indicating the following details:

the identification number (if any);

the registration number of a taxpayer;

the last name, first name, patronymic (if it is indicated in an identity document) of an individual or the name of an entity;

the name of a tax authority at the location of the entity;

the address of a tax authority for accepting applications (claims) of creditors and (or) other persons whose rights and legitimate interests are affected in the event of compulsory liquidation (deregistration, termination of activities) of the entity;

3) no later than May 1, after the placement of this list of entities in the mass media, send requests to:

second-tier banks and organizations carrying out certain types of banking operations - on payments and (or) transfers of money specified in Subparagraph 1) of part one of Paragraph 1 of this Article;

authorized state agencies – on existence of property, vehicles, land plots;

registering authority – on existence (absence) of information in the National Register of Identification Numbers.

3. Tax authorities accept applications (claims) of creditors or other persons along with documents confirming the legitimacy of claims, before June 1 of a calendar year.

4. The final list of entities subject to involuntary liquidation (deregistration, termination of activities) shall be drawn up on or before July 1 of a calendar year, given the receipt of information specified in subparagraph 3) of paragraph 2 of this article and absence of applications (claims) from creditors or other persons.

5. Claims for involuntary liquidation (deregistration, termination of activities) in respect of entities included in the list specified in paragraph 4 of this article shall be forwarded by tax authorities to a court on or before September 1 of a calendar year.

Footnote. Article 93 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019).

Chapter 10. IN-HOUSE AUDIT

Article 94. In-house audit

1. An in-house audit is tax authorities' control based on the examination and analysis of tax returns submitted by a taxpayer (tax agent), information provided by authorized state bodies, as well as other documents and information on the taxpayer's activity.

An in-house audit is an integral part of a risk management system.

2. An in-house audit aims to give a taxpayer the right to independently eliminate violations detected by tax authorities based on the results of an in-house audit, by registering with tax authorities and/or filing tax returns in accordance with Article 96 of this Code and/or paying taxes and payments to the budget.

Article 95. Procedure and time limits for an in-house audit

1. An in-house audit is conducted by comparing the following data available to tax authorities:

1) tax returns;

2) information from other state bodies on taxable and (or) tax-related items;

3) information obtained from various sources of information on a taxpayer's activity;

4) other reporting established by this Code.

2.In-house audit shall be conducted after the issuance of electronic invoices and (or) for the relevant tax period after expiry of the deadline for filing tax reports for such a period established by this Code.

3. An in-house audit is conducted within the limitation period with due regard to the provisions set forth in Article 48 of this Code.

Footnote. Article 95 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 96. Results of an in-house audit

1. In case of detected violations found in the in-house audit, the following documents shall be drawn up:

on violations with a high risk degree - a notice on elimination of violations identified by the tax authorities based on the in-house audit findings, with a description of the discovered violations and their risk degree attached.

In this case, violations with a high risk degree shall be violations found during the in-house audit conducted after issuance of electronic invoices purposed to establishing the actual turnover in the sale of goods, provision of works and services;

for violations with an average risk degree - a notification on elimination of violations identified by the tax authorities based on the in-house audit results, with a description of the discovered violations and their risk degree attached;

for violations with a low risk degree - a notice of violations identified during an in-house audit, with a description of the discovered violations and their risk degree attached.

A notice of violations revealed in the in-house audit shall be sent to the taxpayer (tax agent) no later than ten working days from the date of detection of violations in tax reporting for information.

The form of notification of violations found in the in-house audit shall be established by the authorized body.

2. A taxpayer (tax agent) shall execute a notice of elimination of violations revealed by tax authorities based on the results of an in-house audit within thirty business days from the day following the day of its delivery (receipt).

A notice of elimination of violations revealed by tax authorities based on the results of an in-house audit is recognized as executed by a taxpayer (tax agent):

1) if the taxpayer (tax agent) accepts the violations specified in the notification, the identified violations must be eliminated by:

registration with the tax authorities;

filing of tax reporting upon notification for the taxable period to which the identified violations relate;

payment to the budget of VAT amount previously returned from the budget at the request of the taxpayer for VAT refund, also by payment of penalties in the amount specified in paragraph 4 of Article 104 of this Code, for each day from the date of transfer of such amounts to the taxpayer;

revocation, correction or addition of invoices issued in electronic form, as prescribed by the tax legislation of the Republic of Kazakhstan;

2) in case of disagreement with the violations with a medium risk level specified in the notification - submission of an explanation of the absence of violations to the tax authority that sent the notice of elimination of violations identified by the tax authorities based on the results of desk audit, by the taxpayer (tax agent) on paper or electronic media;

3) in case of disagreement with the high-risk violations specified in the notification - submission of an explanation indicating the circumstances confirmed by the documents on implementation of operations (transactions) specified in the notification to the tax authority that sent the notification about the elimination of violations identified by the tax authorities based on the results of desk audit, by the taxpayer (tax agent) on paper or electronic media.

2-1. The explanations provided for in subparagraphs 2) and 3) of part two of paragraph 2 of this article must indicate:

date of signing the explanation by the taxpayer (tax agent);

surname, name and patronymic (if it is indicated in the identity document) or full name of the person who provided the explanation, his place of residence (location);

identification number of the taxpayer (tax agent);

the name of the tax authority that sent the notification on elimination of violations identified by the tax authorities in the in-house audit;

the number and date of the notification for which the explanation is provided;

circumstances of the person's disagreement when submitting the explanation provided for in subparagraph 3) of part two of paragraph 2 of this article, with the mandatory attachment of copies of documents confirming the fact of carrying out the operations (transactions) specified in the violations.

When submitting the explanation provided for in subparagraph 2) of part two of paragraph 2 of this article, the taxpayer (tax agent) has the right to submit extracts from the tax and (or) accounting (accounting) registers and (or) supporting documents and (or) indicate the circumstances of the disagreement.

As part of the execution of the notice to eliminate violations identified by the tax authorities based on the results of desk control, the request for documents not related to the violations described in the notice is not allowed.

3. A taxpayer is not entitled to provide the explanation, specified in subparagraph 2) of paragraph 2 of this article, of the following violations revealed by tax authorities based on the results of an in-house audit:

1) when calculating corporate income tax, expenses are included into deductibles and VAT on purchased goods, works, services is offset:

on the basis of an invoice and (or) other document, the action (actions) on the issuance of which are recognized by enforced court ruling or a resolution of the criminal prosecution body to terminate the pre-trial investigation on non-rehabilitating grounds, as committed by a private business entity without actually performing work, rendering of services, shipment of goods;

for transactions invalidated by a final and binding court judgment;

2) when calculating corporate income tax, expenses are included into deductibles for transactions committed without actual performance of works, rendering of services, shipment of goods with a taxpayer, the head and (or) a founder (participant) of which are (is) not involved in registration (reregistration) and (or) conduct of financial and economic activity of such a legal entity, as established by a final and binding court judgment;

3) when VAT on purchased goods, works, services is applied against:

transactions (operations) with legal entities and (or) individual entrepreneurs, whose registration was invalidated by a final and binding court judgment;

transactions (operations) with legal entities whose reregistration was invalidated by a final and binding court judgment.

4. A notification about the elimination of violations identified by tax authorities based on the results of desk control is considered unfulfilled if the taxpayer (tax agent) has not fulfilled it in the manner and within the time frame established by paragraph 2 of this article.

However, the tax authority does not make a decision in such cases.

A notification about the elimination of high-risk violations identified by tax authorities based on the results of desk control is recognized by the tax authority as unfulfilled upon submission of the explanation specified in subparagraph 3) of part two of paragraph 2 of this article in the following cases:

violation of the requirements of paragraph 2-1 of this article;

disagreement with the circumstances specified in the explanation.

If a notice to eliminate violations with a high degree of risk identified by tax authorities based on the results of a desk audit is recognized as unfulfilled, a decision is made to recognize the notice to eliminate violations identified by tax authorities based on the results of a desk audit as unexecuted.

The decision to recognize the notice of elimination of violations identified by the tax authorities based on the results of desk audit as unfulfilled is sent to the taxpayer (tax agent) in one of the following ways:

1) by registered mail with notification - from the date the taxpayer (tax agent) made a note in the notification of the postal or other communication organization. In this case, such a decision must be delivered by postal or other communications organization no later than ten working days from the date of acceptance by the postal or other communications organization ;

2) electronically:

from the date of delivery of the decision by the tax authority to the web application.

This method applies to taxpayers interacting with tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on electronic documents and electronic digital signatures;

from the date of delivery of the decision to the user's personal account on the "electronic government" web portal.

This method applies to a taxpayer registered on the "electronic government" web portal;

3) through the State Corporation "Government for Citizens" - from the date of its receipt in person.

The form and timing of the decision to recognize the notice of elimination of violations identified by the tax authorities based on the results of desk control as unfulfilled are established by the authorized body.

4-1. An appeal by a taxpayer (tax agent) of the decision referred to in paragraph 4 of this article shall be lodged within ten working days from the date of its delivery (receipt) to a higher tax authority and (or) an authorized body or court.

In this case, a copy of the complaint must be sent by the taxpayer (tax agent) to the tax authority that sent the decision specified in paragraph 4 of this article.

4-2. If, for a good reason, the deadline established by paragraph 4-1 of this article is missed, this deadline, upon the request of the taxpayer (tax agent) filing the complaint, shall be restored by the tax authority and (or) the authorized body considering the complaint.

In order to restore the missed deadline for filing a complaint, the tax authority considering the complaint shall recognize as a good reason the temporary incapacity for work of the individual to whom the decision referred to in paragraph 4 of this article is sent , as well as the head and (or) chief accountant (if any) of the taxpayer (tax agent).

The provisions of this paragraph shall apply to individuals to whom the decision referred to in paragraph 4 of this article is sent, as well as to taxpayers (tax agents) whose organizational structure does not provide for the presence of persons replacing the above-mentioned persons during their absence.

In this case, the taxpayer (tax agent) must attach a document confirming the period of temporary incapacity for work of the persons specified in part two of this paragraph, and a document establishing the organizational structure of such a taxpayer (tax agent) to the petition to restore the missed deadline for filing a complaint.

The petition of the taxpayer (tax agent) to restore the missed deadline for filing a complaint shall be satisfied by the tax authority and (or) the authorized body considering the complaint, provided that the taxpayer (tax agent) filed the complaint and the petition no later than ten working days from the date of the end of the period of temporary disability of persons specified in part two of this paragraph.

4-3. Excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

5. When submitting a complaint about a notice of elimination of violations revealed by tax authorities based on the results of an in-house audit to a higher-level tax authority and (or) the authorized body or court, the running of a time period for the execution of the notice of elimination of violations revealed by tax authorities based on the results of an in-house audit is suspended:

1) from the day the complaint is accepted by a higher-level tax authority and (or) the authorized body - until the higher-level tax authority and (or) the authorized body renders a written decision;

2) from the day the court initiates proceedings in the complaint (application) – until a court judgment becomes final and binding.

At the same time, in cases of filing a complaint with a court against actions (inaction) of tax officials on sending a notice of elimination of violations, specified in subparagraphs 2) and 3) of paragraph 3 of this article, revealed by tax authorities based on the results of an in-house audit, a taxpayer has the right to prove the actual receipt of goods, works, services from a legal person and (or) an individual entrepreneur, whose registration (reregistration) was invalidated by a final and binding court judgment.

6. Failure to comply with the notice of elimination of violations identified by the tax authorities based on the results of desk control within the period established by part one of paragraph 2 of this article entails the suspension of debit transactions on the taxpayer's bank accounts in accordance with Article 118 of this Code.

6-1. On violations with a high risk degree, failure to comply with the deadline and (or) recognition as unfulfilled the notice of elimination of violations identified by the tax authorities based on the in-house audit results shall entail limitation of issuing electronic invoices in the information system of electronic invoices in accordance with Article 120-1 of this Code.

7. Based on the results of an in-house audit conducted in accordance with paragraph 6 of Article 59 and paragraph 7 of Article 66 of this Code, a tax authority shall draw up an opinion in the form established by the authorized body.

In this case, the date of completion of an in-house audit is that of the opinion specified in this paragraph.

Footnote. Article 96 as amended by Law of the Republic of Kazakhstan № 241-VI dated 02.04.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Chapter 11. RECORDKEEPING OF THE FULFILLMENT OF TAX OBLIGATIONS, A DUTY TO TRANSFER SOCIAL WELFARE PAYMENTS, FINES AND PENALTIES

Article 97. General provisions

1. Tax authorities keep the record of calculated, assessed, paid amounts of taxes and payments to the budget, social welfare payments, fines and penalties by maintaining a taxpayer's personal account.

2. The procedure for maintaining a taxpayer's personal account is determined by the authorized body.

3. A taxpayer's personal account is maintained in the national currency.

4. The calculated amount of taxes, payments to the budget, social welfare payments is an amount (also an amount subject to increase or reduction) determined by:

the taxpayer in tax returns;

tax authorities - on the basis of information from authorized state bodies in the cases established by Articles 493 and 532 of this Code;

authorized state bodies on the grounds stipulated by this Code.

5. The assessed amount of taxes, payments to the budget and social welfare payments is an amount of taxes, payments to the budget and social welfare payments (also an amount subject to increase or decrease) determined by a tax authority:

pursuant to the results of a tax audit;

pursuant to the results of consideration of a taxpayer's (tax agent's) complaint against an audit findings report;

pursuant to the results of horizontal monitoring;

based on the outcome of examination of the taxpayer's (tax agent's) complaint about the notification of the horizontal monitoring findings;

on the basis of information provided by the authorized state body in the field of environmental protection and its territorial bodies pursuant to the findings of their inspections for the compliance with environmental legislation of the Republic of Kazakhstan (state environmental control) in accordance with paragraph 3 of Article 573 of this Code.

6. For the purposes of application of paragraphs 4 and 5 of this article, the reduction of VAT amount is also excess VAT applied against the assessed tax amount.

7. The balance of payments in a taxpayer's personal account for taxes, payments to the budget, social welfare payments, fines, penalties is calculated in accordance with the procedure established by the authorized body.

8. A statement of the taxpayer's personal account on the status of settlements with the budget on all or certain types of taxes, payments to the budget, social payments, fines, penalties shall be issued by the tax authorities at the taxpayer's request within one working day from the date of the request receipt.

Footnote. Article 97 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 98. Reconciliation of settlements in respect of taxes and payments to the budget, social welfare payments

1. At the request of a taxpayer (tax agent), a tax authority carries out reconciliation of settlements in respect of taxes and payments to the budget, social welfare payments within one business day.

2. In case of discrepancies between the data of a taxpayer (tax agent) and those of a tax authority, both take measures to eliminate the discrepancies within three business days from their detection. If necessary, the taxpayer's (tax agent's) personal account may be adjusted.

Article 99. Termination of obligations for the payment of a fine as a result of expiration of the statute of limitations

The amount of the fine under the resolution imposing an administrative penalty for offenses in taxation, as well as the legislation of the Republic of Kazakhstan on social protection, on compulsory social health insurance, the execution of which is impossible due to the expiry of the statute of limitations for the execution of the resolution established by the legislation of the Republic of Kazakhstan, is subject to write-off by the tax authority from the personal account of the taxpayer (tax agent) based on the decision of the tax authority no later than five working days from the date of such decision.

Article 100. Order of providing information on the absence (existence) of debts, the record of which is kept by a tax authority

1. A tax authority, in response to a request for information on the absence (existence) of debts, the record of which is kept by the tax authority, provides such information:

1) to the registering authority – no later than three working days from the received request date;

2) to other state bodies and (or) persons entitled to receive it by the legislation of the Republic of Kazakhstan, to a taxpayer - within one business day from the day of the request.

A request for and provision of information on the absence (existence) of debts, the record of which is kept by a tax authority, to the persons indicated in subparagraphs 1) and 2) of part one of this paragraph, is made in electronic form.

2. Information on the absence (existence) of debts, the record of which is kept by a tax authority, shall be compiled in accordance with the procedure established by the authorized body.

3. In case of liquidation of a legal entity or termination of activity of a branch or representative office of a foreign legal entity, information on the absence (existence) of debts of such persons, the record of which is kept by a tax authority, is provided if the conditions established by Articles 58, 59 and 60 of this Code are observed.

4. If an individual, registered as an individual entrepreneur or a private practice owner, leaves the Republic of Kazakhstan for permanent residence, information on the absence (existence) of debts of such persons, the record of which is kept by a tax authority, is provided in case of their deregistration as an individual entrepreneur or a private practice owner.

Footnote. Article 100 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Clause 1. Offset and refund of taxes, payments to the budget, penalties and fines

Article 101. General provisions

1. An amount of tax (except for VAT), payment to the budget, penalty paid (collected) in excess is a positive difference between an amount paid (collected) to the budget (less the

offset and refunded one) and a calculated, assessed (less the reduced one) amount for a given type of tax (except for VAT), payment to the budget, penalty as of the date of the offset and (or) refund.

A VAT amount paid (collected) in excess is a positive difference between an amount paid (collected) to the budget (less the offset and refunded one) and a calculated, assessed (less the reduced one) amount of VAT for a taxable period with account of VAT settlements over previous taxable periods.

Paid amounts of registration fees, fees for issuing licenses to engage in certain types of activities, permission to use the radio frequency spectrum, a document confirming the residency of a foreigner or a stateless person who is an investment resident of the Astana International Financial Center, fees for placing an outdoor (visual)) advertising, state duty – shall be deemed overpaid subject to confirmation by the relevant authorized state body through an electronic database and (or) on paper of the fact that he did not take actions (including as a result of the taxpayer's refusal to take actions before filing the relevant documents), for which such payments are required.

Paid amounts of a fee for forest uses are recognized as payments paid in excess, if a logging permit for forest use has not been used.

2. An amount of income tax to be returned to a non-resident taxpayer in accordance with Article 672 of this Code is also an amount of income tax paid in excess.

3. The tax authority shall offset and refund the overpaid (recovered) amount of tax, payment to the budget (excepting collections and fees that are not subject to offset and refund), penalties in national currency in the following order:

at the place of maintenance of personal accounts for a relevant tax, payment to the budget, penalty – based on the data of such personal accounts;

at the place of payments to the budget, on which personal accounts are not maintained, - on the basis of documents submitted by the taxpayer, issued by the relevant authorized state body or received through an electronic database and (or) on paper, confirming non-performance of actions for which payments to the budget are required.

4. The tax authority shall offset and refund the amount of tax, payment to the budget, penalty paid (collected) in excess within ten business days, calculated as follows:

1) in case of an offset and refund pursuant to a tax application - from the date of registration of such an application by tax authorities;

2) in case of an offset without an application - from the date an excess amount appeared in the taxpayer’s personal account.

A tax authority refunds an amount of tax, payment to the budget, penalty paid (collected) in excess to a bank account of a taxpayer pursuant to his/her/its tax application provided that he/she/it has no tax debts to the budget.

Given tax debts, a tax authority shall apply an amount of tax, payment to the budget, penalty paid in excess against current tax debts, which requires no tax application for offset.

If a taxpayer is a legal entity, an amount of tax, payment to the budget, penalty paid in excess applies against current tax debts of the legal entity and its structural units, which requires no tax application for offset.

The remaining amount of tax, payment to the budget, penalty paid in excess shall be refunded after the offset specified in this paragraph.

5. Not subject to:

1) offset is:

an amount of tax, payment to the budget, penalty paid (collected) in excess applied against tax debts of another taxpayer, except for an offset between a legal entity and its structural unit;

a paid state fee;

2) offset and refund is:

paid amount of a fee for vehicle transportation in the territory of the Republic of Kazakhstan, consular fees, fees for:

the use of land plots, the provision of a subsoil site by the state in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use on the basis of a license for exploration or extraction of solid minerals, the use of wildlife, the use of specially protected natural areas, except for cases of erroneous payment of such amounts;

an overpaid amount of excises for excisable goods subject to marking with excise stamps, except for cases of taxpayer's termination of activity on the production of such goods and return of earlier received excise stamps to a tax authority under an acceptance certificate;

excessively paid (collected) amount of tax, fees for the use of land plots, use of surface water resources, negative impact on the environment - in the event of extension of the deadline for filing tax reports on such taxes, fees until the date of their submission;

the amount of the subscription bonus paid, excepting the case of declaring the auction for granting the right to subsoil use invalid due to breaking of the rules for its holding, established by the legislation of the Republic of Kazakhstan on subsoil and subsoil use, which influenced determination of the auction winner;

the amount of the fee paid for issuing a document confirming the residence of a foreign national or stateless person who is an investment resident of the ASTANA International Financial Center, excepting cases of erroneous payment of such amounts or refusal to issue a document confirming the residence of a foreign national or stateless person who is an investment resident of the ASTANA International financial center;

6. If the tax authority violates the deadline for offsetting and (or) refunding on the taxpayer's tax application for the overpaid (over-collected) amount of tax, payment to the budget which were offset and (or) refunded after the deadline, then for each day of delay, the tax authority shall charge a penalty in favor of the taxpayer. The penalty is charged in the

amount of 1.25 times the base rate of the National Bank of the Republic of Kazakhstan, effective as of each day of delay, starting from the day following the expiration of the offset and (or) return period, including the day of such offset and (or) return.

The accrued penalty amount is to be transferred to the taxpayer's bank account indicated in the tax application, on the day of the offset and (or) refund of the amount of tax, payment to the budget, penalty paid (collected) in excess from budget revenues according to a corresponding budget classification code.

7. The procedure for the offset and (or) refund of an amount of tax, payment to the budget , penalty paid (collected) in excess is determined by the authorized body.

Footnote. Article 101 as amended by Law of the Republic of Kazakhstan № 249-VI dated 19.04.2019 (shall be enforced since 01.08.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 02.01.2021 № 402-VI (effective from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023).

Article 102. Offset of taxes, payments to the budget, penalties

1. An amount of tax, payment to the budget, penalty paid (collected) in excess shall be offset:

1) without a taxpayer's application - in accordance with paragraphs 2 and 3 of this article;

2) pursuant to a taxpayer's tax application - in accordance with paragraph 4 of this article.

2. An amount of tax, payment to the budget paid (collected) in excess is applied without a taxpayer's application in the following sequence:

1) against the tax obligation to pay the calculated, accrued amounts of taxes and payments to the budget, which matured on a certain type of tax, payment for: the use of land, the use of water resources from surface sources, negative impact on the environment, the use of the radio frequency spectrum, provision of long-distance and (or) international telephone communications, as well as cellular communications (hereinafter for the purposes of this article - a fee) – on which an overpaid amount formed;

2) against arrears in other types of taxes and (or) payments to the budget;

3) against a penalty for a certain type of tax, fee - with regard to those that were overpaid;

4) against a penalty for other types of taxes and (or) payments to the budget;

5) against a penalty for a certain type of tax, fee, with regard to those that were overpaid, and for other types of taxes and (or) payments to the budget.

3. An amount of penalty paid (collected) in excess is applied without a taxpayer's application in the following sequence:

1) against a tax obligation to pay accrued penalties for a certain type of tax, fee - with regard to those that were overpaid;

2) against arrears in a certain type of tax, fee - with regard to those that were overpaid;

3) against arrears in other types of taxes and (or) payments to the budget;

4) against a penalty for other types of taxes and (or) payments to the budget;

5) against a penalty for a certain type of tax, fee, with regard to those that were overpaid, and for other types of taxes and (or) payments to the budget.

4. An amount of tax, payment to the budget, penalty paid (collected) in excess is applied, pursuant to a tax application of a taxpayer:

1) against future payments for a relevant type of tax and (or) payment to the budget specified in such an application, provided that there are no tax debts to the budget;

2) that is a legal entity with a structural unit (structural units) - against tax debts of the structural unit (structural units) of such a legal entity for a relevant type of tax and (or) payment to the budget specified in such an application;

3) that is a structural unit of a legal entity – against tax debts of the legal entity for a relevant type of tax and (or) payment to the budget specified in such an application.

5. In the event of the taxpayer's consent directed through electronic communication channels, the overpaid (over-collected) amount of tax, payment to the budget shall be offset without the taxpayer's application against upcoming payments for the relevant type of tax, payment to the budget in the absence of tax arrears to the budget.

Footnote. Article 102 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 02.01.2021 № 402-VI (effective from 01.01.2022).

Article 103. Offset, refund of erroneously paid amount of tax, payment to budget, penalty

1. An erroneously paid amount of tax, payment to the budget, penalty is an amount transferred with any of such errors as:

1) that in a payment document, where:

the taxpayer identification number is incorrect:

instead of the identification number of a tax authority at the location of which a tax and payment to the budget, penalty shall be paid, the identification number of another tax authority is indicated;

the payment purpose description does not correspond to the payment purpose code and (or) the budget revenue classification code;

2) there is erroneous execution of a taxpayer's payment document by a second-tier bank or an organization carrying out certain types of banking operations;

3) payment is made to a tax authority with which a taxpayer, the sender of money, is not registered;

4) a taxpayer, the sender of money, is not a payer of the given type of tax or payment to the budget, penalty.

2. An erroneously paid amount of tax, payment to the budget, penalty is offset, refunded:

1) pursuant to a taxpayer's tax application;

2) pursuant to an application of a second-tier bank or an organization carrying out certain types of banking operations (hereinafter, for the purposes of this article, an application of a second-tier bank);

3) pursuant to a tax authority's record of reasons for the erroneously paid amount of tax, payment to the budget, penalty, in case an error has been found.

3. An erroneously paid amount of tax, payment to the budget, penalty shall be offset, refunded within five working days from the date of:

the submission of a taxpayer's tax application, an application of a second-tier bank;

the receipt of erroneously paid amount of tax, payment to the budget, penalty.

4. A tax application of a taxpayer, an application of a second-tier bank shall be submitted to a tax authority that keeps record of the erroneously paid amount of tax, payment to the budget, penalty.

5. If a tax authority confirms one of the errors specified in paragraph 1 of this article, such a tax authority:

1) applies the erroneously paid amount against an appropriate budget classification code and (or) an appropriate tax authority;

2) refunds it to the taxpayer's bank account.

6. In case of erroneous execution of a taxpayer's payment document by a second-tier bank or an organization carrying out certain types of banking operations, which leads to repeat transfer of the amount of tax, payment to the budget, penalty using the same payment document, a tax authority, at the request of the second-tier bank, upon confirmation of an error, refunds the erroneously paid amount:

to the taxpayer's bank account - in case of money write-off from the bank account or making a payment through ATMs;

to the bank account of a second-tier bank - in case of paying money to the second-tier bank in cash or making a payment through point-of-sale terminals.

7. If tax authorities do not confirm errors specified in paragraph 1 of this article, such a tax authority shall send a written notification of non-confirmation of the error to a taxpayer on the grounds provided for in subparagraphs 1) and 2) of paragraph 2 of this article.

Footnote. Article 103 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 104. Refund of excess VAT

1. An excess VAT amount is refunded at a VAT payer's request for the return of the excess VAT amount specified in VAT declaration in accordance with Articles 431, 432 and 434 of this Code pursuant to a submitted tax application by conducting an offset provided for by Article 102 of this Code and (or) transferring it to the taxpayer's bank account.

2. An excess VAT amount subject to refund in accordance with Articles 429, 431, 432 and 434 of this Code shall not exceed excess VAT amount available in a VAT personal account as of the date of drawing up a payment document on excess VAT refund by a tax authority.

3. An excess VAT amount shall be refunded at the location of a taxpayer to his/her/its bank account within the time period specified in this Code for the return of excess VAT amount if he/she/it has no tax debts.

If there are tax debts, the tax authority applies excess VAT against current tax debts, including those of structural units of legal entities, which requires no tax application for offset .

Subject to refund is excess VAT amount remaining after the offset stipulated in this paragraph.

4. If the tax authority violates the deadline for refunding the excess VAT amount at such an excess amount, which was refunded after the deadline, then for each day of delay, the tax authority shall charge a penalty in favor of the taxpayer. The penalty is charged in the amount of 1.25 times the base rate of the National Bank of the Republic of Kazakhstan for each day of delay, starting from the day following the expiration of the refund period, including the day of refund.

5. An accrued penalty amount shall be transferred to a taxpayer's bank account on the day of refund of excess VAT amount from budget revenues according to a corresponding budget classification code.

Footnote. Article 104 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 105. VAT refund on other grounds

1. Subject to refund from the budget, on the grounds provided for in the Special Part of this Code, is VAT amount:

1) paid for goods, works, services that were purchased using grant money;

2) paid by a diplomatic mission and equivalent representative office accredited in the Republic of Kazakhstan.

2. VAT to be returned to a grantee shall be refunded by a tax authority at the location of the grantee to his/her/its bank account after offsetting, in accordance with Article 102 of this Code during the period of refund set forth in Article 435 of this Code.

3. A tax authority shall refund VAT to diplomatic missions and equivalent representative offices of foreign states, to consular offices of a foreign state accredited in the Republic of Kazakhstan and persons that are members of diplomatic, administrative and technical staff of these missions, including their family members living with them, consular officials, consular employees, including their family members living with them, to their bank account in accordance with the procedure and within the time limits set forth in Article 436 of the Code.

Article 106. Refund of the paid amount of a wrongly imposed fine for offenses in the field of taxation, legislation of the Republic of Kazakhstan on social protection, compulsory social health insurance, and also of an amount paid in excess

1. Refund of the paid amount of a wrongly imposed fine for offenses in the field of taxation, legislation of the Republic of Kazakhstan on social protection, on compulsory social health insurance due to the cancellation of the fine or reduction of its size shall be made on the basis of the taxpayer's tax application (hereinafter for the purposes of this article - application for refund of a fine).

An application for the refund of a fine must be submitted together with a final and binding court judgment or a decision of a higher-level tax authority (official) providing for the cancellation or reduction of the fine due to its wrongful imposition.

2. A taxpayer submits an application for the refund of a fine to a tax authority maintaining a personal account in which there is an amount of the fine to be refunded.

3. The tax authority shall refund the paid amount of the fine in accordance with paragraph 1 of this article to the taxpayer's bank account within five working days from the date of filing an application for refund.

4. For the purposes of executing an order for the imposition of an administrative sanction, an amount of fine paid in excess shall be refunded in accordance with the procedure and within the time limits set forth in paragraph 3 of this article.

Footnote. Article 106 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 107. Refund of paid amount of tax, payment to the budget, penalty and fine due to cancellation of internet auction results by a court order

1. In case of cancellation of the results of an internet auction conducted by an authorized legal entity by a final and binding court judgment, the paid amount of tax, payment to the budget, penalty and fine shall be refunded pursuant to a tax application of the authorized legal entity in the form approved by the authorized body (hereinafter, for the purposes of this article, an application for refund).

An application for refund shall be submitted together with:

1) a copy of the final and binding court judgment;

2) a copy of the payment document of the authorized legal entity on the payment of tax, payment to the budget, penalty and fine.

2. The refund of the paid amount of tax, payment to the budget, penalties, fines shall be made in national currency to the bank account of the authorized legal entity by the tax authority at the place of payment within five working days from the date of filing an application for refund.

Footnote. Article 107 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 108. Features of the refund of paid state fees

1. The overpaid amount of a state fee shall be refunded in whole or in part if:

1) a state fee was paid in an amount greater than required by this Code, except for cases when a plaintiff reduces his/her/its claims when filing lawsuits and other applications (complaints) with court;

2) a dispute was referred to arbitration;

3) parties concluded a settlement agreement, agreed to settle the dispute (conflict) by way of mediation or through a participative procedure in courts of first and appellate instances - in full, in a court of cassation – equal to 50 percent of the amount paid when filing an application for cassational review of a judicial act;

4) return of a citizen's application by the Constitutional Court of the Republic of Kazakhstan, of a claim or other statement (complaint) by the court or refusal to accept it, also refusal of notaries or authorized persons to perform notarial procedures;

5) termination of constitutional proceedings, proceedings in a case or leaving a claim without consideration, if the case is not subject to consideration in the Constitutional Court of the Republic of Kazakhstan, court, and also if the plaintiff does not comply with the procedure for preliminary dispute resolution established for this category of cases or the claim is brought by an incapacitated person;

6) persons, who paid a state fee, refuse to take a legally significant action or obtain a document before applying to the body committing this legally significant action;

7) an application for cassational review of a judicial act was returned;

8) in other cases established by the laws of the Republic of Kazakhstan.

2. A state fee shall not be refunded if:

1) the citizen's withdrawal of his appeal to the Constitutional Court of the Republic of Kazakhstan, the plaintiff's withdrawal of the claim;

2) a plaintiff reduces claims;

3) a court order was vacated.

3. A tax authority refunds the overpaid amount of a state fee pursuant to the taxpayer's submission of a tax application and a relevant state body's document confirming the legality of the refund.

4. The tax authority shall refund the amount of the state duty to the taxpayer in whose favor the court ruled to collect the state fee from the state institution that is a party to the case on the basis of the tax application by the taxpayer and effective court ruling.

5. The refund of the overpaid amount of the state fee shall be made by the tax authority at the place of its payment to the taxpayer's bank account from the corresponding budget classification code to which the state fee amount was credited, within five working days from the date of filing a tax application for refund.

6. Documents for refund of the overpaid amount of a state fee provided for in this article shall be submitted to a tax authority within a three-year period from the payment of such a state fee to the budget.

Footnote. Article 108 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (effective from 01.01.2024).

Article 108-1. Features of the offset on tax liability for the share of the Republic of Kazakhstan in the production sharing in kind

1. When maintaining a personal account in kind, the amount of minerals excessively transferred by a subsoil user in kind to meet the tax obligation on the share of the Republic of Kazakhstan in the production sharing in kind is the positive difference between the volume of minerals transferred to meet the tax obligation in kind and the volume of minerals to be transferred to fulfill the tax obligation in kind, as of the date of the offset.

2. When maintaining a personal account in kind, the offset of the excessively transferred volume of minerals by the subsoil user in kind against fulfillment of the tax obligation on the share of the Republic of Kazakhstan in the production sharing in kind shall be made by the tax authority at the place of maintenance of the personal account of the subsoil user on the share of the Republic of Kazakhstan in the production sharing based on the information of such a personal account.

3. When maintaining a personal account in kind, the offset of the excessively transferred volume of minerals transferred by the subsoil user in kind against fulfillment of the tax obligation on the share of the Republic of Kazakhstan in the production sharing in kind is made by the tax authority against the unfulfilled tax obligation on the share of the Republic of Kazakhstan in the production sharing in kind without a tax application for offset by the subsoil user.

Footnote. Chapter 11 is supplemented by Article 108-1 by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2018).

Section 2. Offset and/or refund of excess individual income tax

Article 109. General Provisions

1. In the event of an excess in individual income tax, as defined in Article 640 of this Code, an individual shall have the right, after a reconciliation carried out by the tax authority in the manner determined by this chapter, to offset and (or) return such excess in individual income tax in the manner and within the timeframes established by this paragraph.

2. The basis for conducting a reconciliation of individual income tax shall be the requirement for offsetting and (or) refunding the excess of individual income tax, declared in the income and property declaration.

Article 110. Reconciliation of individual income tax

1. Reconciliation of individual income tax is a procedure carried out by the tax authority to confirm the amount of excess individual income tax declared in the income and property declaration.

2. During the reconciliation the following shall be performed:

1) comparison of information reflected in the income and property declaration with data from tax agents and authorized individuals;

2) confirmation of the validity of the application of tax deductions and amounts of expenses recognized as tax deductions in accordance with Article 342 of this Code;

3) confirmation of the excess amount of individual income tax declared for offset and/or refund.

3. If discrepancies are identified in the information specified in subparagraphs 1) and 2) of paragraph 2 of this article, the individual shall be sent a notification in accordance with Chapter 12 of this Code.

Article 111. Procedure for conducting reconciliation of individual income tax based on information from tax agents

The tax authority shall check the following information reflected in the income and property declaration with the corresponding information of tax agents:

1) income subject to taxation at the source of payment;

2) adjustment of income provided for in Article 341 of this Code;

3) tax deductions established by Article 342 of this Code, applied to income subject to taxation at the source of payment;

4) the amount of individual income tax calculated from income subject to taxation at the source of payment.

Article 112. Procedure for conducting a reconciliation of individual income tax to confirm the amount of tax deductions for expenses on education, medicine, repayment of interest on mortgage housing loans

1. The tax authority, no later than October 15 of the year in which the income and property declaration is submitted indicating the requirement for the return and (or) offset of the excess amount of individual income tax, shall send:

1) to the relevant authorized individuals – a request to confirm information on expenses for education and medicine incurred by an individual on the territory of the Republic of Kazakhstan;

2) for an individual – a request for the need to submit originals or notarized copies of documents confirming the receipt of medical services outside the Republic of Kazakhstan;

3) second-tier banks or organizations carrying out certain types of banking operations - a requirement to confirm expenses for the repayment of interest on mortgage housing loans received by an individual for the purchase of housing in the Republic of Kazakhstan, based on the consent of the individual (account holder) indicated in the income and property declaration of the individual.

2. The request to the individuals specified in subparagraphs 1) and 3) of paragraph 1 of this article shall be sent in one of the following ways:

1) by registered mail with notification.

In this case, such a request must be delivered by postal or other communications organization no later than ten working days from the date of the mark of acceptance by the postal or other communications organization;

2) delivers it to the taxpayer personally against signature;

3) electronically in a web application.

3. Confirmation of information on expenses for education, medicine, and repayment of interest on mortgage housing loans made by an individual in the territory of the Republic of Kazakhstan, specified in the demand of tax authorities, shall be submitted within the timeframes established by Articles 24 and 26 of this Code, by authorized individuals, banks or organizations carrying out certain types of banking operations.

4. The forms of tax authority requirements provided for in this article and the rules for their preparation shall be approved by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations, the authorized body in the field of education, and the authorized body in the field of healthcare, respectively.

5. In the event of failure by authorized individuals, banks or organizations carrying out certain types of banking operations to submit the information specified in the request of the tax authorities within the timeframes established by Articles 24 and 26 of this Code, the tax authority, no later than January 1 of the year following the year in which the income and property declaration was submitted indicating the requirement for the return and (or) offset of the excess amount of individual income tax, shall send the individual a request on the need to submit copies of documents with the presentation to the tax authority of the originals confirming expenses for the payment of medical services and educational services, as well as expenses for the repayment of interest on mortgage housing loans.

6. In the case provided for in paragraph 5 of this article, an individual, in person no later than 15 February of the year following the year in which the income and property declaration indicating the claim for the return and (or) offset of the excess amount of individual income tax is submitted, shall be obliged to submit copies of the following documents to the tax authority at the place of residence, along with the presentation of the originals:

1) contracts for the provision of medical services, educational services, mortgage housing loans;

2) documents confirming actual expenses for payment of medical services, educational services, repayment of interest on mortgage housing loans;

3) other documents confirming the receipt of medical services, educational services, and repayment of interest on mortgage housing loans.

If the documents specified in the first part of this subparagraph are drawn up in a foreign language, a notarized translation of such documents into Kazakh or Russian shall be required.

When making non-cash payments for services provided for in the first part of this paragraph, one of the following documents shall be used as a document confirming the actual

expenses for payment of such services, provided that it contains the name and identification number of the individual in whose favor such expenses were paid:

a payment document drawn up when making payments and money transfers using a bank account or without using a bank account;

a receipt drawn up when making payments and money transfers using a payment card or through electronic terminals (hereinafter referred to as the Receipt);

statement of movement of funds in a bank account (hereinafter referred to as the Statement).

In the event of receipt and payment for the specified services outside the Republic of Kazakhstan, it is not required to indicate in receipts and statements the identification number of the individual in whose favor the payment for such services was made.

Failure to submit copies of the documents specified in the first part of this paragraph within the established period and failure to confirm their authenticity by presenting the originals shall constitute grounds for failure to confirm the excess amount of individual income tax and for sending the conclusion provided for in subparagraph 3) of paragraph 7 of this article.

7. Based on the information received from authorized individuals, banks or organizations carrying out certain types of banking operations, originals or notarized copies of documents of an individual submitted in accordance with paragraph 6 of this article, the tax authority shall verify the validity of the application of tax deductions by an individual, confirms the amount of excess on individual income tax declared for offset and (or) refund, and forms the following conclusions on:

1) confirmation of the excess amount of individual income tax in full;

2) confirmation of the excess amount of individual income tax, in part, indicating the reasons for incomplete confirmation;

3) failure to confirm the excess amount of individual income tax, stating the reasons.

8. The conclusions specified in subparagraphs 2) and 3) of paragraph 7 of this article shall be sent to:

1) electronic taxpayer – electronically via a web application;

2) other taxpayers – by registered mail with notification.

Footnote. Article 112 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 113. Procedure for offsetting and (or) refunding the excess amount of individual income tax of an individual

1. The offset and (or) refund of the excess amount of individual income tax, determined by Article 640 of this Code, shall be made based on a conclusion confirming the excess amount of individual income tax in full or in part, as provided for in paragraph 7 of Article 112 of this Code, within the limits of the excess amount of individual income tax declared by the individual.

2. If an individual has tax arrears, the tax authority shall offset the excess amount of individual income tax against the existing tax arrears for taxes and payments to the budget in the manner specified in Article 102 of this Code for offsetting the overpaid amount of tax, payments to the budget and penalties.

3. After the existing tax debt has been paid off, depending on the requirement specified in the income and property declaration, it is offset against upcoming payments and/or returned to a bank account.

In this case, the amount of excess on the individual income tax of an individual is not offset against upcoming payments on the individual income tax withheld at the source of payment.

4. The offset of the excess amount of individual income tax is made against upcoming payments of taxes specified by the individual in the request for offset of the excess amount of individual income tax.

5. The refund of the excess amount of individual income tax shall be made to the bank account specified in the request for the refund of the excess amount of individual income tax.

6. If an individual specifies in the income and property declaration both a requirement for offsetting and refunding the excess amount of individual income tax, the tax authority shall successively offset the excess amount of individual income tax against upcoming payments, and in the part remaining after offsetting the excess amount of individual income tax, refund it to a bank account.

7. The offset and/or refund of the excess amount of the individual income tax of an individual shall be made no later than September 15 of the year following the year of filing the income and property declaration.

When submitting a declaration of income and property, which specifies a requirement for offsetting and (or) refunding the excess amount of individual income tax, but does not specify the bank account details, the offsetting and (or) refunding of the excess amount of individual income tax shall be carried out in accordance with part three of this paragraph.

In the event of submission of a declaration of income and property after the deadline established by Article 635 of this Code, as well as an additional declaration of income and property in terms of indicating the requirement for offsetting and (or) refunding the excess amount of individual income tax and indicating the details of the bank account, the offset and (or) refund of the excess amount of individual income tax of an individual shall be made within a period of no later than twelve months from the date of submission of such declaration of income and property.

8. If the last day of the period falls on a non-working day, the period for offsetting and/or refund expires at the end of the next working day.

9. The procedure for offsetting and (or) refunding the excess amount of individual income tax of an individual shall be determined by the authorized body.

Footnote. Article 113 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Clause 2. Offset and (or) refund of excess amount of individual income tax Chapter 12. NOTICE OF FULFILLMENT OF TAX OBLIGATIONS, OBLIGATIONS FOR CALCULATION, WITHHOLDING AND TRANSFER OF SOCIAL WELFARE PAYMENTS

Article 114. General provisions

1. A notice is a tax authority's notification to a taxpayer (tax agent) of the requirement to fulfill a tax obligation by the latter, which is sent in hard or soft copy, and also to fully calculate and timely pay social welfare payments, the control of which is assigned to tax authorities. The forms of notices are approved by the authorized body.

2. The types of notices and time frames for their sending to a taxpayer (tax agent) are as follows:

1) of an amount of taxes calculated by a tax authority in accordance with paragraph 2 of Article 37 of this Code – within ten business days from the day of calculation;

2) of the results of an audit - within five business days from the day a taxpayer (tax agent) is delivered a tax audit report, except for the case set forth in paragraph 4 of Article 159 of this Code;

3) of assessed amounts of taxes, payments to the budget and social welfare payments for the period from the date of filing liquidation tax returns until the date of completion of a liquidation tax audit - within five business days from the day a taxpayer (tax agent) is delivered a liquidation tax audit report;

4) on the accrued amount of payment for the negative environmental impact based on the information of the authorized environmental protection body - no later than ten working days from the receipt of information referred to in paragraph 3 of Article 573 of this Code;

5) of failure to file tax returns within the time frame established by the tax legislation of the Republic of Kazakhstan - from the day of the violation's detection, except for tax returns on corporate income tax and VAT, a notice of which shall be sent within ten business days from the deadline established by this Code for their filing.

In case of violation of a deadline for the notice indicated in this subparagraph due to technical errors in the software confirmed by the authorized body, this notice is considered to be sent on time. In this case, a tax obligation and (or) an obligation to calculate, withhold and transfer social welfare payments upon such a notice shall be fulfilled by a taxpayer within the time limits set forth in paragraph 5 of Article 115 of this Code;

6) excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024);

7) on repayment of tax debt - not later than five working days from the date of tax debt or transfer of a taxpayer from the low risk category to the average or major risk category;

8) of individuals' tax debts - within twenty business days from the tax debts' emergence;

9) of foreclosing on debtors' bank accounts – at least twenty business days prior to the foreclosure;

10) of elimination of violations revealed by tax authorities pursuant to an in-house audit - within ten business days from the discovery of violations in tax returns, except for the cases set forth in paragraph 7 of Article 59 and paragraph 8 of Article 66 of this Code;

11) of the results of consideration of a taxpayer's (tax agent's) complaint about an audit findings report – within five business days from the date of a decision on the complaint;

12) of elimination of violations of the tax legislation of the Republic of Kazakhstan – within five business days from their detection;

13) of confirmation of the location (absence) of a taxpayer - within three business days from the day of a tax inspection report of tax authorities' officials;

14) on the results of monitoring made as a result of a decision within horizontal monitoring (hereinafter, for the purposes of this Code - a notification on the results of horizontal monitoring), not later than five working days from the date of such a decision.

3. A notice shall include:

1) the identification number of a taxpayer (tax agent);

2) the last name, first name, patronymic (if it is indicated in an identity document) or full name of the taxpayer;

3) the name of a tax authority;

4) the date of the notice;

5) an amount of a tax obligation and (or) obligations for the calculation, withholding and transfer of social welfare payments - in the cases established by this Code and (or) the laws of the Republic of Kazakhstan;

6) bank details required for the payment of tax debts in respect of property tax, land tax and tax on vehicles of individuals;

7) the requirement to fulfill the tax obligation and (or) obligations to calculate, withhold and transfer social welfare payments;

8) a ground for sending the notice;

9) a procedure for appeal.

4. In the case specified in subparagraph 1) of paragraph 2 of paragraph 1 of Article 115 of this Code, tax authorities shall send a taxpayer (tax agent) copies of notices specified in subparagraphs 4), 7) and 8) of paragraph 2 of this article.

A taxpayer (tax agent) has the right to apply to tax authorities to receive original notices specified in subparagraphs 4), 7) and 8) of paragraph 2 of this article.

Footnote. Article 114 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (effective from 01.01.2022); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 115. Procedure for the delivery and execution of a notice

1. A notice shall be delivered to a taxpayer (tax agent) by hand against signature or in any other way confirming its dispatch and receipt, unless otherwise specified by this article.

In this case, a notice sent using one of the following methods is deemed to be delivered to a taxpayer (tax agent) if it is sent:

1) by registered mail with return receipt – on the date a taxpayer (tax agent) signs in the notification of a postal or other communications organization;

In this case, such a notification must be delivered by a postal or other communications organization within ten business days from the date of receipt by the postal or other communications organization;

2) electronically:

from the date of the notification delivery by the tax authority to the web application and (or) a special mobile application.

This method shall apply to a taxpayer interacting with the tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on electronic document and electronic digital signature and (or) using a special mobile application;

from the date of delivery of the notification to the user's account on the e-government web portal with sending a short text message to the cellular subscriber number registered on the e-government web portal.

This method shall apply to a taxpayer interacting with tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on an electronic document and electronic digital signature;

from the date of delivery of the notification to the tax mobile application.

This method applies to the notification of the amount of calculated taxes for the reporting tax period specified in subparagraph 1) of paragraph 2 of Article 114 of this Code;

3) via the “Government for Citizens” State Corporation - on the date it was received in person without prior arrangement. At the same time, a notice of the amount of taxes calculated for the tax accounting period specified in subparagraph 1) of paragraph 2 of Article 114 of this Code shall be received by an individual from July 15 of a year following the tax accounting period.

2. Unless otherwise provided for in paragraphs 3 and 4 of this article, in case of return by a postal or other communications organization of notices specified by subparagraphs 2), 3), 7) of paragraph 2 of Article 114 of this Code that were sent by tax authorities to a taxpayer (tax agent) by registered mail with return receipt, the date of delivery of such notices is that of a tax inspection with the involvement of witnesses on the grounds and according to the procedure established by this Code.

3. In case of completion of a tax audit pursuant to a tax inspection report in accordance with paragraph 3 of Article 158 of this Code and return by a postal or other communications organization of notices specified in subparagraphs 2) and 3) of paragraph 2 of Article 114 of this Code that were sent by tax authorities to a taxpayer (tax agent) by registered mail with

return receipt, the date of delivery of such notices is that of return of such a notice by a postal or other communications organization.

4. In case of return by a postal or other communications organization of notices specified in subparagraphs 5), 10), 11) и 12) of paragraph 2 of Article 114 of this Code that were sent by tax authorities to a taxpayer (tax agent) by registered mail with return receipt, a tax authority, on or before the day following that of return of such a notice, places information on the taxpayer indicating its identification number, name or his/her last name, first name, patronymic (if it is indicated in an identity document), the date of return of the notice on the website of the authorized body.

5. Unless otherwise provided for in paragraph 6 of this article, if a tax authority sends notices specified in subparagraphs 2) - 5), 10), 11), 12) and 14) of paragraph 2 of Article 114 of this Code, a tax obligation and (or) obligations for calculating, withholding and transfer of social welfare payments shall be performed within thirty business days from the day following the delivery of the notice to the taxpayer (tax agent).

6. If a taxpayer completely agrees with notices of the results of a liquidation tax audit indicated in subparagraphs 2) and 3) of paragraph 2 of Article 114 of this Code, the taxpayer shall submit a statement of agreement together with documents confirming the fulfillment of tax obligations for the payment of taxes and payments to the budget specified in the notices, and also of obligations to transfer social welfare payments.

In this case, the statement of agreement with the notice of the results of the liquidation tax audit is submitted by the taxpayer to the tax authority within twenty-five business days from the day following the delivery of the notice.

7. The procedure for delivery and execution of notices set forth in paragraphs 1 and 2 of this article, shall also apply to copies of notices specified in subparagraphs 5), 7) and 8) of paragraph 2 of Article 114 of this Code.

8. Tax authorities, within three business days from the taxpayer’s application in the case specified in paragraph 4 of Article 114 of this Code, shall issue to this taxpayer original notices specified in subparagraphs 5), 7) and 8) of paragraph 2 of Article 114 of this Code.

9. The notice specified in subparagraph 13) of paragraph 2 of Article 114 of this Code shall be sent by a tax authority electronically or by registered mail with return receipt and executed by the taxpayer (tax agent) within twenty business days from the day of its sending.

Footnote. Article 115 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 06.02.2023 № 196-VII (effective from 01.01.2024); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Chapter 13. METHODS FOR SECURING THE FULFILLMENT OF OVERDUE TAX OBLIGATIONS

Article 116. Methods for securing the fulfillment of overdue tax obligations

1. The fulfillment of an overdue tax obligation of a taxpayer (tax agent) can be secured by :

1) charging penalty for unpaid amount of taxes and payments to the budget, including advance payments and (or) current payments of them;

2) suspending debit transactions in bank accounts (except for correspondent accounts) of a taxpayer (tax agent) that is a legal entity, a structural unit of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, a private practice owner;

3) suspending debit transactions with the cash of a taxpayer (tax agent) that is a legal entity, a structural unit of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, a private practice owner;

4) restricting the disposal of property of a taxpayer (tax agent) that is a legal entity, a structural unit of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, a private practice owner.

If the fulfillment of tax obligations in accordance with subparagraph 2) of paragraph 3 of Article 722 of this Code is imposed on an operator, methods for securing the fulfillment of an overdue tax obligation:

specified in subparagraph 1) of part one of this paragraph are applied to the operator;

specified in subparagraphs 2), 3) and 4) of part one of this paragraph are applied both to the operator and each participant of a simple partnership (consortium).

2. Methods for securing the fulfillment of an overdue tax obligation, specified in subparagraphs 2), 3) and 4) of part one of paragraph 1 of this article, shall be applied within the time limits specified in Articles 118, 119 and 120 of this Code.

Before applying methods for securing the fulfillment of the overdue tax obligation specified in subparagraphs 2), 3) and 4) of part one of paragraph 1 of this article, a notice of the payment of tax debts, specified in subparagraph 7) of paragraph 2 of Article 114 of this Code, shall be sent to a taxpayer (tax agent), except for cases specified in paragraph 3 of this article.

Methods for securing the fulfillment of an overdue tax obligation, except for penalty accrual, shall be applied to taxpayers (tax agents) with the medium and high level of risk within the time periods provided by this Chapter, depending on the risk to which the taxpayer (tax agent) is assigned to the date of tax debts or the date of transfer of taxpayer (tax agent) from the low risk category to the average or major risk category.

3. In case a structural unit of a legal entity fails to pay its tax debts within thirty business days from the receipt of a notice of the payment of tax debts, a tax authority applies methods

for securing the fulfillment of an overdue tax obligation, specified in subparagraphs 2), 3) and 4) of paragraph 1 of this Article, to a taxpayer (tax agent) that is a legal entity that set up this structural unit.

In case of failure to pay tax debts by a structural unit of a legal entity after application of methods for securing the fulfillment of an overdue tax obligation to it in accordance with the procedure set forth in part one of this paragraph, and provided that the legal entity has more than one structural unit, a tax authority shall apply methods for securing the fulfillment of an overdue tax obligation specified in subparagraphs 2) and 3) of paragraph 1 of this article, simultaneously to all structural units of this legal entity.

In case a legal entity fails to pay its tax debts within thirty business days from the receipt of a notice of the payment of tax debts, a tax authority applies methods for securing the fulfillment of an overdue tax obligation, specified in subparagraphs 2), 3) and 4) of paragraph 1 of this article, to taxpayers that are structural units of this legal entity.

4. Methods for securing the fulfillment of an overdue tax obligation specified in subparagraphs 2), 3) and 4) of paragraph 1 of this article are subject to cancellation in case of:

1) declaring bankrupt - from the date of a final and binding court judgment on declaring a taxpayer bankrupt;

2) the application of the rehabilitation procedure - from the date of entry into force of the court decision on the application of the rehabilitation procedure;

3) approval by court of an insolvency resolution agreement - from the date of a final and binding court judgment on approval of such an agreement;

4) involuntary liquidation of second-tier banks, insurance (reinsurance) organizations - from the date of a final and binding court judgment on involuntary liquidation;

5) compulsory termination of operation of branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan - from the date of adoption by the authorized body for regulation, control and supervision of the financial market and financial organizations of the decision to revoke the license.

In addition to the above, in the cases specified in subparagraphs 1), 2) and 3) of part one of this paragraph, methods for securing the fulfillment of an overdue tax obligation are applied to a taxpayer in accordance with the provisions of this chapter with respect to the amount of a tax obligation that is not included in the register of creditors' claims as prescribed by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, and (or) tax obligation of a taxpayer not included in the insolvency resolution agreement approved by court.

5. Unless otherwise provided by paragraph 5-1 of this article, in the event of a complaint against a notification of the audit results or a notification of the horizontal monitoring results,

the methods of ensuring fulfillment of an overdue tax obligation, with the exception of restrictions on disposal of the taxpayer's (tax agent's) property, shall be suspended pending a decision on the complaint examination outcome.

5-1. If the authorized body leaves the complaint of the taxpayer (tax agent) to the notification of the audit results without satisfaction, the application of methods to ensure fulfillment of the overdue tax obligation, with the exception of restrictions on the disposal of the property of the taxpayer (tax agent), shall be suspended for fifteen working days from the date of the decision based on the outcome of the complaint examination.

6. If a taxpayer (tax agent) appeals against notices of the payment of tax debts, the application of methods for securing the fulfillment of an overdue tax obligation pending a decision on the results of the complaint's consideration is not suspended.

7. For the purposes of this chapter, the accounts of state institutions opened with the central authorized body for budget execution are equated to bank accounts, and the central authorized body for budget execution is equated to an organization carrying out certain types of banking operations.

8. Remained in force until 01.01.2019 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

Footnote. Article 116 as amended by Law of the Republic of Kazakhstan № 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 117. Penalties for overdue taxes and payments to the budget

1. A penalty is an amount specified in paragraph 2 of this article, which is accrued on the amount of overdue taxes and payments to the budget, including advance and (or) current payments of them.

2. A penalty is charged:

1) regardless of the application of other methods for securing the fulfillment of an overdue tax obligation to pay taxes, payments to the budget, enforced collection measures and other sanctions for violation of the tax legislation of the Republic of Kazakhstan;

2) for each day of delay in the fulfillment of a tax obligation for the payment of taxes and payments to the budget, beginning from the day following the deadline for the payment of a tax and payment to the budget, including advance and (or) current payment of them, including the day of payment to the budget, in the amount of 1.25 times the official refinancing rate established by the National Bank of the Republic of Kazakhstan, for each day of delay, unless otherwise provided by Subparagraph 2-1) of this Paragraph;

2-1) for each day of delay in the fulfillment of a tax obligation for the payment of corporate income tax calculated in accordance with Article 302 of this Code, and individual income tax calculated on taxable income determined in accordance with Article 366 of this Code, arising from September 1 of the year following the reporting tax period, an additional

declaration on these types of taxes for the reporting tax period, beginning from the day following the deadline for the payment, including the day of payment to the budget, in the amount of 0.65 times the official refinancing rate established by the National Bank of the Republic of Kazakhstan, for each day of delay;

3) if the deadline is changed for a tax obligation for the payment of taxes and (or) fees, if the deadline is extended for filing tax returns, additional tax returns;

4) when paying the amounts of taxes and payments to the budget, including advance and (or) current payments of them, including the day of:

the write-off of money from a taxpayer's bank account by second-tier banks or organizations carrying out certain types of banking operations;

payment by a taxpayer through ATMs or point-of-sale terminals;

payment by a taxpayer, the authorized state body of the said amounts to second-tier banks or organizations carrying out certain types of banking operations;

the offset of an overpaid amount of tax, payment to the budget;

execution of a collection order;

5) when conducting tax and (or) customs audit - until the day of completion of such an audit.

After assessed (calculated) amounts indicated in an audit findings report are entered into the taxpayer's personal account - from the date of completion of the tax and (or) customs audit, including the day of payment;

6) to second-tier banks or organizations carrying out certain types of banking operations for:

non-observance of the order of priority in writing off amounts from bank accounts;

failure to transfer (credit) them to the budget;

untimely transfer to the budget of:

amounts written off from bank accounts of taxpayers,

cash paid at cash departments of second-tier banks or organizations carrying out certain types of banking operations for the payment of taxes and payments to the budget, including advance and (or) current payments of them, penalties, fines,

accrued bank fees.

3. No penalty is charged:

to creditors of second-tier banks being in involuntary liquidation if the sole reason for non-payment of taxes and payments to the budget was the liquidation of the second-tier bank servicing them - from the date of a final and binding court judgment on involuntary liquidation of the second-tier bank;

creditors of a forcibly terminating branch of a non-resident bank of the Republic of Kazakhstan, if the only reason for the formation of unpaid amount of taxes and payments to the budget on time was compulsory termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan serving them - from the date of adoption by the

authorized body for regulation, control and supervision of the financial market and financial organizations of the decision to revoke the license;

in case of a final and binding court judgment on compulsory issue - from the day of filing a statement of claim for compulsory issue of authorized shares with court and until their placement;

in case of a final and binding court judgment on recognizing an individual as missing from the effective date of the court judgment until its reversal;

on excess profits tax for a period preceding five taxable periods before the calendar year in which a violation of the tax legislation of the Republic of Kazakhstan was revealed;

when tax authorities revise calculated amounts of property taxes, land tax and tax on vehicles of individuals after the due date for payment of these taxes for a relevant taxable period;

when the deadline for the fulfillment of the tax obligation to pay taxes and (or) fees in respect of the taxpayer is changed in the event that the court approves the debt restructuring agreement in accordance with the Law of the Republic of Kazakhstan "On Rehabilitation and Bankruptcy";

when a court issues a ruling on initiating proceedings on applying the procedure for restoring solvency or judicial bankruptcy in accordance with the Law of the Republic of Kazakhstan "On restoring solvency and bankruptcy of citizens of the Republic of Kazakhstan " - from the date of issuance of such a ruling;

in the existence of an agreement concluded with the authorized body for investments on an investment tax credit during its validity term and on taxes for which such a credit is granted;

when a court passes a ruling on initiating proceedings in a bankruptcy case - from the date of such a ruling;

when the court issues a ruling on the initiation of rehabilitation proceedings - from the date of such ruling;

when applying the debt restructuring procedure - from the date of the court's decision to apply such a procedure;

on an amount of calculated (assessed) taxes and payments to the budget that emerged as a result of violation of the tax legislation of the Republic of Kazakhstan by a taxpayer (tax agent) when fulfilling tax obligations in accordance with the received preliminary explanation , except for the establishment of previously unknown facts.

For the purposes of this article, previously unknown facts are those affecting the opinion of a tax authority stated in the provided preliminary explanation, which were not earlier reported:

to tax authorities in the request of a taxpayer (tax agent) for preliminary explanation;

in written representations pursuant to requests of a tax authority or its officials within the process of consideration of the taxpayer’s (tax agent’s) request for preliminary explanation.

4. The charge of a penalty is reinstated in case of:

1) a final and binding court judgment on the refusal to declare a taxpayer bankrupt - from the date of the court's ruling on the initiation of proceedings in the bankruptcy case;

2) the entry into legal force of the court ruling on the refusal to approve the rehabilitation plan - from the date of the court's ruling on the initiation of the rehabilitation proceedings;

2-1) entry into legal force of a court decision on the refusal to apply a rehabilitation procedure to a taxpayer - from the day the court issues a ruling to initiate a rehabilitation case;

3) the taxpayer's failure to conclude an insolvency resolution agreement within the period established by the Law of the Republic of Kazakhstan "On Rehabilitation and Bankruptcy" or the court's ruling on the refusal to approve such an agreement - from the day of the court's decision on application of the insolvency procedure;

4) enforcement of the court resolution on waiver of solvency restoration procedure or judicial bankruptcy - from the day the court issues a ruling on initiating a case on the application of the solvency restoration procedure or judicial bankruptcy.

Footnote. Article 117 as amended by the Law of the Republic of Kazakhstan dated 21.01.2019 № 217-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) ; dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Article 118. Suspension of debit transactions in bank accounts of a taxpayer (tax agent)

1. Debit transactions in bank accounts (except for correspondent accounts) of a taxpayer (tax agent) that is a legal entity, a structural unit of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual registered as an individual entrepreneur, a private practice owner shall be suspended in accordance with the procedure established by the laws of the Republic of Kazakhstan in case of:

1) failure of a taxpayer (tax agent) to file tax returns within the time limits established by this Code - upon expiration of thirty business days from the day following the delivery of the notice provided for in subparagraph 5) of paragraph 2 of Article 114 of this Code;

2) a taxpayer's failure to submit a tax application for VAT registration - upon expiration of thirty business days from the day of delivery of the notice provided for in subparagraph 12) of paragraph 2 of Article 114 of this Code;

3) failure to pay tax debts to the budget by a taxpayer (tax agent), classified in accordance with the risk management system to the category of:

major risk - after one working day from the date of delivery of notice on tax debt repayment;

average risk - after ten working days from the date of delivery of notice on tax debt repayment;

4) denial of access to tax officials for conducting a tax audit and inspection of taxable and (or) tax-related items, except for cases of their violation of a tax audit procedure established by this Code - within five business days from the day of denial;

5) return by a postal or other communications organization of a notice due to the absence of a taxpayer (tax agent) from the location, except for the notice provided for in subparagraphs 7) and 13) of paragraph 2 of Article 114 of this Code - within five business days from the date of return;

6) a taxpayer's failure to meet the requirement set forth in part one of paragraph 5 of Article 70 of this Code - within three business days from the deadline specified in part one of paragraph 5 of Article 70 of this Code;

7) failure to comply with the notice of elimination of violations identified by the tax authorities based on the results of desk control - on the next working day after the expiration of the period established in part one of paragraph 2 of Article 96 of this Code.

At the same time, the recognition by the tax authority of the notice of elimination of violations identified by the tax authorities based on the results of desk control as unfulfilled is not a basis for suspending debit transactions on the bank accounts of the taxpayer (tax agent).

2. Suspension of debit transactions in bank accounts applies to all debit transactions of a taxpayer (tax agent), except for:

1) transactions for the payment of taxes and payments to the budget provided for in Article 189 of this Code, customs payments provided for by the legislation of the Republic of Kazakhstan, social welfare payments, penalties accrued for their late payment, and fines to be paid to the budget;

2) withdrawal of money:

under writs of execution providing for the satisfaction of claims for damages caused to life and health, as well as claims for recovery of alimony;

under writs of execution providing for the withdrawal of money for settlements with persons working under an employment agreement for the payment of severance pay and wages, remuneration under an author contract, obligations of a client for the transfer of social welfare payments, as well as under writs of execution for collection to state revenue;

to pay tax debts, arrears in social welfare payments.

Debit transactions in bank accounts of a taxpayer (tax agent) in the case provided for in subparagraph 3) of paragraph 1 of this article shall be suspended up the amount of the tax debts indicated in a tax authority's order to suspend debit transactions in bank accounts of the taxpayer (tax agent).

3. A tax authority shall issue an order to suspend debit transactions in bank accounts of a taxpayer (tax agent) in accordance with the form established by the authorized body in coordination with the National Bank of the Republic of Kazakhstan, which shall come into force on the day of its receipt by a second-tier bank or an organization carrying out certain types of banking operations.

A tax authority sends such an order to second-tier banks or organizations carrying out certain types of banking operations in hard copy or electronically by transmitting via a telecommunications network. When a tax authority sends an order to suspend debit transactions in bank accounts of a taxpayer (tax agent) in electronic form, such an order is created in accordance with the formats established by the authorized body jointly with the National Bank of the Republic of Kazakhstan.

4. A tax authority's order to suspend debit transactions in bank accounts of a taxpayer (tax agent) is subject to unconditional execution by second-tier banks or organizations carrying out certain types of banking operations and is executed in the order of priority established by the Civil Code of the Republic of Kazakhstan.

4-1. Repayment by a taxpayer (tax agent) of the amount of tax debt indicated in the order of the tax authority on suspension of debit transactions on bank accounts of the taxpayer (tax agent) shall be the ground for resumption by a second-tier bank or an organization carrying out certain types of banking operations, of debit transactions on bank accounts of such taxpayer (tax agent).

A second-tier bank or an organization carrying out certain types of banking operations, on the day of paying off the tax debt, shall resume debit transactions on bank accounts until cancellation of the tax authority's order on suspending debit transactions on the taxpayer's bank accounts.

5. An order to suspend debit transactions on bank accounts is canceled no later than one working day following the day the reasons for suspending debit transactions on bank accounts are eliminated.

6. If a bank account of a taxpayer (tax agent) is closed in accordance with the legislation of the Republic of Kazakhstan, a second-tier bank or an organization carrying out certain types of banking operations shall return an order to suspend debit transactions in the account to a relevant tax authority together with a notification of the closure of the bank account of a taxpayer (tax agent).

If an order to suspend debit transactions indicates more than one bank account, a second-tier bank or an organization carrying out certain types of banking operations shall return such an order to a relevant tax authority within one business day following the day of closing the last bank account specified in the order for suspension of debit transactions in bank accounts.

Footnote. Article 118 as amended by Law of the Republic of Kazakhstan № 241-VI dated 02.04.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021); from 24.06. 2021 № 53-VII (effective from.01.07.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Article 119. Suspension of debit transactions with the cash of a taxpayer (tax agent)

1. Suspension of debit transactions with the cash of a taxpayer (tax agent) shall be made in case of failure to pay tax debts by a taxpayer classified in accordance with the risk management system as the category of:

major risk - after one working day from the date of delivery of notice on tax debt repayment;

average risk - after ten working days from the date of delivery of notice on tax debt repayment.

Suspension of debit transactions with the cash of a taxpayer (tax agent) applies to all cash debit transactions at the cash desk, except for operations on:

depositing money to a second-tier bank or an organization carrying out certain types of banking operations for its subsequent transfer in settlement of taxes and payments to the budget provided in Article 189 of this Code, customs payments provided by the legislation of the Republic of Kazakhstan, social contributions, penalties accrued for their late payment, as well as fines to be paid to the budget;

withdrawing clients' cash from accounts of a second-tier bank or an organization carrying out certain types of banking operations, in the event that an order to suspend debit transactions with cash shall be issued with respect to the second-tier bank or the organization carrying out certain types of banking operations.

An order to suspend debit transactions with the cash of a taxpayer (tax agent) shall be issued in the form approved by the authorized agency in two copies, one of which shall be delivered to the taxpayer by hand against signature or in any other way confirming its dispatch and receipt.

2. A tax authority's order for suspension of debit transactions with cash is subject to unconditional execution by a taxpayer (tax agent) by transferring cash inflows to the budget within one business day after their receipt.

3. A taxpayer (tax agent) is liable for violating the requirements of this article in accordance with the laws of the Republic of Kazakhstan.

4. A tax authority's order for suspension of debit transactions with cash shall be canceled by the tax authority within one business day after the debtor's payment of debts to the budget.

Article 120. Restrictions on the disposal of property of a taxpayer (tax agent)

1. A tax authority imposes restrictions on the disposal of property of a taxpayer (tax agent) pursuant to the decision specified in paragraph 4 of this article, in case of:

1) failure to pay tax debts by a taxpayer (tax agent), classified in accordance with the risk management system to the category of:

major risk - after one working day from the date of delivery of notice on tax debt repayment;

average risk - after fifteen working days from the date of delivery of notice on tax debt repayment;

2) an appeal by a taxpayer (tax agent), with the exception of a taxpayer subject to tax monitoring, notification of the audit results, which contains information on the amount of taxes assessed and payments to the budget, and penalties, as well as on excess VAT amount returned from the budget and not confirmed for refund.

In addition to the above, in the case specified in this Subparagraph, a tax authority imposes restrictions without sending a notice of the payment of tax debts upon expiration of three working days:

from the submission of a complaint by a taxpayer (tax agent) in accordance with the procedure set forth in Chapter 21 of this Code;

from the removal of a taxpayer (tax agent) from the list of taxpayers, of large taxpayers subject to monitoringor termination of horizontal monitoring agreement.

2. A tax authority imposes restrictions on the disposal of a taxpayer's (tax agent's) property that:

1) belongs to him/her/it on the basis of the right of ownership or the right of economic management and (or) is held in the inventory of this taxpayer (tax agent) - in the case specified in subparagraph 1) of part one of paragraph 1 of this article;

2) that in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, is a fixed asset, investment in real estate and (or) a biological asset, in the case referred to in subparagraph 2) of part one of paragraph 1 of this article.

3. Not subject to restrictions on disposal are:

life support facilities;

electric, thermal and other types of energy;

food products or raw materials, the shelf life and (or) storage period of which is less than one year.

A tax authority is not allowed to seize a taxpayer's (tax agent's) restricted property that was transferred (received) into financial leasing or provided as collateral, before the termination of a lease and (or) a pledge agreement.

A taxpayer (tax agent) is not allowed to change the terms of the agreement (to extend the agreement, sublease and (or) repledge) from the day of imposition of restrictions on the disposal of property by a tax authority and until their removal.

For the purposes of this paragraph, life support facilities shall be understood as structures, technological installations and units of gas supply, power supply, heat supply, water supply and sanitation organizations, the termination or suspension of operation of which may lead to disruption of the engineering infrastructure of settlements and territories.

4. A decision to impose restrictions on the disposal of property of a taxpayer (tax agent) is drawn up in the form established by the authorized body and is made by a tax authority in the amount of:

1) tax debts according to the taxpayer's (tax agent's) personal account data as of the date of such a decision - in the case specified in subparagraph 1) of part one of paragraph 1 of this article;

2) taxes, payments to the budget and penalties appealed by the taxpayer (tax agent) in accordance with the procedure set forth in Chapter 21 of this Code - in the case specified in subparagraph 2) of part one of paragraph 1 of this article.

5. A decision to impose restrictions on the disposal of property shall be delivered to a taxpayer (tax agent) by hand against signature or in any other way confirming its dispatch and receipt. In this case, a decision is considered to be handed to the taxpayer (tax agent) if it is sent using one of the methods mentioned below:

1) by registered mail with return receipt - on the date a taxpayer (tax agent) signs in the notification of a postal or other communications organization;

2) electronically - from the date of delivery of the decision by the tax authority to the web application. This method shall apply to a taxpayer (tax agent) interacting with tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on electronic documents and electronic digital signatures;

3) if delivery is impossible due to the refusal to put a signature confirming the receipt of such a decision, or absence from the location - on the date of a tax inspection to be conducted in accordance with the procedure specified in Article 70 of this Code.

6. Within five business days from the receipt by a taxpayer (tax agent) of a decision to impose restrictions on the disposal of property, a tax authority forwards a copy of such a decision to authorized state bodies for registering the encumbrance of title to property, the title to which or transactions with respect to which are subject to state registration, or property subject to state registration.

7. After the expiration of ten business days from the delivery of a decision to impose restrictions on the disposal of the property of a taxpayer (tax agent) to the taxpayer (tax agent) , a tax authority takes an inventory of the restricted property in the presence of the taxpayer (tax agent) by drawing up a property inventory act in the form established by the authorized body.

If a taxpayer (tax agent) owns the property, the title to

which or transactions with respect to which are subject to state registration, or property subject to state registration, such property shall be entered into the inventory list in the first place.

When taking an inventory of the restricted property, it is necessary to indicate the book value, which is determined on the basis of the taxpayer's (tax agent's) accounting data, or market value in the property inventory act. Market value is a value stated in an appraisal report conducted in accordance with the legislation of the Republic of Kazakhstan on appraisal activity.

8. In the course of drawing up an act of inventory of restricted property, a taxpayer (tax agent) must produce original balance sheet, documents confirming the right of ownership of such property and (or) the right of its economic management or their notarized copies for the review of tax authority officials. Copies of the documents specified in this paragraph are attached to a restricted property inventory act.

A restricted property inventory act is drawn up in two copies and signed by a person who compiled it, and also by a taxpayer (tax agent) and (or) his/her/its official.

A taxpayer (tax agent) is obliged to keep the restricted property safe and intact, except for changes due to natural wear and tear and (or) natural loss under normal storage conditions, until restrictions are removed in accordance with the legislation of the Republic of Kazakhstan. In addition to the above, a taxpayer (tax agent) is liable for unlawful actions with respect to the said property in accordance with the laws of the Republic of Kazakhstan.

In case of failure to pay tax debts and sell restricted property through two auctions, a tax authority has the right to take an inventory of other property of a taxpayer (tax agent) by voiding the first inventory act and drawing up a new property inventory act taking into consideration the taxpayer's (tax agent's) personal account data on the amount of tax debts as of the date of the new inventory act.

9. A tax authority revokes a decision to impose restrictions on the disposal of property and voids a property inventory act drawn up pursuant to such a decision in the form established by the authorized body, in case of:

1) payment of tax debts by a taxpayer (tax agent) – within one business day from the payment of such debts;

2) issuance of a decision of the authorized body or a final and binding court judgment vacating an audit findings report in the part complained of - within one business day from the issuance of such a decision or a final and binding court judgment;

3) withdrawal by a taxpayer (tax agent) of his/her/its complaint about an audit findings report - within one business day from the withdrawal of such a complaint.

10. A tax authority sends to authorized state bodies a notification of termination of encumbrance of rights to property:

1) not indicated in an inventory act - within five business days from the property inventory act, attaching a copy of such an act;

2) with respect to which a decision to impose restrictions on the disposal was canceled in the cases provided for in paragraph 9 of this article - within five business days from the decision to cancel the decision to impose restrictions on the disposal of property, attaching a copy of such a decision;

3) sold by an authorized legal entity, also in settlement of arrears in customs payments, taxes and penalties – within five business days from the date of signing a purchase and sale agreement, attaching a copy of such an agreement.

11. In the cases specified in paragraphs 6 and 10 of this article, a tax authority shall forward relevant notifications to authorized state bodies in hard copy or in electronic form via a telecommunications network.

Footnote. Article 120 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated December 10, 2020 № 382-VI (enforcement Article 2).

Article 120-1. Restriction of the issuance of electronic invoices in the information system of electronic invoices

1. The tax authorities for violations with a high risk degree, shall restrict the issuance of electronic invoices in the information system of electronic invoices in case of non-execution within the established time and (or) recognition of the notice of elimination of violations identified by the tax authorities based on the in-house audit results as unfulfilled.

2. Restriction of electronic invoicing in the information system of electronic invoices shall be made within one business day after the date of non-fulfillment within the established term and (or) recognition of the notice of elimination of violations identified by tax authorities in the in-house audit as unfulfilled, for violations with a high degree of risk, on the basis of the decision on restricting the issuance of electronic invoices, issued in the manner and in the form established by the authorized body.

3. The decision to restrict the issuance of electronic invoices is sent within one working day following the day of the decision specified in paragraph 2 of this article, in one of the following ways:

1) by registered mail with notification;

2) electronically to the web application and (or) the user's personal account on the " electronic government" web portal and (or) the electronic invoice information system;

3) to the taxpayer against signature.

4. The tax authorities shall cancel the restriction on electronic invoicing in the information system of electronic invoices within one business day from the date of execution of the notice on elimination of violations identified by the tax authorities in the in-house audit, for violations with a high degree of risk, by issuing a decision on cancellation of the restriction in the manner and in the form established by the authorized body.

5. An appeal by a taxpayer of the decision to restrict the issuance of electronic invoices shall not suspend its action.

Footnote. Chapter 13 is supplemented by Article 120-1 by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Chapter 14. ENFORCED TAX DEBT COLLECTION ACTIONS

Article 121. Enforced tax debt collection actions

1. Tax authorities take actions on enforced collection of tax debts of a taxpayer - a legal entity, a structural unit of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, a professional with a private practice, except for cases of an appeal against a notification for audit results or notifications of horizontal monitoring results.

When collecting tax debts of a taxpayer operating under a production sharing agreement as part of a simple partnership (consortium) in cases where the fulfillment of tax obligations is imposed on an operator in accordance with subparagraph 2) of paragraph 3 of Article 722 of this Code, enforced collection actions, provided for by this chapter, apply to the taxpayer and (or) the operator.

2. Enforcement of tax debt collection actions shall be made taking into account the results of risk management system.

Prior to enforce tax debt collection actions, a taxpayer with average and major risk shall be notified of the tax debt repayment, except for cases established by Paragraph 4 of this Article.

The enforcement of tax debt collection actions to a taxpayer (tax agent) shall be carried out within the time period provided by this Chapter, depending on the risk to which the taxpayer is assigned at the date of his tax debt or at the date of transfer of the taxpayer from the low risk category to the average or major risk category.

3. The order of priority for enforced tax debt collection is as follows:

1) from bank accounts of a taxpayer;

2) from accounts of debtors of a taxpayer;

3) from the sale of restricted property;

4) in the form of compulsory issue of authorized shares.

4. In case a structural unit of a legal entity fails to pay its tax debts within forty business days after the receipt of a notice of the payment of tax debts, a tax authority takes actions on enforced collection of tax debts from the taxpayer that is a legal entity that set up this structural unit.

In case a structural unit of a legal entity fails to pay its tax debts after enforced collection actions on it in accordance with the procedure specified in part one of this paragraph and if the legal entity has more than one structural unit, a tax authority applies enforced collection actions with respect to the money in bank accounts of all structural units of such a legal entity at the same time.

In case a legal entity fails to pay tax debts within forty business days after the receipt of a notice of the payment of tax debts, a tax authority collects the amount of tax debts by taking enforced collection actions with respect to taxpayers that are structural units of this legal entity.

5. Enforced tax debt collection actions shall be stopped in case of:

1) initiation of proceedings in a bankruptcy case – on the day of a court's ruling on the initiation of proceedings in the bankruptcy case;

2) application of a rehabilitation procedure in respect of a taxpayer - on the day of a court' s ruling on the initiation of proceedings in the rehabilitation case;

3) approval by court of an insolvency resolution agreement on – on the effective day of a court's ruling on the approval of such an agreement;

4) involuntary liquidation of second-tier banks, insurance (reinsurance) organizations - on the effective date of a court's decision on involuntary liquidation;

5) compulsory termination of operation of branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan - from the date of adoption by the authorized body for regulation, control and supervision of the financial market and financial organizations of the decision to revoke the license.

In addition to the above, in the cases specified in subparagraphs 1), 2) and 3) of part one of this paragraph, a tax authority takes enforced collection actions in accordance with the provisions of this chapter with respect to the amount of a tax obligation that is not included in the register of creditors' claims in the manner prescribed by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, and (or) tax obligation of a taxpayer not included in the insolvency resolution agreement approved by court.

6. In case a taxpayer (tax agent) appeals against notices of the payment of tax debts, enforced tax debt collection actions are not stopped until a decision is rendered on the results of consideration of a complaint.

7. For the purposes of this chapter, accounts of state institutions opened with the central authorized body for budget execution are equated to bank accounts, and the central authorized body for budget execution is equated to an organization carrying out certain types of banking operations.

8. Remained in force before 01.01.2019 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

Footnote. Article 121 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020 № 382-VI (effective from December 16, 2020).

Article 122. Collection of debts to the state budget from money held in bank accounts

1. In cases of non-payment or incomplete payment of tax debts by a taxpayer (tax agent), a tax authority takes actions of enforced collection of the amount of tax debts from bank accounts of a taxpayer (tax agent), that is a legal entity, classified in accordance with the risk management system to the category of:

major risk - after five working days from the date of delivery of notice on tax debt repayment;

average risk - after twenty working days from the date of delivery of notice on tax debt repayment.

2. Collection of an amount of tax debts from bank accounts of a taxpayer (tax agent) opened with a second-tier bank or an organization carrying out certain types of banking operations shall be effected on the basis of a collection order of a tax authority, except for the amount of money that is security for loans granted by such a second-tier bank or organization carrying out certain types of banking operations, which is equal to outstanding principal debt of this loan.

3. A tax authority issues a collection order on the basis of data on the amount of tax debts as of the date of the order.

4. In case a second-tier bank or an organization carrying out certain types of banking operations executes collection orders from one bank account of a taxpayer (tax agent), collection orders, issued in respect of other bank accounts of the taxpayer (tax agent) opened by him/her/it with this second-tier bank or organization carrying out certain types of banking operations, shall be returned unexecuted to a tax authority if such collection orders are issued on the same date, for the same amount, for the same type of debt.

5. If a second-tier bank or an organization carrying out certain types of banking operations fully executes a collection order by writing off the total amount, specified in such a collection order, from several bank accounts of a taxpayer (tax agent), collection orders, issued in respect of other bank accounts of the taxpayer (tax agent) opened by him/her/it with this second-tier bank or organization carrying out certain types of banking operations on the same date, for the same amount, for the same type of debt shall be returned unexecuted.

6. A collection order is issued in accordance with the form approved by the National Bank of the Republic of Kazakhstan and contains an indication of the bank account of a taxpayer (tax agent) from which tax debts are collected.

A tax authority sends a collection order to second-tier banks or organizations carrying out certain types of banking operations in hard copy or in electronic form via a telecommunications network. An electronic collection order is created in accordance with the formats established by the authorized body in coordination with the National Bank of the Republic of Kazakhstan

7. If there is no money in a taxpayer's (tax agent's) national currency bank account, tax debts are collected from foreign currency bank accounts in the national currency pursuant to collection orders issued by tax authorities.

8. If there is sufficient money in a client's account with a second-tier bank or an organization carrying out certain types of banking operations to satisfy all the claims made to the client, a collection order for tax debt collection is executed by a second-tier bank or an organization carrying out certain types of banking operations as a matter of priority and within one business day after the receipt of the said order, within the amount available in the bank account.

9. In case several claims are made to a client that is a taxpayer (tax agent) having no or insufficient money in bank accounts, a second-tier bank or an organization carrying out

certain types of banking operations, as soon as money becomes available in such accounts, shall withdraw it to pay off the client's tax debts in the order of priority established by the Civil Code of the Republic of Kazakhstan.

10. When closing a bank account of a taxpayer (tax agent), a second-tier bank or an organization carrying out certain types of banking operations, in accordance with the legislation of the Republic of Kazakhstan, returns the above said collection order to a relevant tax authority together with a notification of the closure of the bank account of the taxpayer (tax agent).

11. Collection orders shall be revoked by a tax authority within one business day after the payment of tax debts.

A tax authority sends a notification of revocation of a collection order to second-tier banks or organizations carrying out certain types of banking operations in hard copy or in electronic form via a telecommunications network. An electronic collection order is revoked in accordance with the formats established by the authorized body in coordination with the National Bank of the Republic of Kazakhstan.

Article 123. Collection of tax debts of taxpayers (tax agents) from their debtors' accounts

1. In the absence of bank accounts of a taxpayer (tax agent), classified in accordance with the risk management system as a major or average risk, as well as with non-payment of tax debts after collection from the money in bank accounts, carried out in the manner specified by Article 122 of this Code, a tax authority forecloses on money in bank accounts of third parties indebted to a taxpayer (tax agent) (hereinafter referred to as debtors) up to the amount of their current tax debts.

2. A taxpayer (tax agent) shall be obliged, no later than ten working days from the date of receipt of a notice of tax debts repayment, to file to the tax authority that sent such the notice the list of debtors indicating the amount of receivables.

If there are effective court decisions on the recovery of debts from debtors in favor of the taxpayer (tax agent), such a court decision shall also be provided.

At the same time, to identify debtors of a taxpayer (tax agent), the tax authority shall have the right to use data from information systems of tax authorities, and also to conduct an audit of the taxpayer (tax agent) to determine mutual settlements between the taxpayer (tax agent) and its debtors. In the course of an audit of a taxpayer (tax agent), the tax authority shall have the right to conduct a counter audit of debtors.

The tax authority is not entitled to confirm the amounts of receivables disputed in court.

The list of debtors or a statement of mutual settlements reconciliation is not submitted if a taxpayer (tax agent) repays tax debts.

3. Based on a list of debtors and (or) information on debtors received from information systems of tax authorities and (or) a report on a taxpayer's (tax agent's) tax audit confirming

the amount of receivables, a tax authority sends to the debtors notices of foreclosure on money from their bank accounts up to the amount of receivables in order to pay tax debts of the taxpayer (tax agent).

Within twenty business days from the receipt of a notice, debtors are required to submit a reconciliation statement drawn up together with a taxpayer (tax agent) as of the date of the notice, in hard or soft copy, to a tax authority that sent the notice.

The settlement reconciliation statement of the taxpayer and his/her/its debtor must contain the following information:

1) the name of the taxpayer (tax agent) and his/her/its debtor, their identification numbers;

2) the amount of the debtor's debt to the taxpayer (tax agent);

3) legal details, seal (if any) and the signatures of the taxpayer (tax agent) and his/her/its debtor or electronic digital signatures of the taxpayer and his/her/its debtor;

4) the date of the reconciliation statement, which shall not be earlier than the date of receipt of the notice of payment of the debt to the budget.

4. If the debtors fail to submit an account reconciliation statement within the term provided for by part two of paragraph 3 of this article, or if the tax authority fails to confirm the amount of receivables, the tax audit of these debtors shall be conducted. At the same time, the tax authority is not entitled to confirm the amounts of receivables disputed in court. In the absence of receivables, the debtor, together with the account reconciliation statement, shall file documents to the tax authority confirming the fact of debt repayment to the taxpayer (tax agent).

5. On the basis of the account reconciliation statement and (or) the inspection report on the debtor, including the report on counter inspection carried out in accordance with paragraph 3 of this article, confirming the amount of receivables, and (or) a submitted court decision, the tax authority shall issue a collection order on recovery of the amount of the tax debt of the taxpayer (tax agent) from the debtor's bank accounts.

If receivables indicated in the reconciliation statement of settlements between the debtor and the taxpayer (tax agent) are paid, collection orders for collecting the amount of tax debts of the taxpayer (tax agent) from his/her/its debtor's bank accounts are subject to revocation within one business day following the submission of the settlement reconciliation statement together with documents confirming the payment of such debt by the debtor or the taxpayer (tax agent) to the tax authority.

6. A second-tier bank or an organization carrying out certain types of banking operations of a debtor-taxpayer is required to execute a collection order for collecting tax debts of a taxpayer (tax agent) issued by a tax authority in accordance with the requirements established by Article 122 of this Code.

In addition to the above, in case of debiting money in excess of the amount indicated in the collection order from bank accounts of a debtor opened with several second-tier banks or

organizations carrying out certain types of banking operations, the amount debited in excess is returned to the debtor by the tax authority on the basis of his/her/its application.

7. Collection of tax debt of a taxpayer (tax agent) from its debtors' accounts in the manner specified by this Article shall be carried out regardless of the f risk to which the debtor shall be assigned in accordance with the risk management system.

Footnote. Article 123 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 124. Collection from the sale of restricted property of a taxpayer (tax agent) to pay debts to the state budget

1. If there is no or insufficient money in bank accounts of a taxpayer (tax agent) - a legal entity, a structural unit of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, a professional with a private practice classified in the risk management category as major or average risk, or in bank accounts of his/her/its debtors or if a taxpayer or his/her/its debtors have no bank accounts, a tax authority, without his/her consent, shall issue an order for foreclosure on the taxpayer (tax agent)’s restricted property.

The order for foreclosure on the taxpayer (tax agent)’s restricted property shall be issued in the form approved by the authorized agency in two copies, one of which shall be sent to an authorized legal entity together with a copy of a decision to impose restrictions on the disposal of property and a copy of an inventory report.

2. An authorized legal entity sells restricted property of a taxpayer (tax agent) to pay his/her/its tax debts through auctions.

The procedure for the sale of property pledged by a taxpayer and/or a third party, as well as of the taxpayer’s (tax agent’s) restricted property, is approved by the authorized body.

3. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Footnote. Article 124 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 125. Compulsory issue of authorized shares of a taxpayer (tax agent) that is a joint-stock company partially owned by the state

In case of failure to pay tax debts by a taxpayer (tax agent) that is a joint-stock company partially owned by the state, after all the measures stipulated in subparagraphs 1), 2) and 3) of paragraph 3 of Article 121 of this Code have been taken, the authorized body applies to court with a statement of claim for compulsory issue of authorized shares in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Deadlines for the fulfillment of tax obligations for the payment of taxes, payments to the budget, as well as obligations to pay penalties and fines to be satisfied by compulsory

issuance of authorized shares under a court decision, are suspended from the date of entry into legal force of a court decision on compulsory issue of authorized shares and until their placement.

Article 126. Declaring a taxpayer (tax agent) bankrupt

1. If a taxpayer (tax agent) fails to pay debts to the budget after all the measures stipulated in Article 121 of this Code have been taken, a tax authority has the right to take measures to declare him/her/it bankrupt in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy.

2. The procedure for liquidation of a taxpayer (tax agent) declared bankrupt is carried out in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy.

Article 127. Publishing of lists of delinquent taxpayers (tax agents) in mass media

1. Tax authorities publish in mass media a list of delinquent taxpayers (tax agents) that failed to pay their tax debts within four months from the date of their emergence, who are:

individual entrepreneurs, private practice owners, whose debts' amount exceeds 10 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of a relevant financial year;

legal entities, their structural subdivisions, whose debts' amount exceeds 150 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of a relevant financial year.

In this case, the last name, first name, patronymic (if it is indicated in an identity document) or the name of the taxpayer (tax agent), type of economic activity, identification number, the last name, first name, patronymic (if it is indicated in an identity document) of the head of the taxpayer (tax agent) and the total amount of the tax debt are indicated in the lists.

2. The list of taxpayers (tax agents) posted on the website of the authorized body is updated on a quarterly basis, on or before the 20th day of a month following the end of a quarter, by including taxpayers (tax agents) meeting the criteria specified in this article, and also by removing taxpayers (tax agents) that paid their tax debts or whose tax obligations were terminated.

Article 128. Collection of tax debts of an individual taxpayer that is not an individual entrepreneur, a private practice owner

1. If an individual that is not an individual entrepreneur, a private practice owner fails to pay or underpays tax debts in the amount exceeding 1 monthly calculation index established by the law on the republican budget and effective as of January 1 of a relevant financial year, a tax authority, upon expiration of thirty business days from the delivery of a notice of

individuals' tax debts, shall issue a tax order for collecting tax debts of the individual (hereinafter referred to as a tax order) in the form established by the authorized body and send it to the individual within five business days from its issuance.

2. In the event of non-payment of tax arrears by an individual, the tax authority, no later than five working days from the date of the tax order delivery to be served to an individual as established by paragraph 1 of Article 115 of this Code, shall direct such a tax order to the relevant territorial justice bodies or to the regional chamber of private bailiffs for enforcement as prescribed by the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs.

3. A tax order shall be canceled by the tax authority that issued it in the following events:

1) repayment of tax debt by an individual - no later than one business day from the date of tax debt repayment;

2) if the tax debt, for the non-payment of which a tax order was issued, was formed through incorrect calculation (accrual) of taxes - no later than one business day from the date of making adjustments to the taxpayer's personal account;

3) violation of the procedure for issuing a tax order established by this article - no later than three working days from the date of detection of such a fact;

4) application of judicial bankruptcy procedure in respect of an individual as required by the Law of the Republic of Kazakhstan "On restoring solvency and bankruptcy of citizens of the Republic of Kazakhstan" - from the date of the court ruling on applying the judicial bankruptcy procedure;

5) application of the solvency restoration procedure in respect of an individual pursuant to the Law of the Republic of Kazakhstan "On restoring solvency and bankruptcy of citizens of the Republic of Kazakhstan" - from the date of the court ruling on applying the solvency restoration procedure.

Footnote. Article 128 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021; dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Chapter 15. TAX MONITORING

Article 129. General provisions

1. Tax monitoring is conducted by analyzing financial and economic activity of taxpayers to determine their actual tax base, to oversee the compliance with the tax legislation of the Republic of Kazakhstan and current market prices to supervise transfer pricing.

2. Tax monitoring includes:

1) the monitoring of large taxpayers;

2) the horizontal monitoring.

Article 130. Monitoring of large taxpayers

1. Taxpayers that are commercial organizations, except for state enterprises, with the largest total annual income less the adjustment provided for in Article 241 of this Code, are subject to the monitoring of large taxpayers provided all of the following requirements are met, unless otherwise specified by this paragraph:

1) the sum of transaction tables of fixed assets at the end of a taxable period is not less than 325 000 times the monthly calculated index established by the law on the republican budget and effective as of the end of the year in which the list of taxpayers subject to the monitoring of large taxpayers shall be approved;

2) the number of employees is at least 250 people.

For the purposes of this article:

1) the total annual income less the adjustment provided for in Article 241 of this Code is determined on the basis of a corporate income tax declaration for a taxable period preceding the year in which the list of taxpayers subject to the monitoring of large taxpayers shall be approved;

2) the sum of transaction tables of fixed assets is determined on the basis of tax returns for a year preceding the year in which the list of taxpayers subject to the monitoring of large taxpayers shall be approved;

3) the number of employees is determined on the basis of the declaration of individual income tax and social tax for the last month of the first quarter of the year in which the list of taxpayers subject to the monitoring of large taxpayers shall be approved.

Irrespective of the observance of conditions set forth in this paragraph, large taxpayers subject to monitoring are:

1) an authorized person (operator) and (or) subsoil user (subsoil users) specified in a production sharing agreement (contract), which was concluded between the Government of the Republic of Kazakhstan or the competent authority and subsoil user before January 1, 2009 and underwent obligatory tax due diligence, having the largest total annual income less the adjustment provided by Article 241 of this Code, and (or) carrying out activities in the oil and gas condensate field or offshore field in accordance with the specified agreements (contracts);

1-1) taxpayers whose annual amount of the taxes paid up shall be not less than 2,000,000 times the monthly calculation indexes established by the Law on the republican budget and effective at the end of the year in which the list of taxpayers subject to monitoring by large taxpayers shall be subject to approval.

In this case, the annual amount of taxes paid up shall be determined for each of the three calendar years preceding the year in which the list of taxpayers subject to monitoring by large taxpayers shall be subject to approval;

2) a subsoil user who, as of October 1 of a year preceding that in which the list of taxpayers subject to the monitoring of large taxpayers was put into effect, meets the following requirements:

a contract on exploration, production, combined exploration and production of minerals, except for contracts on exploration, extraction of widespread minerals and groundwater, was concluded with a subsoil user;

a subsoil user is classified as a town-forming legal person in accordance with the list approved by the authorized agency for regional development.

2. The list of taxpayers subject to the monitoring of large taxpayers shall include:

1) the first three hundred large taxpayers, with the largest total annual income less the adjustment provided for in Article 241 of this Code, from large taxpayers meeting the requirements established by part one of paragraph 1 of this article;

2) taxpayers specified in part three of paragraph 1 of this article.

3. The list of taxpayers subject to the monitoring of large taxpayers is drawn up on the basis of data of tax returns filed as of October 1 of a year preceding the year in which the said list is put into effect and is approved by the authorized body on or before December 31 of the year preceding the year in which the said list is put into effect.

If, as of October 1 of a year preceding that in which the list of taxpayers subject to the monitoring of large taxpayers is put into effect, a taxpayer, meeting the requirements set forth in paragraph 1 of this article, is being in liquidation, such a taxpayer shall not be entered into this list.

The approved list of taxpayers subject to monitoring by large taxpayers shall be put into effect not earlier than January 1 of the year following the year of its approval, and shall be valid for two years from the date of its entry into force. This list shall not be subject to revision during the period of its validity, with the exception of cases of changing conditions under which taxpayers shall be subject to monitoring by large taxpayers in accordance with Paragraph 1 of this Article.

4. In case of reorganization of a taxpayer subject to the monitoring of large taxpayers, its successor (successors) shall be subject to the monitoring of large taxpayers before a subsequent list of taxpayers subject to the monitoring of large taxpayers is put into effect.

5. In case of liquidation of a taxpayer subject to the monitoring of large taxpayers, and also from the day of entry into legal force of a court decision declaring it bankrupt, this taxpayer is deemed to be removed from the list of taxpayers subject to the monitoring of large taxpayers.

Footnote. Article 130 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018).

Article 131. Horizontal monitoring

1. Horizontal monitoring stipulate the exchange of information and documents between an authorized agency and a taxpayer, which shall be based on the principles of:

cooperation;

sound trust;

legality;

transparency

extended information interaction.

The horizontal monitoring agreement form shall be established by the authorized agency.

2. Horizontal monitoring shall be carried out from January 1 of the year following the year of conclusion of the horizontal monitoring agreement, and is valid for three years with the possibility of extension.

In this case, the procedure for concluding and terminating the horizontal monitoring agreement, as well as the categories of taxpayers with whom the horizontal monitoring agreement is concluded shall be established by the authorized agency.

Taxpayers subject to horizontal monitoring from January 1 of the year following the year of conclusion of the horizontal monitoring agreement shall not be taxpayers subject to monitoring by large taxpayers.

3. Proceedings in the case of an administrative offense for violation by a taxpayer of the tax legislation of the Republic of Kazakhstan cannot be started, and started shall be terminated when the fact of such violation is established based on the results:

1) horizontal monitoring while observing the following conditions:

the consent of a taxpayer, that in the horizontal monitoring, with notification of the results of horizontal monitoring;

the absence of the fact of judicial appeal against the notification on the results of horizontal monitoring;

2) a tax audit for the period the taxpayer in horizontal monitoring.

Article 132. Procedure for monitoring large taxpayers

1. In the course of large taxpayers' monitoring, the authorized body is entitled to require the taxpayers subject to the monitoring of large taxpayers to provide documents and written explanations confirming correct calculation of taxes and timely payment (withholding and transfer) of taxes and payments to the budget, as well as financial statements of the taxpayer (tax agent), including those of its subsidiaries.

In this case, this requirement must be fulfilled by taxpayers subject to the monitoring of large taxpayers within thirty calendar days from the day following the delivery of the request.

2. In the event of detected violations and discrepancies in the findings of monitoring of large taxpayers, the authorized body shall notify the taxpayer subject to monitoring of large taxpayers about them.

In this case, a taxpayer subject to the monitoring of large taxpayers is required to provide a written explanation within fifteen calendar days from the day following the delivery (receipt) of such a notice.

In case of disagreement with the presented explanation, the authorized body has the right to invite such a taxpayer subject to the monitoring of large taxpayers for discussing issues that arose and for providing additional documents and explanations.

Based on the results of the monitoring, the authorized body shall issue a written reasoned decision, which is sent within two business days from its issuance to the taxpayer subject to the monitoring of large taxpayers.

A taxpayer subject to monitoring by large taxpayers shall submit a notification of agreement with the decision within five working days from the date of its delivery.

3. The request, notification or reasoned decision specified in this article must be delivered to the taxpayer personally against signature or in another way confirming the fact of sending and receiving, unless otherwise provided by this article.

In this case, a request, notice or reasoned decision sent in one of the following ways shall be considered delivered to the taxpayer in the following cases:

1) by registered mail with notification - from the date of the taxpayer's mark in the notification of the postal or other communication organization.

In this case, such request, notification or reasoned decision must be delivered by postal or other communications organization no later than ten working days from the date of acceptance by the postal or other communications organization;

2) electronically:

from the date of delivery of the request, notification or reasoned decision by the tax authority in the web application.

This method shall apply to taxpayers interacting with tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on electronic documents and electronic digital signatures;

from the date of delivery of the request, notice or reasoned decision to the user's personal account on the "electronic government" web portal.

This method shall apply to a taxpayer registered on the "electronic government" web portal.

The forms of request, notification and reasoned decision shall be approved by the authorized body.

Footnote. Article 132 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (effective from 01.01.2024).

Article 133. The procedure for horizontal monitoring

Horizontal monitoring shall be carried out by means of expanded information interaction between the tax authority and a taxpayer, including the provision for officials of the tax authority to provide access to information systems for accounting and tax accounting and taxpayer records at its location.

In this case, the procedure for the horizontal monitoring shall be determined by the authorized agency.

Chapter 16. PRELIMINARY CLARIFICATION

Article 134. General provisions

1. Preliminary clarification shall be the clarification of the authorized agency on creation of tax obligation in relation to planned transactions (operations).

A preliminary clarification shall be provided by the authorized agency upon the request of :

a taxpayer that is in the horizontal monitoring;

organization implementing an investment priority project.

2. A request for a preliminary clarification shall be submitted by a taxpayer (tax agent) to the authorized agency in written form and must contain the following information:

1) the date of signing the request by the taxpayer (tax agent);

2) details of the taxpayer;

3) business identification number (BIN);

4) the description of the purpose and conditions of the transaction (operation), including the rights and obligations of the parties to the planned transaction (operation);

5) the position of the taxpayer (tax agent) regarding the calculation of taxes and payments to the budget in relation to the planned transaction (operation);

6) the list of attached documents.

3. The request for a preliminary clarification may also contain other information relevant to the preparation of such a clarification.

4. The request for preliminary clarification shall be signed by the head of the legal entity or by a person who shall be entrusted with the duties of the head of such a legal entity (with the attachment of supporting documents).

5. The request for preliminary clarification shall be accompanied by documents confirming the information specified in such a request.

6. A taxpayer (tax agent) shall has the right to withdraw a request for a preliminary clarification from the date of sending such a request to the authorized agency before the date the authorized agency provides a preliminary clarification.

7. The authorized agency shall has the right to refuse for considering the request of the taxpayer (tax agent) for provision of preliminary clarification in case of non-compliance of such a request with the requirements established by Paragraphs 2, 4 and 5 of this Article.

Article 135. The procedure for consideration a request for preliminary clarification

1. Consideration of a request for preliminary clarification shall be carried out in the manner determined by the Law of the Republic of Kazakhstan "On the procedure for considering applications from individuals and legal entities."

2. In the course of preparing a preliminary clarification, the authorized agency shall be entitled to invite a taxpayer to receive additional information relevant to the preparation of a preliminary clarification.

3. A preliminary clarification shall be carried out within the limits of information and documents submitted by the taxpayer.

Chapter 17. RISK MANAGEMENT SYSTEM

Article 136. General provisions

1. The risk management system is based on an assessment of the degree (level) of risks and includes measures developed and (or) applied by tax authorities to identify and prevent risks.

2. Risk is the probability of non-fulfillment and (or) incomplete fulfillment of a tax obligation by a taxpayer (tax agent), that could and (or) may cause damage to the state.

3. Goals of applying the risk management system:

1) focusing on high-risk areas and ensuring more efficient use of available resources;

2) increasing opportunities to identify violations of the tax and other legislation of the Republic of Kazakhstan, control over the implementation of which is entrusted to the tax authorities;

3) minimization of tax control in relation to taxpayers (tax agents), for which a low risk is determined;

4) differentiated application of measures and methods of tax administration depending on the degree of risk.

4. The assessment of the degree (level) of risks is carried out on the basis of an analysis of tax reporting data submitted by taxpayers (tax agents), information received from authorized state bodies, organizations, local executive bodies, authorized persons, as well as other documents and (or) information about activities of the taxpayer (tax agent).

5. Areas of application of the risk management system:

1) selection of subjects (objects) of a periodic tax audit based on risk assessment;

2) categorization of taxpayers (tax agents) by assigning them to categories of low, medium or high risk in the cases established by this Code;

3) confirmation of the reliability of the amount of excess of value added tax;

4) determination of the degree of risk of a violation identified by the results of an in-house audit;

5) other forms of tax administration.

6. The risk management system is carried out using information systems.

Footnote. Article 136 - as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 137. Risk criteria

1. The risk criteria is a set of signs, according to which the degree (level) of risk is assessed.

The risk criteria and the procedure for applying the risk management system are determined by the tax authority and are confidential information not subject to disclosure (

including to the taxpayer for whom the degree (level) of risk has been assessed), except for the cases established by paragraphs 2 and 3 of this article.

2. The risk criteria and the procedure for applying the risk management system for the purposes of subparagraph 3) of paragraph 5 of Article 136 of this Code are determined by the authorized body.

3. In the implementation of subparagraphs 1) and 2) of paragraph 5 of Article 136 of this Code, along with confidential criteria, the criteria that are not confidential information shall be applied. Risk criteria and the procedure for applying the risk management system according to such criteria shall be established by the authorized body.

Footnote. Article 137 - as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Chapter 18. TAX AUDITS Clause 1. General provisions for conducting tax audits

Article 138. The definition of a tax audit

1. A tax audit is an inspection, conducted by a tax authority, of compliance with regulations of the tax legislation of the Republic of Kazakhstan, as well as other legislation of the Republic of Kazakhstan, the control over the execution of which is assigned to the tax authorities.

2. Tax authorities have exclusive competence to conduct tax audits.

Footnote. Article 132 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (effective from 01.01.2022).

Article 139. Tax audit participants

1. Tax audit participants are:

1) tax officials and other persons specified in a prescription, who are involved by a tax authority in conducting a tax audit in accordance with this Code;

2) the following audited persons subject to tax audits:

within thematic audits on the issues specified in subparagraphs 12) - 18) of paragraph 1 of Article 142 of this Code - a taxpayer, including member states of the Eurasian Economic Union and states that are not members of the Eurasian Economic Union, on the section of the territory indicated in the regulation;

within other forms of tax audits - a taxpayer (tax agent) specified in the prescription.

2. In order to examine issues requiring special knowledge and skills and to receive consultations, a tax authority has the right to involve in a tax audit a specialist with such special knowledge and skills, including officials of other state bodies of the Republic of Kazakhstan.

In reply to written questions posed by a tax official that is a tax audit participant, a specialist involved in conducting the audit shall draw up an opinion, which is used during the

tax audit. Copies of such written questions and opinions shall be attached to a tax audit act, including the copy of a relevant audit act handed to a taxpayer (tax agent).

3. A tax audit is also carried out with respect to persons holding documents, information relating to activities of an audited taxpayer (tax agent), including an authorized representative of participants in a simple partnership (consortium) responsible for maintaining consolidated tax accounting for such activities, to obtain information on the audited taxpayer (tax agent) on issues related to the entrepreneurial activity of the audited taxpayer (tax agent).

4. Tax authorities are entitled to apply a risk management system to select a taxpayer (tax agent) for conducting tax audits.

Footnote. Article 139 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 140. Forms of tax audits

1. Tax audits are carried out in the form of a comprehensive, thematic, third-party audit, a chronometric inspection.

2. A taxpayer (tax agent) is not required to suspend activity in the course of a tax audit, except for cases established by the laws of the Republic of Kazakhstan.

3. Tax authorities have the right to carry out tax audits of structural units of a legal entity whether or not the legal entity itself is being audited.

4. If an in-house audit reveals violations with regard to an action (actions) on the issuance of an invoice, which a court recognizes as committed without actual performance of works, rendering of services, shipment of goods, tax authorities are not entitled to carry out thematic audits on this issue:

until a notice of elimination of violations revealed pursuant to an in-house audit is sent to the taxpayer (tax agent);

until the expiration of a deadline set for the execution of the notice of elimination of violations revealed pursuant to an in-house audit, established by paragraph 5 of Article 115 of this Code.

5. A time period subject to tax audit shall not exceed that calculated in the procedure set forth in Article 48 of this Code.

In addition to the above, it is possible to carry out a third-party audit for a period corresponding to that inspected in a comprehensive or thematic audit of a taxpayer (tax agent) , within the framework of which such a third-party audit has been scheduled.

6. At the appointment of comprehensive audit, a thematic audit on certain types of taxes and (or) payments to the budget, the tax period covered by the tax audit is not included in determining the audited period.

The provision of this paragraph shall not apply to tax audits referred to in subparagraphs 2) - 24) of paragraph 1 of Article 142, paragraphs two - four of subparagraph 1), subparagraphs

2) - 12) of paragraph 3 of Article 145 of this Code, as well as in relation to taxpayers subject to tax monitoring, subsoil users, taxpayers engaged in production and circulation of certain types of excisable products, biofuels.

7. Tax authorities have the right to send requests to persons performing transactions with a taxpayer (tax agent) with respect to whom a tax authority has been conducting a comprehensive or thematic audit in order to obtain additional information on such transactions from these persons.

The procedure for sending requests specified in this paragraph, as well as the persons' submission of information and (or) documents upon such requests is determined by the authorized body.

Footnote. Article 140 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 141. Comprehensive audit

1. A comprehensive audit is an audit conducted by a tax authority with respect to a taxpayer (tax agent) on the fulfillment of a tax obligation for all types of taxes, payments to the budget and social welfare payments.

2. A comprehensive audit may also cover issues pertaining to thematic audits, such as:

fulfillment by banks and organizations performing certain types of banking operations, of the obligations established by this Code, as well as the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance;

legitimacy of application of the provisions of international treaties (agreements);

transfer pricing;

state regulation of production and turnover of certain types of excisable goods, as well as turnover of aviation fuel, biofuel, fuel oil;

other issues related to the compliance with the legislation of the Republic of Kazakhstan, the execution of which is under the supervision of tax authorities.

3. Tax audits of a taxpayer (structural unit of a legal entity) being in liquidation (terminating activity) are conducted only in the form of a comprehensive audit (hereinafter referred to as a liquidation tax audit).

A structural unit of a deregistered resident legal entity is not subject to a comprehensive audit unless the taxpayer submits an application for such an audit.

Article 142. Thematic audit

1. A thematic audit is an audit carried out by a tax authority with respect to a taxpayer (tax agent) regarding:

1) the fulfillment of a tax obligation for certain types of taxes and (or) payments to the budget;

2) the fulfillment of a tax obligation for VAT and (or) excise duty on goods imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union;

3) the determination of a tax obligation for the action (actions) on the issuance of an invoice, which a court recognizes as committed without actual performance of works, rendering of services, shipment of goods;

3-1) determining the tax obligation for mutual settlements with the taxpayer (taxpayers), which (who) is under pre-trial investigation on the actions taken to issue an invoice without actually performing work, rendering services, shipping goods;

3-2) determination of the tax liability for mutual settlements with the taxpayer (taxpayers) , in respect of which (whom) the tax authority applied the restrictions provided for in Article 120-1 of this Code;

4) the determination of mutual settlements of the taxpayer and his/her/its debtors;

5) the legitimacy of application of the provisions of international treaties (agreements);

6) the confirmation of reliability of excess VAT amounts, including those claimed for refund;

7) the confirmation of income tax claimed for refund from the budget by a non-resident in connection with application of the provisions of an international treaty governing the avoidance of double taxation and the prevention of tax evasion;

8) issues stated in a non-resident's application for reconsideration of a tax application for the return of income tax from the budget in connection with application of the provisions of the international treaty governing the avoidance of double taxation and the prevention of tax evasion;

9) confirmation of the presence of violations specified in the notification of the tax authorities on the elimination of violations identified as a result of desk control, in the manner prescribed by Article 96 of this Code;

10) satisfaction of the requirements provided for in Article 29 of this Code;

11) those set out in a taxpayer's (tax agent's) complaint about an audit findings report;

12) registration with tax authorities;

13) availability of cash registers or a three-component integrated system;

14) the availability of an equipment (device) for making payments using payment cards;

15) the presence of accompanying invoices for goods and the compliance of the name, quantity (volume) of goods with the information specified in the accompanying invoices for goods:

when moving, selling and (or) shipping goods on the territory of the Republic of Kazakhstan, including by international road transportation between the member states of the Eurasian Economic Union;

when importing goods into the territory of the Republic of Kazakhstan from the territory of states that are not members of the Eurasian Economic Union and member states of the Eurasian Economic Union;

when exporting goods from the territory of the Republic of Kazakhstan to the territory of states that are not members of the Eurasian Economic Union and member states of the Eurasian Economic Union;

16) the availability of documents provided for by regulatory legal acts of the Republic of Kazakhstan, effective international treaties ratified by the Republic of Kazakhstan when exporting goods from the territory of the Republic of Kazakhstan to the territory of the member states of the Eurasian Economic Union and the conformity of goods with information specified in the documents;

17) the availability and authenticity of means of identification and accounting and control stamps, the availability of a license;

18) the availability of consignment notes for imported goods and the conformity of the name of goods with the information specified in the consignment notes when checking vehicles at traffic control or road police posts;

19) compliance with the procedure for the use of cash registers;

20) compliance with the legislation of the Republic of Kazakhstan on permits and notifications and conditions for the production, storage and sale of certain types of excisable goods;

21) execution of an order on the suspension of debit transactions with cash issued by the tax authority;

22) compliance with the procedure for issuing electronic invoices;

23) confirmation of the presence of remnants of goods included in the list of goods subject to reduced rates of customs duties in connection with the accession of the Republic of Kazakhstan to the World Trade Organization;

24) failure to execute the decision within the monitoring of large taxpayers;

25) the availability and authenticity of the means of identification for goods on the product subject to mandatory labeling in accordance with international treaties and (or) the legislation of the Republic of Kazakhstan.

2. A thematic audit may also be conducted on such issues as:

1) full and timely calculation, withholding and transfer of social welfare payments;

2) fulfillment by banks and organizations performing certain types of banking operations, of the obligations established by this Code, as well as the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan “On Compulsory Social Health Insurance;

3) transfer pricing;

4) state regulation of production and turnover of certain types of excisable goods, as well as turnover of aviation fuel, biofuels, fuel oil.

3. A thematic audit may be conducted simultaneously on several issues specified in paragraphs 1 and 2 of this article. The fulfillment of obligations for all types of taxes and payments to the budget may not be checked in a thematic audit.

4. In coordination with associations of private business entities, representatives of such associations may be invited to participate in thematic audits on issues specified in subparagraphs 12) - 18) of paragraph 1 of this article.

Representatives of associations of private business entities oversee the observance of the rights of a taxpayer in the course of these thematic audits. A thematic audit act states the fact of participation of representatives of associations of private business entities.

5. Based on the decision of a tax authority at the location indicated in the registration data of a taxpayer and (or) at the location of a taxable and (or) tax-related item, thematic audits are scheduled on the issues specified in subparagraphs 12) - 23) paragraph 1 of this article, in accordance with the procedure determined by the authorized body.

6. A thematic audit is carried out simultaneously on the issues specified in subparagraphs 1) and 6) of paragraph 1 of this article, when it is scheduled on the grounds specified in subparagraphs 2) or 7) of paragraph 3 of Article 145 of this Code.

Footnote. Article 142 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024); dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Article 143. Third-party audit

1. A third-party audit is an audit by a tax authority of persons who performed transactions with a taxpayer (tax agent), in whose respect the tax authority conducts a comprehensive or thematic audit in order to obtain additional information on such transactions, confirm the fact and content of operations, on issues arising in the course of the audit of the said taxpayer (tax agent).

2. A third-party audit is auxiliary to a comprehensive or a thematic one.

Third-party audits are fixed in accordance with the procedure determined by the authorized body.

3. A third-party audit is also an inspection conducted:

at the request of tax authorities or law enforcement agencies of other states, international organizations in accordance with international treaties (agreements) on mutual cooperation between tax authorities or law enforcement agencies to which the Republic of Kazakhstan is a party, as well as agreements concluded by the Republic of Kazakhstan with international organizations;

in respect of persons who performed transactions with a taxpayer (tax agent) that failed to eliminate violations of the VAT tax obligation revealed pursuant to an in-house audit and

related to such transactions, or provided explanations not confirming the absence of such violations.

Article 144. Chronometric inspection

1. A chronometric inspection is an audit conducted by a tax authority to determine the actual income of a taxpayer and actual costs associated with activities aimed at generating income for a period during which the audit is being carried out.

2. A decision to conduct a chronometric inspection shall be made by a tax authority at the location specified in taxpayer's registration data and (or) at the location of a taxable and (or) tax-related item in accordance with the procedure determined by the authorized body.

Article 145. Types of tax audits

1. Tax audits are divided into the following types:

1) periodic tax audits based on risk assessment;

2) unscheduled tax audits.

2. Periodic tax audits based on risk assessment are audits appointed by tax authorities in relation to taxpayers (tax agents) based on the tax reporting analysis results, information from authorized state bodies, as well as information obtained from official and open information sources on the activities of taxpayers (tax agents).

The ground for appointing periodic tax audits based on risk assessment is a semi-annual schedule approved by the authorized body's decision.

It is not allowed to make changes in the semi-annual inspection schedules.

The authorized body shall post a semi-annual summary schedule of inspections on the Internet resource by December 25 of the year preceding the year of inspections and by May 25 of the current calendar year.

3. Unscheduled tax audits are audits not specified in paragraph 2 of this article, including those carried out:

1) pursuant to a tax application or complaint of the taxpayer (tax agent), also:

in connection with reorganization through separation or liquidation of a resident legal entity, structural unit of a non-resident legal entity;

in connection with termination of activity in the Republic of Kazakhstan through a permanent establishment by a non-resident legal entity;

in connection with termination of activity of an individual entrepreneur;

in connection with deregistration for VAT;

in connection with a taxpayer's (tax agent's) complaint about an audit findings report;

2) pursuant to a taxpayer's tax application to confirm the reliability of excess VAT amounts submitted in connection with application of paragraphs 1 and 2 of Article 432 of this Code.

In this case, tax applications specified in this subparagraph may be submitted before the date:

of accepting of buildings and structures into operation for industrial purposes;

of the beginning of the export of minerals extracted under a relevant subsoil use contract;

3) on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

4) in case of failure by the taxpayer (tax agent) to notify the tax authorities about the elimination of violations identified in the in-house audit with an average risk degree, in the manner prescribed by Article 96 of this Code.

The provision of this subparagraph shall not apply during the period specified in paragraph 4-1 of Article 96 of this Code, and during the period of consideration by a higher tax authority and (or) an authorized body or court of a complaint against a decision specified in paragraph 4 of Article 96 of this Code;

5) due to the subsoil use contract expiration, except in cases of renewal of subsoil use right to the licensed subsoil use regime;

6) on issues of determining mutual settlements between a taxpayer (tax agent) and its debtors in accordance with the tax legislation of the Republic of Kazakhstan;

7) at the request of a taxpayer in VAT declaration to confirm the reliability of excess VAT amounts claimed for refund;

8) pursuant to a non-resident's tax application for the return of income tax from the budget in connection with application of the provisions of the international treaty governing the avoidance of double taxation and the prevention of tax evasion, and also in connection with the request of a non-resident to reconsider such a tax application;

9) on performance of duties established by the tax legislation of the Republic of Kazakhstan by banks and organizations carrying out certain types of banking operations, as well as of other laws of the Republic of Kazakhstan, control over the execution of which is assigned to the tax authorities;

10) on determination of a tax obligation for an action (actions) on the issuance of an invoice, which a court recognizes as committed without actual performance of works, rendering of services, shipment of goods;

11) on the basis of a decision of the authorized body;

12) on the basis of a decision of the tax authority in the cases established by paragraph 5 of Article 142, paragraph 2 of Article 144 of this Code and paragraph 7 of this article.

4. Unscheduled tax audits specified in paragraph 3 of this article may be conducted with respect to an earlier audited time period.

In addition to the above, unscheduled (comprehensive or thematic) tax audits for an earlier audited time period are conducted on the basis of a decision of the authorized body, except for tax audits conducted:

pursuant to an application of the taxpayer (tax agent);

at the request for the return of excess VAT amounts indicated in VAT declaration;

based on the taxpayer's tax application for confirmation of the reliability of excess VAT amounts submitted in connection with the application of paragraphs 1 and 2 of Article 432 of this Code;

on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

in connection with the taxpayer's (tax agent's) complaint about an audit findings report.

5. If a taxpayer (tax agent) files a complaint about an audit findings report with a court, unscheduled comprehensive and (or) thematic audits on the issue complained of for an earlier audited time period are not conducted until a final and binding court judgment.

6. For tax periods in which the taxpayer was on horizontal monitoring, a tax inspection shall not be carried out, with the exception of:

counter inspection;

tax inspection conducted at the request of the taxpayer (tax agent);

tax inspection conducted on the grounds provided by the Criminal Procedural Code of the Republic of Kazakhstan, the Law of the Republic of Kazakhstan "On the Prosecutor's Office";

tax audits conducted in connection with the complaint of the taxpayer (tax agent) to the notification of the audit results.

7. In case of changing the time period to be audited by issuing an additional prescription and completing a tax audit for the period being audited before expiration of the limitation period set forth in Article 48 of this Code, a tax authority, on the grounds that caused the previous tax audit, may schedule a tax audit for an unaudited taxable period earlier specified in the prescription before the change of the period being audited.

Footnote. Article 145 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 241-VI dated 02.04.2019 (shall be effective since 01.01.2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Clause 2. Procedure and time limits for tax audits

Article 146. Time limits for tax audits

1. Time limits for conducting a tax audit specified in a prescription shall not exceed thirty business days of the delivery of a prescription, unless otherwise provided for by this article.

2. Time limits for conducting a tax audit can be extended:

1) for legal entities that have no structural units, individual entrepreneurs and non-residents operating through permanent establishments provided that they have only one location in the Republic of Kazakhstan, except for the cases specified in subparagraph 2) of this paragraph:

by a tax authority that fixed the tax audit - up to forty-five business days;

by a higher-level tax authority - up to sixty business days;

2) for legal entities having structural units and non-residents operating through permanent establishments provided that they have only one location in the Republic of Kazakhstan, as well as for taxpayers subject to tax monitoring:

by a tax authority that fixed the tax audit - up to seventy-five business days;

by a higher-level tax authority - up to one hundred and eighty business days.

3. The authorized body may extend time limits for a tax audit fixed by it for the taxpayers indicated:

1) in subparagraph 1) of paragraph 2 of this article - up to sixty business days;

2) in subparagraph 2) of paragraph 2 of this article - up to one hundred and eighty business days.

4. The running of a tax audit period may be suspended by tax authorities for the period:

of delivery of a tax authority's request for the submission of information and (or) documents to the taxpayer (tax agent) and submission by the taxpayer (tax agent) of information and (or) documents requested during the tax audit;

of a tax authority's request to other territorial tax authorities, state bodies, banks and organizations carrying out certain types of banking operations and other organizations operating in the territory of the Republic of Kazakhstan and receipt of information and (or) documents upon the request;

of a tax authority's request to foreign countries for information and receipt of information from tax authorities in accordance with international treaties;

of preparation of a written objection by the taxpayer (tax agent) to a preliminary tax audit act and its consideration by the tax authority in the manner prescribed by the legislation of the Republic of Kazakhstan.

In this case, a tax authority conducting a tax audit must deliver a notice of suspension or renewal of the tax audit to a taxpayer (tax agent) against signature or by registered mail with return receipt or electronically within three business days from the suspension or renewal along with a notification of a legal statistics body. In addition to the above, the notice of suspension or renewal of a tax audit shall be deemed delivered to the taxpayer (tax agent) electronically on the date of delivery of such a notice by the tax authority to the web application. This electronic method applies to a taxpayer registered as an electronic taxpayer in accordance with the procedure set forth in Article 86 of this Code.

5. The period of suspension on the grounds established by paragraph 4 of this article shall not be included in the period of a tax audit:

1) of taxpayers subject to tax monitoring;

2) conducted in connection with the liquidation of a resident legal entity, a structural unit of a non-resident legal entity, a non-resident legal entity's termination of activity carried out in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur 's termination of activity;

3) thematic audits on such issues as:

transfer pricing;

confirmation of the reliability of excess VAT amounts claimed for refund;

audits of tax agents on the return of income tax from the budget on the basis of a non-resident's application;

stated in the taxpayer's (tax agent's) complaint about an audit findings report;

4) conducted on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

5) in case the tax authority requests a taxpayer (tax agent) to submit documents (information) in the course of tax audits in accordance with Article 161 of this Code;

6) in cases when a preliminary tax audit act was submitted to a taxpayer (tax agent), as well as the tax authority's consideration of the taxpayer's (tax agent's) written objection to the preliminary tax audit act in accordance with the legislation of the Republic of Kazakhstan.

For tax audits not specified in subparagraphs 1) - 6) of part one of this paragraph, the suspension period shall be included in the tax audit period.

6. Time limits for a comprehensive or thematic audit, with account of terms of the extension or suspension, unless otherwise specified in paragraphs 5 and 7 of this article, shall not exceed:

1) for legal entities having structural units, individual entrepreneurs and non-residents operating through permanent establishments provided that they have only one location in the Republic of Kazakhstan, except for the cases specified in subparagraph 2) of this paragraph - sixty business days;

2) for legal entities having structural units and non-residents operating through permanent establishments provided that they have only one location in the Republic of Kazakhstan, as well as for taxpayers subject to tax monitoring - one hundred and eighty business days.

7. The term for conducting, prolonging and suspending thematic audit to confirm the reliability of the amounts of excess of value added tax presented for refund is established in compliance with the terms provided for in Article 431 of this Code.

8. When conducting a chronometric inspection, the period specified in the order may not exceed thirty working days.

Extension and (or) suspension of the tax audit term, provided for by this article, shall not apply when conducting a chronometric inspection.

A chronometric inspection may be carried out outside school hours (night time, weekends, holidays), if the person being inspected works at the specified time and days.

Footnote. Article 146 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 147. Notification of tax inspection

Footnote. Heading of Article 147 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Tax authorities at least thirty calendar days before the start of a periodic tax audit, based on risk assessment, shall send or hand a notice of a tax audit to a taxpayer (tax agent) in the form established by the authorized body, unless otherwise established by this article.

2. A notification shall be sent or delivered to a taxpayer (tax agent) at the location indicated in the registration data.

A notification sent by registered mail with return receipt is considered to be delivered on the day of receipt of a reply from a postal or other communications organization.

3. In the absence of a taxpayer (tax agent) at the location indicated in the registration data, a periodic tax audit based on a risk assessment shall be conducted without notification.

4. A notification shall indicate the form of a tax audit, the list of issues to be checked, preliminary list of required documents, the rights and obligations of a taxpayer (tax agent) in the course of the tax audit, as well as other data necessary for conducting the tax audit.

5. The tax authority has the right to start a periodic tax audit based on risk assessment without notifying the taxpayer (tax agent) of the start of the audit in the presence of a well-reasoned risk that the taxpayer (tax agent) may conceal or destroy the documents required for the audit, related with taxation, or if there are other circumstances that make the audit impossible or prevent its full conduct.

The tax authority shall conduct a periodic tax audit based on a risk degree assessment without notifying the taxpayer (tax agent) on a written permission from a higher tax authority.

Footnote. Article 147 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 148. Grounds for conducting a tax audit

1. A tax audit shall be conducted on the basis of a prescription, which shall contain the following information:

1) the date and registration number of the prescription in a tax authority;

2) the name of the tax authority that issued the prescription;

3) the last name, first name and patronymic (if it is indicated in an identity document) or full name of the taxpayer (tax agent);

4) identification number;

5) the form and type of audit;

6) last names, first names, patronymics (if they are indicated in identity documents) of auditors, and also of specialists involved in the tax audit in accordance with this Code;

7) the period for conducting the tax audit;

8) the period to be audited, except for a chronometric inspection.

The form of a prescription is approved by the authorized body.

2. A prescription for conducting thematic audits shall specify:

1) the area of premises to be audited, issues to be clarified during the audit, as well as the information provided for in part one of paragraph 1 of this article, except for cases provided for in subparagraphs 3), 4), 7) and 8) of part one of paragraph 1 of this article, when scheduling thematic audits on the issues specified in subparagraphs 12) - 18) of paragraph 1 of Article 142 of this Code;

2) the information specified in part one of paragraph 1 of this article, except for the case provided for in subparagraph 8) of part one of paragraph 1 of this article, when scheduling thematic audits on the issues specified in subparagraphs 19) - 23) of paragraph 1 of Article 142 of this Code;

3) the information provided for in part one of paragraph 1 of this article, when scheduling thematic audits on issues not specified in subparagraphs 1) and 2) of this paragraph.

3. When scheduling tax audits, except for chronometric inspections, a prescription shall specify issues to be audited depending on the form of an audit.

When carrying out comprehensive audits, the types of audited taxes, payments to the budget and social welfare payments are not specified in the prescription.

4. A prescription must be signed by the head of a tax authority or by a person acting as its head, unless otherwise provided for in this paragraph.

A prescription for conducting third-party audits, as well as a chronometric inspection, can be signed by the deputy head of a tax authority or by a person acting as a deputy head.

A prescription can be certified by electronic digital signature of the authorized tax official in accordance with the legislation of the Republic of Kazakhstan on electronic document and electronic digital signature.

5. In case of extension of the time frame for conducting a tax audit specified in Article 146 of this Code and (or) changing the number and (or) replacement of persons conducting the audit and (or) selecting another time period for audit, an additional prescription is issued indicating the number and date of registration of the previous prescription, the last names, first names and patronymics (if they are indicated in identity documents) of persons involved in conducting the audit in accordance with this Code.

The form of the additional prescription is approved by the authorized body.

6. On the basis of one prescription, only one tax audit may be conducted, except for thematic audits on the issues specified in subparagraphs 12) - 18) of paragraph 1 of Article 142 of this Code.

Article 149. Commencement of tax audits

1. The date of commencement of a tax audit shall be that of delivery of a prescription to a taxpayer (tax agent), unless otherwise specified in paragraph 6 of this article.

2. A prescription is handed to a taxpayer (tax agent) by a tax official conducting an audit.

When a taxpayer (tax agent) is handed a prescription, he/she shall sign the tax authority's copy of the prescription to confirm his/her familiarization and receipt, and also write down the date and time of the prescription's receipt.

The provisions of this paragraph shall not apply to thematic audits on the issues specified in subparagraphs 12)-18) of paragraph 1 of Article 142 of this Code.

3. When conducting thematic audits on the issues specified in subparagraphs 12)-18) of paragraph 1 of Article 142 of this Code, a taxpayer (tax agent) or his/her/its employee, engaged in sale of goods, performance of works or rendering of services, is shown an original prescription for conducting an audit and receives its copy.

A taxpayer (tax agent) or his/her/its employee, engaged in sale of goods, performance of works or rendering of services signs an original prescription to confirm his/her familiarization with it and receipt of a copy, and also writes down the date and time of receipt of the prescription's copy in it.

4. In case of refusal to receive a prescription, a tax official shall make an appropriate note on the copy of the tax authority's prescription and draw up an act on the taxpayer's (tax agent 's) refusal to receive the prescription in the presence of (at least two) witnesses.

In this case, the act on refusal to receive a tax audit prescription indicates:

1) the place and date of its drawing up;

2) the last name, first name and patronymic (if it is indicated in an identity document) of the tax official that drew up the act;

3) the last name, first name and patronymic (if it is indicated in an identity document), ID card number, address of the place of residence of the witnesses;

4) the number, the date of the prescription, the name of the taxpayer (tax agent), its identification number;

5) the circumstances of refusal to receive the prescription.

5. The taxpayer's (tax agent's) refusal to receive a tax audit prescription is not a ground for canceling a tax audit.

The taxpayer's (tax agent's) refusal to receive a tax authority's prescription means that tax officials are denied entry for conducting a tax audit.

The provision of this paragraph does not apply in cases specified in paragraph 3 of Article 154 of this Code.

6. In case a taxpayer (tax agent) refuses to receive a prescription, an audit is considered to commence on the date of drawing up an act on the taxpayer's (tax agent's) refusal to receive the prescription.

7. During a tax audit period, it is not allowed to terminate this audit:

1) pursuant to a tax application of the taxpayer (tax agent);

2) because of termination of the criminal case, if the audit is conducted as part of a pre-trial investigation.

Article 150. Standard audit file

1. The standard audit file shall be the accounting data of the taxpayer (tax agent) in electronic format, which allows analysis through information systems of tax authorities.

The taxpayer (tax agent) submits a standard audit file voluntarily by uploading such a file, certified by the electronic digital signature of the taxpayer, to the information system of tax authorities.

2. A tax audit shall be carried out, including using a standard audit file, in the case of provision of a standard audit file by a taxpayer (tax agent):

when conducting a periodic tax audit based on the degree of risk - within five calendar days from the date of handing the order;

during an unscheduled tax audit - within ten calendar days from the date of delivery of the order.

The form of the standard file and the procedure for its compilation shall be approved by the authorized agency.

Footnote. Article 150 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.01.2019); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 151. Features of conducting a chronometric inspection

1. A chronometric inspection is carried out in the presence of a taxpayer and (or) his/her representative.

2. To conduct a chronometric inspection, tax authorities independently determine issues with respect to a taxable and (or) tax-related item. In this case, subject to mandatory inspection:

1) are taxable and (or) tax-related items. If necessary, tax authorities have the right to take inventory of tangible assets of the taxpayer;

2) is availability of money, money documents, books of account, reports, estimates, securities, settlements, declarations and other documents related to a taxable and (or) tax-related item being audited;

3) the balance sheet of a cash register.

3. Tax officials conducting a chronometric inspection shall ensure daily entry of full and accurate information, obtained in the course of the inspection, into chronometric-inspection data cards. A separate chronometric-inspection data card is made for each taxable and (or) tax-related item, as well as for every other source of income generation, which contains the following information:

1) the name of the taxpayer, identification number and type of activity;

2) the date of the inspection;

3) the location of a taxable and (or) tax-related item;

4) the time the chronometric inspection began and ended;

5) the cost of goods sold, works performed, services rendered;

6) data on a taxable and (or) tax-related item being audited;

7) the inspection results.

4. Daily, at the end of an inspection day, a summary table is drawn up for all taxable and (or) tax-related items being audited, as well as for other sources of income generation.

5. It is mandatory for a tax official and a taxpayer or his/her representative to sign a chronometric-inspection data card and a summary table that are attached to a chronometric tax inspection act.

If necessary, copies of documents, calculations and other materials obtained in the course of an inspection, confirming the data specified in a chronometric-inspection data card, are attached to the chronometric-inspection data card.

6. The results of a chronometric inspection of taxpayers are taken into account when assessing the amount of taxes and payments to the budget following a comprehensive or a thematic audit.

Article 152. Features of conducting thematic audits to confirm reliability of excess VAT amounts

1. A thematic audit of reliability of excess VAT amount is carried out using a risk management system with respect to a taxpayer who submitted:

a tax application in connection with application of paragraphs 1 and 2 of Article 432 of this Code;

a claim for refund of excess VAT amount indicated in VAT declaration (hereinafter referred to as a claim for refund of excess VAT amount).

2. The audited period includes a taxable period:

which a taxpayer indicates in a tax application, in connection with application of paragraphs 1 and 2 of Article 432 of this Code;

unless otherwise provided by part three of this paragraph, starting from the tax period for which the taxpayer has filed a claim for the refund of the excess VAT amount, including the tax period in which the declaration for value added tax was submitted indicating the claim for refund of the excess value added tax amount.

Unless otherwise established by paragraph 3 of this article, the audited period specified in this paragraph shall also include tax periods in which no audits were conducted on this type of tax and which do not exceed the limitation period established by Article 48 of this Code.

For the taxpayers referred to in subparagraph 1) of part one of paragraph 2 of Article 434 of this Code, who have the right to apply a simplified procedure for refunding the excess value added tax amount, the audited period shall include the tax period for which the taxpayer has filed a claim for refunding the excess value added tax amount indicated in the value added tax declaration.

3. When conducting a thematic audit to confirm the reliability of excess VAT amount claimed for refund in accordance with Article 432 of this Code, the audited period includes the time period the running of which begins from the taxable period in which:

the construction of buildings and industrial facilities started;

a subsoil use contract was concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

When confirming the reliability of excess VAT amount claimed for refund in accordance with Article 432 of this Code, it is necessary to take into account results of tax audits, conducted pursuant to a taxpayer's tax application in accordance with subparagraph 2) of paragraph 3 of Article 145 of this Code.

When confirming the reliability of excess VAT amount that emerged in taxable periods before January 1, 2013, it is necessary to take into account the results of taxpayer's previous tax audits, including third-party audits.

4. Is excluded – by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019 г).

5. In case of export of goods, when determining VAT amount claimed for refund in accordance with this Code, it is necessary to take into account the customs authority's information confirming the fact of export of goods from the customs territory of the Eurasian Economic Union under a customs export procedure.

In case of export of goods from the territory of the Republic of Kazakhstan to the territory of a member state of the Eurasian Economic Union, when determining VAT amount claimed for refund in accordance with this Code, it is necessary to take into account information from the documents specified in Article 447 of this Code.

6. In case of performing works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union for subsequent export of processed products to the territory of another state, when determining VAT amount claimed for refund in accordance with this Code, it is necessary to take into account information from the documents specified in Article 449 of this Code.

In case of performing works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of one member state of the Eurasian Economic Union for subsequent sale of processed products to the territory of a state that is not a member of the Eurasian Economic Union, when determining VAT amount claimed for refund in accordance with this Code, it is necessary to take into account the customs authority's information confirming the fact of export of processed products from the customs territory of the Eurasian Economic Union under a customs export procedure.

7. In case of export of goods, when determining excess VAT amount claimed for refund, it is necessary to take into account export of goods, for which currency proceeds were received on the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in accordance with the procedure established by the

legislation of the Republic of Kazakhstan, or actual importation of goods delivered to the VAT payer by the buyer of exported goods under foreign trade commodity exchange (barter) transactions into the territory of the Republic of Kazakhstan.

In case of export of goods under foreign trade barter transactions, it is necessary to take into account the existence of an agreement (contract) on a foreign trade barter transaction, as well as a declaration for imported goods for goods supplied to the VAT payer by the buyer of exported goods under foreign trade commodity exchange (barter) transactions, when determining excess VAT amount claimed for refund.

In case of export of goods from the territory of the Republic of Kazakhstan to the territory of a member state of the Eurasian Economic Union under foreign trade commodity exchange (barter) transactions, the granting of loans in the form of objects when determining excess VAT amount claimed for refund, it is necessary to take into account the existence of an agreement (contract) on foreign trade commodity exchange (barter) transactions, an agreement (contract) for the granting of loans in the form of objects, as well as applications for the import of goods and the payment of indirect taxes on goods supplied to the VAT payer by the buyer of exported goods under the specified transactions.

In case of export of goods from the territory of the Republic of Kazakhstan to the territory of a member state of the Eurasian Economic Union under a lease agreement (contract) providing for the transfer of the right of ownership to it to the lessee, it is necessary to take into account foreign currency receipts on the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in accordance with the procedure established by the legislation of the Republic of Kazakhstan, confirming the actual receipt of the lease payment (with regard to compensation of the acquisition cost of the commodity (leased item).

In case of performing works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union for subsequent export of processed products to the territory of another state or to the territory of a non-member state of the Eurasian Economic Union, when determining excess VAT amount claimed for refund in accordance with this Code, it is necessary to take into account information on foreign exchange receipts on a taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan opened in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan and second-tier banks submit a statement on foreign currency receipts to tax authorities in accordance with the procedure and in the form approved by the authorized body in coordination with the National Bank of the Republic of Kazakhstan.

To receive this statement, tax authorities send an appropriate request for foreign exchange receipts as of the date of such a statement.

The requirements of this Paragraph for foreign currency receipts on a taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan shall not apply to taxpayers specified in paragraph 2 of Article 393 of this Code:

specified in Paragraph 2 of Article 393 of this Code;

engaged in exploration and (or) production of hydrocarbons at sea under the production sharing agreement specified in Paragraph 1 of Article 722 of this Code.

8. In the course of a thematic audit, a tax authority shall schedule third-party audits of direct suppliers of goods, works, services of the audited taxpayer in accordance with the procedure set forth in Article 143 of this Code.

9. The reliability of VAT amount on transactions between the audited taxpayer and its direct supplier that is a taxpayer subject to tax monitoring is confirmed by a tax authority that scheduled the thematic audit, on the basis of tax returns and (or) the electronic invoice information system available to tax authorities.

10. If in the course of a thematic audit, a tax authority reveals violations based on the analysis of the Pyramid analytical report, it sends a notice provided for by subparagraph 10) of paragraph 2 of Article 114 of this Code to suppliers.

In this case, if the supplier of goods, works, services of the audited taxpayer is registered at the location of another tax authority, the tax authority that scheduled the thematic audit shall request the relevant tax authority for taking measures in accordance with this Code to eliminate violations revealed based on the analysis of the "Pyramid" analytical report by such suppliers of goods, works, services.

11. For the purposes of this Code, the "Pyramid" analytical report means the results of control exercised by tax authorities on the basis of the study and analysis of tax returns on VAT filed by the taxpayer (tax agent) and (or) information from information systems.

The "Pyramid" analytical report is drawn up for the taxable period specified in paragraph 2 of this article.

12. VAT shall not be refunded in the amounts for which as of the date of completion of a tax audit:

1) no reply has been received to requests for third-party audits to confirm the reliability of mutual settlements with the supplier;

2) violations were revealed with respect to the suppliers of the audited taxpayer based on the results of the analysis of the "Pyramid" analytical report;

3) the reliability of VAT amounts has not been confirmed;

4) the reliability of VAT amounts has not been confirmed due to the impossibility of a third-party audit, also because of:

the absence of a supplier at the location;

loss of the supplier's accounting records.

In this case, the provisions of Subparagraph 2) of part one of this Paragraph shall not be applied in case of elimination of violations revealed based on the results of the "Pyramid" analytical report by the direct suppliers of the audited taxpayers:

who have the right to apply a simplified procedure for returning excess VAT amount;

implementing an investment project within the framework of republican industrialization map approved by the Government of the Republic of Kazakhstan, the value of which is not less than 150 000 000 times the monthly calculation index established by the Law on republican budget and effective as of January 1 of a relevant financial year;

carrying out activities under a subsoil use contract concluded in accordance with the legislation of the Republic of Kazakhstan and whose average tax burden ratio shall be not less than 20 percent calculated for the last 5 years preceding the taxable period in which excess VAT amount was claimed for refund;

engaged in exploration and (or) production of hydrocarbons at sea under the production sharing agreement specified in Paragraph 1 of Article 722 of this Code.

The act of tax audit indicates the basis for non-refund of VAT.

13. VAT is refunded on the basis of an opinion to the tax audit act in the form established by the authorized body in the following cases:

1) upon receipt of a reply to a tax authority's request concerning the buyer of processed products in the case provided for in paragraph 6 of Article 393 of this Code;

2) when applying Article 432 of this Code.

14. The opinion to the tax audit act shall be drawn up on or before the 25th day of the last month of a quarter at least in two copies and signed by tax officials. One copy of the opinion to the tax audit act is given to the taxpayer, who is obliged to make a note of receipt of the said opinion on the other copy.

15. The total amount of excess VAT confirmed by a thematic audit act and an opinion to the tax audit act shall not exceed the amount specified in the demand for the return of excess VAT amount for the audited period.

16. If by the time of a tax audit, a supplier has terminated activity due to liquidation and a liquidation tax audit has been carried out with respect to such a supplier, the confirmation of the offset VAT amount is made on the basis of the register of invoices for the goods sold, works performed and services rendered and (or) information of the electronic invoice information system with account of the results of the liquidation audit.

17. The provisions of this article also apply in the event of a thematic audit to confirm the authenticity of the amounts of excess of value added tax returned from the budget to the taxpayer in accordance with Article 434 of this Code, an unscheduled thematic audit to confirm the authenticity of the presented and returned amounts of excess of value added tax, as well as the inclusion by the tax authority of the issue of confirming the reliability of the amounts of excess of value added tax presented for refund in a comprehensive audit.

Footnote. Article 152 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 153. Features of conducting thematic audits of taxpayers that are tax agents on the confirmation of income tax claimed by a non-resident for refund from the budget in connection with application of the provisions of the international treaty regulating the avoidance of double taxation and the prevention of tax evasion

1. A thematic audit on the return of income tax from the budget on the basis of a tax application of a non-resident is conducted with respect to the tax agent for the fulfillment of its tax obligations for the calculation, withholding and transfer of income tax at the source of payment from the income of the non-resident who submitted such an application for the period determined in accordance with the procedure prescribed by Article 48 of this Code.

2. A tax authority is obliged to schedule a thematic audit within ten business days from the receipt of a non-resident's tax application.

3. In the course of a thematic audit, a tax authority checks documents to establish:

1) the completeness of the tax agent's fulfillment of tax obligations for the calculation, withholding and transfer of income tax at the source of payment from non-resident income;

2) that a permanent establishment was set up by a non-resident in accordance with Article 220 of this Code or an international treaty;

3) the registration of a non-resident applicant in accordance with the legislation of the Republic of Kazakhstan on state registration of legal entities and registration of branches and representative offices, registration as a taxpayer in accordance with the procedure prescribed by Article 76 of this Code;

4) the reliability of the data specified in the tax application for the return of income tax from the budget.

Article 154. Access of officials of a tax authority and other state bodies to the site and (or) premises for conducting a tax audit

1. A taxpayer (tax agent), upon presentation by officials and a tax authority of an order, as well as service certificates or identification cards, shall be obliged to provide access for these officials and officials of other state bodies involved in the conduct of a tax audit to the territory and (or) to the premises (except for residential premises) used to generate income, or to objects of taxation and (or) objects related to taxation for inspection.

2. Tax officials must have special permits with them, if these are required to enter the site and (or) premises of the taxpayer (tax agent), in accordance with the legislation of the Republic of Kazakhstan.

3. A taxpayer (tax agent) has the right to deny entry to its site and (or) premises to tax officials and officials of other state bodies involved in conducting a tax audit if:

1) the officials have not submitted an order and (or) service certificates or identification cards;

2) the officials are not indicated in the prescription;

3) the officials do not have a special permit to enter the site and (or) premises of the taxpayer (tax agent), if such a permit is required in accordance with the legislation of the Republic of Kazakhstan.

4. In case of the taxpayer's (tax agent's) unjustified refusal and (or) denial of access to tax officials conducting a tax audit and officials of other state bodies involved in the tax audit to his/her site and (or) premises, an act on denial of access shall be drawn up.

5. An act on denial of access shall be signed by tax officials conducting the tax audit and the taxpayer (tax agent).

If the taxpayer (tax agent) refuses to sign the act, he/she is obliged to give a written explanation of a reason for the refusal.

If a taxpayer (tax agent) refuses to sign an act on denial of access, a tax official conducting the audit shall make an appropriate entry in the specified act. In this case, this act shall also be signed by the witnesses involved in the procedure established by this Code.

Footnote. Article 154 as amended by Law of the Republic of Kazakhstan № 273-VI dated 26.11.2019 (shall be enforced upon the expiration of six months after the day of its first official publication).

Article 155. The rights and obligations of tax officials when conducting a tax audit

1. When conducting a tax audit, tax officials have a right:

1) to request for and obtain from banks and organizations carrying out certain types of banking operations documents and information on the existence and numbers of bank accounts of the audited person, as well as documents and information concerning balances and movements of money in the accounts of taxpayers (audited persons) required for conducting an audit, including those constituting a bank secret in accordance with the legislation of the Republic of Kazakhstan;

2) to request for and obtain from state bodies documents and information required for conducting an audit, including those constituting commercial, bank, tax and other secrets protected by law in accordance with the laws of the Republic of Kazakhstan;

3) to request for and obtain accounting records in hard and soft copy, as well as access to automated databases (information systems) with respect to an audited item;

4) to request for and receive written explanations from the taxpayer, including his/her employees, of issues arising in the course of a tax audit;

5) to send requests to state and other bodies (organizations) of foreign states on issues arising in the course of a tax audit;

6) require of a taxpayer (tax agent) access to data from the software used to automate accounting and tax records, and (or) an information system containing data of primary accounting documents, accounting registers, information on taxable and (or) tax-related items, except for the right of access to viewing data of the software and (or) the information system of second-tier banks and organizations carrying out certain types of banking operations,

which contain information on their clients' bank accounts, which constitutes bank secrets in accordance with the laws of the Republic of Kazakhstan.

The exception established by this subparagraph does not apply to tax authorities' requirements specified in the course of a tax audit in respect of income and expenses;

7) to examine property that is a taxable and (or) tax-related item, irrespective of its location, to take an inventory of property of the audited person (except for residential premises), also for comparing with information specified in freight invoices;

8) to identify, by an indirect method, taxable and (or) tax-related items in accordance with the procedure prescribed by this Code;

9) other rights stipulated by the legislation of the Republic of Kazakhstan.

2. When conducting a tax audit, tax officials are obliged:

1) to observe the rights and legitimate interests of the audited person, to prevent damage to the audited person by unlawful decisions and actions (inaction);

2) to ensure the safety of documents received and drawn up during the tax audit, not to disclose their contents without the consent of the audited person, except for cases provided for by the laws of the Republic of Kazakhstan;

3) to follow the professional ethics code;

4) to inform the audited person of his/her rights and duties in the course of a tax audit;

5) to inform of the rights and obligations of tax officials;

6) not to disturb the current work routine of the taxpayer (audited person) during the tax audit;

7) at the request of the audited person, to submit necessary information on the provisions of this Code relating to the procedure for conducting audits;

8) present an order to the representatives of the inspected person during a tax audit, as well as their service certificates or identification cards;

9) to perform other obligations stipulated by this Code.

Footnote. Article 155 as amended by Law of the Republic of Kazakhstan № 273-VI dated 26.11.2019 (shall be enforced upon the expiration of six months after the day of its first official publication).

Article 156. The rights and obligations of a taxpayer (tax agent) in the course of a tax audit

1. In the course of a tax audit, a taxpayer (tax agent) has a right:

1) to request a tax authority for information on the provisions of this Code and the legislation of the Republic of Kazakhstan on the audit procedure and receive it from it;

2) require from officials of tax authorities conducting a tax audit, the presentation of an order to conduct a tax audit, as well as service certificates or identification cards;

3) to be present at a tax audit and give explanations on issues related to an audited item;

4) to submit a written objection to a preliminary tax audit act in accordance with the procedure established by the tax legislation of the Republic of Kazakhstan;

5) to enjoy other rights stipulated by this Code.

2. In the course of a tax audit, a taxpayer (tax agent) is obliged:

1) at the request of tax officials, to produce documents and information in hard copy and also in soft copy, if necessary, within the established time limits;

2) to submit accounting records compiled by the taxpayer (tax agent) in accordance with Chapter 23 of this Code;

3) to ensure unhindered access to tax officials performing a tax audit and officials involved in this audit to the site and (or) premises of the audited person and provide them with a workplace;

4) to ensure the taking an inventory during tax audits;

5) at the request of tax officials conducting a tax audit, to give written and oral explanations regarding the activity of the taxpayer (tax agent);

6) to provide access to viewing the data of the software and (or) the information system specified in subparagraph 6) of paragraph 1 of Article 155 of this Code;

7) to perform other obligations stipulated by the legislation of the Republic of Kazakhstan

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Footnote. Article 156 as amended by Law of the Republic of Kazakhstan № 273-VI dated 26.11.2019 (shall be enforced upon the expiration of six months after the day of its first official publication).

Article 157. Preliminary tax audit act

Before drawing up a tax audit act provided for by Article 158 of this Code, a tax official delivers a preliminary tax audit act to the taxpayer.

For the purposes of this Code, a preliminary tax audit act is a document on preliminary results of a tax audit drawn up by the auditor in accordance with the tax legislation of the Republic of Kazakhstan.

The taxpayer has the right to submit a written objection to the preliminary tax audit act.

The categories of taxpayers in whose respect the provisions of this article are applied, as well as the procedure and terms for delivering a preliminary tax audit act to the taxpayer, submitting a written objection to the preliminary tax audit act and considering such objection are approved by the authorized body.

Article 158. Completion of a tax audit

1. Upon completion of a tax audit, a tax official shall draw up a tax audit act specifying:

1) the place and date of drawing up the audit act;

2) the type and form of an audit;

3) positions, last names, first names, patronymics (if they are indicated in identity documents) of tax officials that conducted the tax audit;

4) the name of the tax authority;

5) the last name, first name, patronymic (if it is indicated in an identity document) or the full name of the taxpayer (tax agent);

6) location, bank details of the audited person, as well as his/her/its identification number;

7) the last names, first names, patronymics (if they are indicated in identity documents) of the head and officials of the taxpayer (tax agent) responsible for maintaining tax and accounting records and paying taxes and payments to the budget;

8) information on the previous audit and measures taken to eliminate earlier revealed violations (in the course of comprehensive or thematic audits);

9) the audited period and general information on documents submitted by the taxpayer (tax agent) for conducting the audit;

10) detailed description of the violations revealed, indicating relevant provisions of the legislation of the Republic of Kazakhstan, which requirements were violated;

11) audit results.

2. A tax audit act shall be drawn up in at least two copies, signed by tax officials that conducted the audit.

3. The end of a tax audit period is the day a taxpayer (tax agent) is delivered a tax audit act.

Upon receipt of a tax audit act, a taxpayer (tax agent) is obliged to sign it and write down the date of receipt thereof in the tax authorities' copy of the tax audit act.

If it is impossible to deliver a tax audit act to a taxpayer (tax agent) in connection with his/ her absence from the location, it is necessary to carry out a tax inspection with the involvement of witnesses in accordance with the procedure set forth in this Code. In this case, the date of delivery of a tax audit act is that of drawing up a tax inspection act.

If a taxpayer (tax agent) refuses to receive a tax audit report, a corresponding entry shall be made in the tax audit report with the preparation of a protocol (report) provided for in Article 71 of this Code.

In this case, the date of delivery of the tax audit report is the date of drawing up the protocol (report).

4. If a tax audit has not revealed any violations of the tax legislation of the Republic of Kazakhstan, as well as other legislation of the Republic of Kazakhstan, the compliance with which is supervised by tax authorities, a relevant entry is made in a tax audit act upon completion of the tax audit.

5. In cases where a taxpayer (tax agent) is absent from the location of the taxpayer (tax agent) and (or) the site of a tax audit on the date of completion of the tax audit, a tax official conducting the tax audit makes a relevant entry in the tax audit act.

6. Necessary copies of documents, calculations made by a tax official, and other materials received during the tax audit, except for information that is a tax secret in accordance with Article 30 of this Code, shall be attached to the tax audit act.

7. If obligations for the calculation and payment of taxes, payments to the budget and social welfare payments arise in a period running from the date of receipt of liquidation tax returns until the date of completion of a liquidation tax audit, such obligations are specified in an annex to a tax audit act without accrual of penalties and application of penalty sanctions.

Footnote. Article 158 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 159. Decision made pursuant to a tax audit

1. A tax authority draws up a tax audit report to be sent (delivered) to a taxpayer (tax agent) in accordance with the procedure and within the time limits set forth in Articles 114 and 115 of this Code if, as a result of a tax audit, violations have been revealed that factor into the calculation of taxes and payments to the budget, the reduction of losses, failure to confirm the refund of excess VAT amount and (or) corporate (individual) income tax withheld at the source of payment from non-residents' income.

2. A tax authority assigns the same registration number both to the tax audit report and the tax audit act.

3. A tax audit report shall contain the following details and information:

1) the date and registration number of a tax audit report and a tax audit act;

2) the last name, first name, patronymic (if it is indicated in an identity document) or full name of the taxpayer (tax agent);

3) identification number of a taxpayer (tax agent);

4) the amount of assessed taxes and payments to the budget, social welfare payments and penalty;

5) the amount of reduced losses;

6) excess VAT amount not confirmed for refund;

7) the amount of the corporate (individual) income tax, withheld at the source of payment from non-residents' income, not confirmed for refund;

8) the demand for payment and deadline for it;

9) details of relevant taxes and payments to the budget and penalty;

10) the time and place of appeal.

4. If a tax audit is carried out as part of a pre-trial investigation, an audit findings report with respect to a taxpayer under pre-trial investigation shall be drawn up after completion of the criminal case.

In this case, an audit findings report shall be issued and delivered to the taxpayer within five business days from the receipt of an official document confirming the completion of the criminal case.

5. An audit findings report shall be delivered to a taxpayer (tax agent) by hand against signature or sent by registered mail with return receipt. The audit findings report sent by registered mail with return receipt is considered to be delivered to the taxpayer (tax agent) on the date of the taxpayer's (tax agent's) note of receipt in the notification of a postal or other communications organization, unless otherwise specified in this article.

6. In case of return by a postal or other communications organization of audit findings reports sent by tax authorities to a taxpayer (tax agent) by registered mail with return receipt, the date of delivery of such reports is that of:

1) conducting a tax inspection with the involvement of witnesses on the grounds and in accordance with the procedure established by this Code;

2) the return of such a letter by a postal or other communications organization – if a tax audit act has been delivered pursuant to a tax inspection act in accordance with paragraph 3 of Article 158 of this Code.

7. A taxpayer (tax agent) that received an audit findings report is obliged to execute it within the time limits established in the report, if he has not appealed against audit findings.

8. If a taxpayer (tax agent) agrees with assessed amounts of taxes, payments to the budget and (or) penalty specified in an audit findings report, the time limits for fulfillment of the tax obligation to pay taxes, payments to the budget and also obligations to pay penalty may to be extended by sixty business days upon a taxpayer's (tax agent's) application submitted along with an attached payment schedule, unless otherwise specified in Article 51 of this Code.

At the same time, the specified amount is payable to the budget together with penalties accrued for each day of extension of the payment period and shall be paid in equal installments every fifteen business days within the specified period.

The deadline for the fulfillment of a tax obligation in accordance with the procedure established by this paragraph is not subject to extension if it is an obligation:

for the payment of amounts of excise duties and taxes withheld at the source of payment assessed as a result of an audit;

for the payment of assessed amounts of taxes, payments to the budget and penalties as a result of an audit conducted pursuant to an appeal against audit findings.

9. The amount of obligations specified in paragraph 7 of Article 158 of this Code is indicated in a notification of assessed taxes, payments to the budget and social welfare payments for the period running from the date of filing liquidation tax returns until the date of completion of a liquidation tax audit, which is sent to the taxpayer in accordance with the procedure set forth in Article 115 of this Code.

10. If, during an unscheduled tax audit, except for thematic audits specified in subparagraphs 8) and 11) of paragraph 1 of Article 142 of this Code, a tax authority has revealed a taxpayer's (tax agent's) violation of the tax legislation of the Republic of Kazakhstan for the same taxable period on the same issue, which was not revealed during any of the previous tax audits, no proceeding in a case concerning an administrative offence may be initiated in relation to this taxpayer, and the one that has been initiated shall be terminated.

The provisions of this paragraph do not apply to violations of the tax legislation of the Republic of Kazakhstan, which were revealed:

1) with regard to the taxpayer's (tax agent's) reduction of the amount of a tax or payment to the budget by filing additional tax returns for an earlier audited taxable period for this type of tax or payment;

2) as a result of a reply to a tax authority's inquiry in the course of any of the previous tax audits of the same taxable period, if the reply was received after the completion of such an audit;

3) as a result of consideration of documents affecting the amount of a tax or payment to the budget and not submitted by a taxpayer (tax agent) upon a tax authority's written request in the course of any of the previous tax audits of the same taxable period for this type of tax or payment;

4) with regard to an action (actions), committed with a private business entity, on the issuance of an invoice without actual performance of works, rendering of services, shipment of goods, after the entry into legal force of a court judgment or decision if a tax authority receives information on such an action (actions) for the first time after the completion of any of the previous tax audits of the taxable period, in which such an action (actions) was (were) committed.

Clause 3. Identification of taxable and (or) tax-related items in individual cases, also by indirect method

Article 160. General provisions

1. In case of violation of the accounting procedure, loss or destruction of accounting records, tax authorities identify taxable and (or) tax-related items using indirect methods (assets, liabilities, turnover, costs, expenses) in accordance with the procedure set forth in this article and Articles 161, 162 and 163 of this Code.

2. The violation of the accounting procedure, loss or destruction of accounting records are understood to mean the absence of or the taxpayer's (tax agent's) failure to produce documents, providing a basis for identification of taxable and (or) tax-related items to calculate tax obligations, which are requested pursuant to tax authorities' orders in accordance with Article 161 of this Code.

3. Indirect methods of identifying taxable and (or) tax-related items are understood to mean the determination of an amount of taxes and payments to the budget on the basis of the valuation of assets, liabilities, turnover, expenses, as well as valuation of other taxable and (or) tax-related items taken into consideration for the calculation of a tax obligation for a specific tax and payment to the budget in accordance with this Code. Taxable and (or) tax-related items are appraised on the basis of information received from tax returns and (or) primary accounting documents, as well as from other sources.

Article 161. Tax audits in case of absence of accounting and other documents (information)

If in the course of a tax audit, a taxpayer (tax agent) fails to produce all or part of the documents required for identification of taxable and (or) tax-related items, it is mandatory to deliver the taxpayer (tax agent) a tax authority's request for the submission or restoration of the said documents, as well as a notification of tax audit suspension.

The tax authority's request is subject to execution within thirty business days from the day following the delivery of the request to the taxpayer (tax agent).

A taxpayer (tax agent) who failed to submit documents required by the tax authority to identify taxable and (or) tax-related items must give a written explanation of reasons for the failure to submit the said documents.

Article 162. Sources of information

1. To identify taxable and (or) tax-related items by indirect methods, tax authorities may use, depending on the circumstances, nature and type of activity of an audited taxpayer (tax agent), the following information:

1) statements of second-tier banks and organizations carrying out certain types of banking operations on the availability and movement of money in bank accounts of the taxpayer (tax agent);

2) on taxable and (or) tax-related items according to the data of authorized state bodies, legal entities, local executive bodies;

3) on the calculation and receipt of amounts of taxes and payments to the budget on the basis of the personal account of the taxpayer (tax agent) to be compared with the taxpayer's (tax agent's) accounting records;

4) on taxable and (or) tax-related items received from the forms of tax returns filed by the taxpayer (tax agent) and his/her/its suppliers and buyers for the taxable period being audited and previous taxable periods;

5) on the results of third-party audits with respect to persons who shipped goods and (or) performed works, and (or) rendered services, which was received through information systems of state bodies, as well as from other sources;

6) received by a tax authority in the course of earlier conducted tax audits, including the taking an inventory of property (except for residential premises) of the audited taxpayer (tax agent), which is a taxable and (or) tax-related item;

7) received by a tax authority as a result of other forms of tax and customs control.

2. Tax authorities send requests to:

1) banks and organizations carrying out certain types of banking operations;

2) relevant authorized state bodies, local executive bodies and other organizations carrying out activities in the territory of the Republic of Kazakhstan;

3) other tax authorities for conducting third-party tax audits in terms of mutual settlements with suppliers and buyers of the audited taxpayer;

4) competent authorities of foreign states.

3. Necessary information can also be obtained from the following sources (it shall be documented in this case):

1) from clients on the cost of services provided by a taxpayer (tax agent) and from buyers on the cost and quantity of purchased products;

2) from individuals and legal entities that provided services to the audited taxpayer (tax agent), released raw materials, energy resources and auxiliary materials in the field of production and turnover of certain types of excisable goods.

4. Sources of information may vary from case to case, depending on the circumstances, nature and type of activity of an audited taxpayer (tax agent).

Article 163. Procedure for identifying taxable and (or) tax-related items

1. Taxable and (or) tax-related items are identified on the basis of information received in accordance with the procedure set forth in Article 162 of this Code.

2. Information on the receipt of money on bank accounts, payment cards, and also from other payment and settlement documents of a taxpayer (tax agent), which is confirmed by a bank account statement and other information (documents) confirming the receipt of money by the taxpayer (the tax agent), is (are) used for income calculation.

3. When individuals or organizations specified in Article 162 of this Code provide information regarding the existence of other received (receivable) income of an audited taxpayer (tax agent), the amount of these revenues shall be included in the total income amount (taxable turnover).

4. In case of establishing the fact of receipt of currency proceeds from taxpayer's (tax agent's) export transactions on the basis of information provided by the National Bank of the Republic of Kazakhstan and second-tier banks, as well as by the tax authorities of the Eurasian Economic Union member states, this amount of currency proceeds is included in the sales turnover and total income.

5. When identifying taxable and (or) tax-related items, in accordance with this article, the taxpayer's (tax agent's) expenses not confirmed by source documents are not deductible for the calculation of corporate income tax and for offset to calculate VAT.

6. The tax base for excisable goods is determined on the basis of Article 466 of this Code.

In this case, the volume of produced excisable goods is determined in accordance with industry rates of expenditure and loss of raw materials, energy resources and auxiliary materials.

7. If a taxpayer (tax agent) has been found to have fixed assets, including construction in progress, vehicles, land plots, intangible assets, investment property, and no documents confirming their original value, the market value of the said property shall be included in the total income of this taxpayer.

The market value of items is determined on the basis of the report of an appraiser engaged by tax authorities, who carries out his/her activity in accordance with the legislation of the Republic of Kazakhstan.

8. Money can also be subject to individual income taxation, social taxation in case of establishing facts of withdrawing money from a bank account to pay wages and (or) transfer of money from a bank account to bank accounts of individuals. In this case, a tax obligation arises at the moment when a second-tier bank or organization carrying out certain types of

banking operations executes the taxpayer's (tax agent's) orders to transfer (give out) appropriate amounts of money to the taxpayer (tax agent) or third parties.

9. Information on taxable and (or) tax-related items identified by tax authorities using indirect methods is compared with the relevant data indicated by the taxpayer (tax agent) in the forms of tax returns and other reports submitted to tax authorities.

10. If amounts of taxes and payments to the budget declared by a taxpayer (tax agent) in his/her/its tax returns exceed amounts of taxes determined by indirect methods, the tax amounts indicated by the taxpayer (tax agent) in the tax returns are accepted in the course of an audit.

11. If an amount of income declared by a taxpayer (tax agent) in his/her/its tax returns exceeds an amount of income identified on the basis of other (additional) sources of information, the amount of income specified in the tax returns is accepted in the course of an audit.

Article 164. Identification of taxable items in individual cases

1. If an individual's income indicated in his/her tax returns does not correspond to his/her expenses incurred for personal consumption, including the acquisition of property, tax authorities determine the income and tax on the basis of expenses incurred with account of incomes of previous periods.

2. Income shall be subject to taxation in cases when other persons and bodies contest the legality of this income's receipt.

3. If, by a court decision, income shall be collected to the budget in cases stipulated by the laws of the Republic of Kazakhstan, this income is collected inclusive of a tax paid on it.

4. If tax authorities establish facts of the individual's receipt of income, which is not subject to individual income tax at the source of payment and also not related to property income or other incomes established by Chapter 36 of this Code, from entrepreneurial activity he/she carries out without state registration as an individual entrepreneur, such income in the amount exceeding the level of income requiring to register as an individual entrepreneur in accordance with the civil legislation of the Republic of Kazakhstan or legislation of the Republic of Kazakhstan in the sphere of entrepreneurship, is subject to imposition of individual income tax at the rate established by paragraph 1 of Article 320 of the Code.

Chapter 19. USE OF CASH REGISTERS

Article 165. Basic definitions used in this chapter

The following basic definitions are used in this chapter:

1) cash settlements - payments made for the purchase of goods, performance of work, provision of services by means of cash and (or) settlements using payment cards and (or) mobile payments;

2) a cash register maintenance center (hereinafter referred to as a maintenance center) – a business entity that carries out the maintenance of cash registers in accordance with its charter (type of activity);

3) the state register of cash registers (hereinafter referred to as the state register) - a list of models of cash registers approved for use in the territory of the Republic of Kazakhstan by the authorized body;

4) cash register - an electronic device with a fiscal memory unit without a data transfer function, a hardware-software complex with (without) a function(s) of data recording and (or) transfer, an electronic device with a function of data recording and (or) transfer that register and display information on monetary transactions carried out in the course of sales of goods, performance of works, rendering of services;

5) registration card of a cash register – a record document confirming the fact of registration (deregistration) of the cash register with a tax authority;

6) a cash register receipt – an accounting source document issued in hard or soft copy by a cash register, which confirms a monetary transaction committed by a seller (the supplier of goods, works, services) and a customer (client);

7) self-service payment terminal - an electromechanical device for accepting cash or payments using payment cards for services rendered;

8) cash book - a daybook used to record shift-time cash turnover, sales receipts, readings of fiscal memory or fiscal data storage medium of a cash register;

9) the seal of a tax authority - a means of protection against unauthorized opening of the case of a cash register with a fiscal memory unit;

10) vending machine - an electromechanical device that sells goods in automatic mode for cash or using payment cards;

11) sales receipt – an accounting source document that confirms a monetary transaction, used in cases of technical malfunction of a cash register or power outage;

12) sales receipt book – all sales receipts collected in a book;

13) fiscal sign - a distinctive symbol on cash register receipts confirming the operation of a cash register in fiscal mode;

14) fiscal data - information on monetary transactions with a fiscal sign recorded in the fiscal memory of a cash register with a fiscal memory unit or a fiscal data storage medium with a function of data recording and (or) transfer and transmitted to tax authorities;

15) fiscal data storage medium - a software-hardware complex ensuring uncorrectable registration and non-volatile long-term storage of information on committed monetary transactions in a cash register with a function of data recording and transfer;

16) fiscal data operator - a legal entity transferring information on monetary transactions to tax authorities online via public telecommunications networks, assigned by the authorized body in coordination with the authorized body in the field of information;

17) fiscal report - a report on fiscal data readings over a certain time period;

18) fiscal memory - a software-hardware complex ensuring uncorrectable shift-time registration and non-volatile long-term storage of information on committed monetary transactions in a cash register with a function of data recording and transfer;

19) fiscal mode - the mode of operation of a cash register ensuring uncorrectable registration and non-volatile long-term storage of information on committed monetary transactions in fiscal memory or fiscal data storage medium with simultaneous transfer of information on monetary transactions to tax authorities through a fiscal data operator.

Footnote. Article 165 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 166. General Provisions

1. On the territory of the Republic of Kazakhstan, monetary settlements shall be made with the obligatory use of cash registers with the function of fixing and (or) transmitting data, the models of which are included in the state register, unless otherwise provided by this article.

2. The provisions of paragraph 1 of this article shall not apply to monetary payments of:

1) individuals;

2) private bailiffs, legal advisers and mediators;

3) in terms of the provision of services to the population for transportation in public urban transport with the issuance of tickets in the form approved by the authorized state body implementing state policy in the field of transport, in agreement with the authorized body;

4) the National Bank of the Republic of Kazakhstan;

5) taxpayers whose activities are located in places where there is no public telecommunications network;

6) second-tier banks;

7) religious associations;

8) the National Postal Operator, with the exception of cash settlements carried out in places without public telecommunications network;

9) made through a special mobile application.

The persons specified in subparagraph 5) of the first part of this paragraph, when making monetary settlements, shall use cash register machines without a data transfer function, the models of which are included in the state register.

Information about the administrative-territorial units of the Republic of Kazakhstan, on the territory of which there are no public telecommunication networks, shall be posted on the Internet resource of the authorized body.

3. Accounting in tax authorities of cash registers used by taxpayers shall include:

1) registration of the cash register machine;

2) making changes to the registration data;

3) removal of the cash register from the register.

4. Vending machines and service payment terminals that carry out cash settlements in trade operations or the provision of services by means of cash must be equipped with cash register machines with the function of recording and (or) data transmission.

5. When using cash registers, the following requirements shall be imposed:

1) the cash register is registered with the tax authority prior to the commencement of activities related to cash settlements;

2) a check of a cash register machine or a sales receipt is issued for the amount paid for a product, work, service;

3) access of officials of tax authorities to the cash register machine is provided.

6. The check of the cash register machine shall contain the following information:

1) the name of the taxpayer;

2) taxpayer identification number;

3) the serial number of the cash register;

4) the registration number of the cash register with the tax authority;

5) serial number of the check;

6) the date and time of the purchase of goods, performance of work, provision of services;

7) the price of goods, work, services per unit;

8) fiscal sign;

9) the name of the fiscal data operator and the details of the Internet resource of the fiscal data operator to verify the authenticity of the control check of cash registers with the function of fixing and (or) transmitting data;

10) the name of the product, work, service;

11) the amount of purchased goods, works, services, their unit of measurement;

12) the total amount of the sale of goods, work, services;

13) the amount of value added tax, indicating the rate of value added tax taxable turnovers on the sale of goods, works, services - if the taxpayer is a payer of value added tax;

14) the address of the place of use of the cash register;

15) a bar code containing encoded information on the check of the cash register.

The provisions of subparagraphs 9) and 15) of the first part of this paragraph shall not apply to checks of cash register machines without a data transfer function.

The form and content of the control check of hardware and software systems used by second-tier banks, branches of non-resident banks of the Republic of Kazakhstan and organizations engaged in certain types of banking operations shall be established by the National Bank of the Republic of Kazakhstan in coordination with the authorized body.

The check of cash registers used in currency exchange offices, scrap metal reception, glassware, pawnshops, shall additionally contain information on the amount of sales and the amount of purchase.

7. The check of the cash register machine may additionally contain data provided for by the technical documentation of the manufacturer of the cash register machine, including the amount of value added tax.

A check of a cash register with the function of fixing and (or) transmission of data, also at the request of the buyer (client), recipient of goods, works, services, must contain the identification number of the buyer (client), recipient.

8. The procedure for using cash registers is determined by the authorized body.

Footnote. Article 166 as amended by Law of the Republic of Kazakhstan № 241-VI dated 02.04.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated July 3, 2019 № 262-VI (effective from December 16, 2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 24.06. 2021 № 53-VII (effective from 01.01.2022).

Article 167. Registration of cash registers by a tax authority

1. Serviceable cash registers with the function of data recording and (or) transfer, the models of which are entered into the state register, except for the case established by this paragraph, shall be registered by tax authorities at the place of their use.

In places without a public telecommunications network, cash registers without a data transfer function shall be registered by tax authorities.

2. For tax authorities' registration of a cash register with the function of data recording and (or) transfer, except for hardware-software complexes, a taxpayer shall submit to a tax authority:

1) a tax application for registering a cash register by a tax authority;

2) a cash register containing information on a taxpayer;

3) a sales receipt book that is numbered, bound, signed and (or) sealed (if a seal is available) by the taxpayer.

3. To register a cash register that is a hardware-software complex with a data transfer function, a taxpayer submits to a tax authority:

1) a tax application for registering a cash register by a tax authority;

2) a brief description of the functionality and performance specifications of the hardware-software complex;

3) a handbook on the "Tax Inspector Workplace" module of the hardware-software complex, the model of which is submitted for registration, and provides access to it.

4. To register a cash register without a data transfer function, except for hardware-software complexes used in places without a public telecommunications network, a taxpayer submits to a tax authority:

1) a tax application for registering a cash register by a tax authority;

2) a cash register containing information on the taxpayer, the input of which is possible without setting a fiscal mode;

3) a cash book and sales receipt book that are numbered, bound, signed and (or) sealed (if a seal is available) by the taxpayer.

5. To register a cash register that is a hardware-software complex without a data transfer function used in places without a public telecommunications network, a taxpayer submits to a tax authority the following documents:

1) a tax application for registering a cash register by a tax authority;

2) a brief description of the functionality and performance specifications of the hardware-software complex;

3) a handbook on the "Tax Inspector Workplace" module of the hardware-software complex, the model of which is submitted for registration.

6. Tax authorities shall register a cash register within three business days from the receipt of a tax application for registering a cash register by a tax authority.

7. Registered cash registers are assigned a registration number and a cash register's registration card is created within three business days from the receipt of the tax application for registering a cash register by a tax authority.

8. The forms of a cash register's registration card, a sales receipt, a cash book and a sales receipt book are approved by the authorized body.

Article 168. Changes in the registration data of the cash register machine

1. The information specified in the registration card of the cash register machine shall be changed for one of the following reasons:

1) information of the operator of fiscal data - on cash register machines with the function of fixing and (or) transferring data;

2) a tax application for registering a cash register machine with a tax authority - for cash register machines without a data transfer function.

2. Changes in the information specified in the registration card of the cash register machine shall be carried out by the taxpayer within five working days from the date of occurrence of the changes.

3. The tax application specified in subparagraph 2) of paragraph 1 of this article shall be submitted to the tax authority on paper in person.

4. Replacement of the registration card of a cash register shall be carried out by the tax authority at the place of registration of the cash register in the following cases:

1) loss (damage) of the registration card of the cash register machine - within one working day from the date of receipt of the tax application for registering the cash register machine with the tax authority;

2) changes in the information specified in the registration card of the cash register machine - within one working day from the date of receipt of the information from the fiscal data operator or the tax application provided for in subparagraph 2) of paragraph 1 of this article.

Footnote. Article 168 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 169. Removal of a cash register machine from a tax authority

1. Removal of a cash register machine from the register shall be carried out in the following cases:

1) termination of activities related to cash settlements carried out in trade operations, performance of work, provision of services;

2) excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021);

3) the impossibility of further application due to a technical malfunction of the cash register machine;

4) exclusion of the cash register machine from the state register;

5) replacement of a technically sound model of a cash register machine with a new model of a cash register;

6) theft, loss of a cash register machine in the presence of a copy of the statement of theft to the internal affairs bodies and (or) a copy of the notice of loss published in periodicals distributed throughout the territory of the Republic of Kazakhstan;

7) in other cases that do not contradict the tax legislation of the Republic of Kazakhstan.

The provision of subparagraph 2) of the first part of this paragraph shall not apply to cash register machines with the function of fixing and (or) transferring data.

2. Removal of the cash register machine from the tax authority shall be carried out on the basis of:

1) information of the operator of fiscal data, - on cash register machines with the function of fixing and (or) transmitting data;

2) a tax application for the deregistration of a cash register machine - for cash register machines without a data transfer function.

3. To deregister a cash register machine without a data transfer function, with the exception of a hardware and software complex, the following shall be submitted to the tax authority at the place of its use:

1) a tax application for deregistration of a cash register machine;

2) a cash register machine with a fiscal memory block with a seal of the tax authority;

3) numbered book and book of sales receipts, numbered, bound, certified by the signature of the official and the seal of the tax authority;

4) registration card of the cash register machine.

4. To deregister a cash register machine without a data transfer function, which is a hardware and software complex, the taxpayer shall submit to the tax authority a tax application for deregistering a cash register machine and provide access to the Tax Inspector Workstation module.

5. Deregistration of a cash register machine shall be made by the tax authority within one business day from the date of receipt:

1) information of the operator of fiscal data;

2) a tax application for deregistration of a cash register machine at the tax authority.

Footnote. Article 169 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 170. The state register

1. The authorized body shall maintain the state register by entering (removing) models of cash registers into (from) the state register.

2. The procedure for entering (removing) models of cash registers into (from) the state register shall be determined by the authorized body.

Article 171. Procedure for the receipt, storage of information on monetary transactions performed in the sales of goods, works, services and its transmission to tax authorities

In accordance with the procedure established by the authorized body, a fiscal data operator receives and stores information on monetary transactions performed in the sales of goods, performance of works, rendering of services from cash registers with the function of data recording and (or) transfer, and also transmits it to tax authorities.

In this case, the authorized agency maintains a list of fiscal data operators by inclusion (exclusion) in (from) the list of fiscal data operator.

The procedure for inclusion (exclusion) in (from) the list of the fiscal data operator, as well as the qualification requirements for a potential fiscal data operator shall be determined by the authorized agency in agreement with the authorized agency in the field of informatization.

Footnote. Article 171 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019).

Chapter 20. OTHER FORMS OF TAX CONTROL

Article 172. Control over excisable goods produced in the Republic of Kazakhstan or imported into the Republic of Kazakhstan

1. Control over excisable goods is carried out by tax authorities in terms of compliance by manufacturers, persons involved in the circulation of excisable goods, bankruptcy and rehabilitation managers when selling property (assets) of the debtor, with the procedure for marking certain types of excisable goods, defined by this article, the movement of excisable goods on the territory of the Republic of Kazakhstan, as well as by establishing excise posts.

2. Alcoholic products, with the exception of wine in bulk and brewing products, are subject to labeling with accounting and control marks, tobacco products are subject to labeling with identification means.

3. Marking is carried out by manufacturers and importers of excisable goods, bankruptcy and rehabilitation managers when selling property (assets) of the debtor.

4. Alcoholic products and means of identification - tobacco products are not subject to mandatory labeling with accounting and control marks:

1) exported outside the Republic of Kazakhstan;

2) imported into the territory of the Republic of Kazakhstan by the owners of duty-free shops, intended for placement under the customs procedure of duty-free trade;

3) imported into the customs territory of the Eurasian Economic Union in the customs procedures of temporary import (admission) and temporary export, including those temporarily imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union for advertising and (or) demonstration purposes in single copies;

4) moved through the customs territory of the Eurasian Economic Union in the customs procedure of customs transit, including those moved in transit through the territory of the Republic of Kazakhstan from the member states of the Eurasian Economic Union;

5) imported (sent) to the territory of the Republic of Kazakhstan by an individual who has reached the age of twenty-one, within no more than three liters of alcoholic products, as well as by an individual who has reached eighteen years of age, tobacco and tobacco products within the limit of not more than two hundred cigarettes or fifty cigars (cigarillos) or two hundred and fifty grams of tobacco or the specified products in the assortment with a total weight of not more than two hundred and fifty grams.

5. Circulation of excisable goods subject to marking with means of identification and (or) accounting and control marks, is prohibited in the form of storage, sale and (or) transportation of excisable products without means of identification and (or) accounting and control marks, as well as with means of identification and (or) accounting and control stamps of an unidentified sample and (or) not identifiable, except for the cases provided for in paragraph 4 of this article.

5-1. When selling goods subject to mandatory labelling at retail, transactions shall be recorded via cash registers with data recording and/or transmission functions exclusively by reading the identification marks affixed to the goods.

6. Re-marking of excisable goods, specified in paragraph 2 of this article, with accounting and control stamps of a new sample is carried out within the time limits determined by the authorized body.

7. A person engaged in the production and (or) import of alcoholic products into the Republic of Kazakhstan submits an obligation on the intended use of accounting and control marks in the production and (or) import of alcoholic products into the Republic of Kazakhstan .

8. The obligation of the manufacturer and (or) importer on the intended use of accounting and control stamps during the production and (or) import of alcoholic products to the

Republic of Kazakhstan is submitted to the territorial subdivision of the authorized body for regions, cities of republican significance and the capital before receiving the accounting and control stamps.

9. If the producer and (or) importer fails to provide an obligation on the intended use of accounting and control stamps during the production and (or) import of alcoholic products to the Republic of Kazakhstan, accounting and control stamps shall not be issued.

10. The obligation of the manufacturer and (or) importer on the intended use of accounting and control stamps in the production and (or) import to the Republic of Kazakhstan of alcoholic products shall be ensured by depositing money on the account of temporary placement of money of the territorial unit of the authorized body for oblasts, cities of republican status and the capital, and in any of the following ways:

1) bank guarantee;

2) a guarantee;

3) pledge of property.

11. The account for the temporary placement of money is opened by the central authorized body for budget execution to the territorial divisions of the authorized body by regions, cities of republican significance and the capital.

12. The account of temporary placement of money of the authorized body for regions, cities of republican significance and the capital is intended for depositing money by a person engaged in the production and (or) import of alcoholic products into the Republic of Kazakhstan.

Depositing money to the account of temporary placement of money is made in the national currency of the Republic of Kazakhstan.

13. In case of non-fulfillment by the manufacturer and (or) importer of the obligation on the intended use of accounting and control stamps during the production and (or) import of alcoholic products to the Republic of Kazakhstan secured with money, the territorial subdivision of the authorized body for regions, cities of republican significance and the capital, after five working days, transfers money from the account of temporary placement of money to the budget revenue.

14. Refund (offset) of money deposited to the account of temporary placement of money of the authorized body for regions, cities of republican significance and the capital is carried out within ten working days after the submission of a report on the fulfillment of the obligation of the manufacturer and (or) importer on the intended use of accounting and control stamps during the production and (or) import of alcoholic products into the Republic of Kazakhstan.

15. In accordance with this article:

1) the rules for labeling (re-labeling) of alcoholic products, with the exception of wine in bulk and brewing products, with the accounting and control marks, as well as the forms,

content and security elements of accounting and control marks are approved by the authorized body;

2) the rules for obtaining, recording, storing, issuing of accounting and control stamps and submitting an obligation, a report from the manufacturer and (or) importer on the intended use of accounting and control marks during the production and (or) import of alcoholic products into the Republic of Kazakhstan, as well as the procedure for accounting and the amount of security for such an obligation is approved by the authorized body;

3) the procedure for organizing the activities of an excise post is determined by the authorized body;

4) the list of certain types of excisable goods, which are subject to the obligation to draw up accompanying waybills for goods, as well as the procedure for their execution and document flow, are established in accordance with Article 176 of this Code.

16. Tax authorities establish excise posts on the territory of a taxpayer engaged in the production of ethyl alcohol and alcoholic products (except for brewing products), gasoline (except for aviation), diesel fuel and tobacco products.

17. The location and the staff of the excise post, the rules of its work are determined by the tax authority.

The staff of the excise post is formed from among the officials of the tax authority.

18. An official of the tax authority, located at the excise post, exercises control over:

1) compliance by the taxpayer with the requirements of the legislation of the Republic of Kazakhstan regulating the production and circulation of excisable goods;

2) withdrawal and (or) release of excisable goods exclusively through measuring devices or sale (bottling) through metering devices, as well as operation of such metering devices in a sealed form;

3) observance by the taxpayer of the procedure for marking certain types of excisable goods;

4) movement of finished products, accounting and control marks or means of identification.

19. An official of a tax authority who is at an excise post has the right to:

1) inspect, in compliance with the requirements of the legislation of the Republic of Kazakhstan, the administrative, production, storage, trade, utility premises of the taxpayer used for the production, storage and sale of excisable goods;

2) be present at the sale of excisable goods;

3) inspect freight vehicles leaving (entering) from the territory (on the territory) of the taxpayer.

20. An official of a tax authority who is at an excise post has other rights provided for by the procedure for organizing the activities of an excise post.

Footnote. Article 172 - as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); as amended by the Law of the

Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall be put into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 173. Control over transfer pricing

Tax authorities exercise control over transfer pricing for transactions in accordance with the procedure and in the cases provided for by the legislation of the Republic of Kazakhstan on transfer pricing.

Article 174. Control over compliance with the procedure for recording, storing, valuing, further use and sale of property converted (received) into state ownership

1. A tax authority exercises control over compliance with the procedure for recording, storing, valuing, further use and sale of property converted (received) into state ownership, over full and timely receipt of money by the budget in the event of its sale, as well as the procedure for transferring property converted (received) into state ownership in accordance with the procedure and within the time limits established by the Government of the Republic of Kazakhstan.

2. The procedure for recording, storing, valuing, further use and sale of property converted (received) into state ownership is approved by the Government of the Republic of Kazakhstan.

Article 175. Monitoring of activities of authorized state bodies, local executive bodies and the State Corporation "Government for Citizens"

Footnote. The heading of Article 175 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

1. The tax authorities shall conduct monitoring of the activities of authorized state bodies, local executive bodies and the State Corporation "Government for Citizens" in the manner prescribed by this article.

Monitoring of activities of the authorized state bodies and the State Corporation " Government for Citizens" shall be conducted in terms of correctness of the calculation, completeness of the collection and timeliness of payments transfer to the budget, and also reliability and timeliness of information provided to the tax authorities.

Activities of local executive bodies are controlled in terms of their correct calculation, full collection and timely transfer of payments to the budget, timely submission of reliable information on property tax, vehicle tax, land tax and payments to tax authorities.

The ground for conducting monitoring of the activities of authorized state bodies, local executive bodies and the State Corporation "Government for Citizens" (hereinafter -the authorized state bodies for the purposes of this article) shall be the decision of the tax authorities on appointing control (hereinafter - the decision) in the form established by the authorized body containing the following details:

1) the decision's date and registration number by tax authorities;

2) the name and identification number of the authorized state body;

3) the ground for taking control measures;

4) the positions, last names, first names, patronymics (if they are indicated in identity documents) of tax officials exercising control, as well as specialists of other state bodies involved in control activity in accordance with this article;

5) the time frame of control;

6) period of control;

7) issues of control;

8) a note made by the authorized state body of its familiarization with and receipt of the decision.

The decision is subject to state registration by a state body that carries out statistical activities in the field of legal statistics and special accounts within its competence, prior to the commencement of control.

2. Tax officials indicated in the decision, other persons involved in carrying out control in accordance with this article, and authorized state bodies are control participants.

When exercising control, authorized state bodies assist tax authorities in obtaining documents and information required for exercising control, in tax officials' access to taxable items for inspection.

Authorized state bodies may be checked for one and several types of taxes and payments to the budget at the same time.

In case of a hindrance to obtaining documents and information and also to inspecting taxable items, an act on denial of entry to tax officials for exercising control shall be drawn up .

The act on denial of entry to tax officials for exercising control is signed by tax officials exercising control and the authorized state body. In case of refusal to sign this act, the authorized state body is obliged to give written explanations of a reason for the refusal.

The control is deemed to begin on the date of the authorized state body's receipt of a copy of the decision or the date of drawing up an act on the authorized state body's refusal to sign a copy of the decision.

In case of the authorized state body's refusal to sign a copy of the decision, a tax official carrying out a control activity draws up an act on the refusal to sign, in the presence of (at least two) witnesses. The act on the refusal to sign shall specify:

1) the place and date of its compilation;

2) the last name, first name and patronymic (if it is indicated in an identity document) of the tax official that drew up the act;

3) the last name, first name and patronymic (if it is indicated in an identity document), identity card number, address of the place of residence of the witnesses;

4) the number, date of decision, name of the authorized state body, its identification number;

5) the circumstances of the refusal to sign the copy of the decision.

The authorized state body's refusal to receive the decision is not a ground for the abolition of tax control.

3. The time frame of control shall not exceed thirty business days from the delivery of the decision on control to the authorized state body. The specified period can be extended up to fifty business days by the tax authority that scheduled the control.

Control over activities of authorized state bodies may not be carried out more often than once a year.

4. The time frame of control shall be suspended for time periods beginning on the date of delivery of the tax authority's requests for submitting documents to the authorized state body and ending on the date of the authorized state body's submission of the documents requested for control, as well as for those beginning on the date of sending the tax authority's request to other territorial tax authorities, state-run banks and organizations carrying out certain types of banking operations, and other organizations operating in the territory of the Republic of Kazakhstan, and ending on the date of receipt of information and documents following the request.

5. In case of suspension (resumption) of the time frame of control, tax authorities shall send to the authorized state bodies a notification with the following details:

1) the date and registration number in the tax authority of a notification of suspension (resumption) of the time frame of control;

2) the name of the tax authority;

3) the name and identification number of the audited authorized state body;

4) the date and registration number of the suspended (renewed) decision;

5) the ground for suspending (resuming) control;

6) the date of delivery and receipt of the notification of suspension (resumption) of the time frame of control.

When extending, suspending the time frame, period and (or) altering the list of control participants, a new decision is issued in the form established by the authorized body in addition to the one issued earlier.

6. After completing control measures, a tax official shall draw up a control act specifying:

1) the place of control, the date of drawing up the control act;

2) the name of the tax authority;

3) the positions, last names, first names, patronymics (if they are indicated in identity documents) of the tax officials hat conducted the control activity;

4) the name, identification number and address of the authorized state body;

5) the last names, first names, patronymics (if they are indicated in identity documents) of the head and officials of the authorized state body;

6) the positions, last names, first names, patronymics (if they are indicated in identity documents) of officials of the authorized state body, with whose knowledge and in whose presence control was exercised;

7) information on the previous control and measures taken to eliminate earlier revealed violations;

8) the results of the conducted control;

9) the positions, last names, first names, patronymics (if they are indicated in identity documents) of specialists of other state bodies involved in the exercise of control.

7. If an official of the authorized state body refuses to sign a copy of the control act, the tax official exercising control shall draw up an act on refusal to sign in the presence of (at least two) witnesses. The act on refusal to sign shall specify:

1) the place and date of its drawing up;

2) the last name, first name and patronymic (if it is indicated in an identity document) of the tax official that drew up the act;

3) the last name, first name and patronymic (if it is indicated in an identity document), the number of the identity document, the place of residence of the witnesses;

4) the number, date of decision, the name of the authorized state body, its identification number;

5) the circumstances of the refusal to sign a copy of the decision.

8. In case of violations revealed as a result of control measures, tax authorities shall issue a request for elimination of violations of the tax legislation of the Republic of Kazakhstan.

The request to eliminate violations of the tax legislation of the Republic of Kazakhstan (hereinafter referred to as the request) is a tax authority's notification sent to the authorized state body in hard copy requiring it to eliminate the violations specified in the control act by the state body. The form of the request is established by the authorized body.

The request shall specify:

the name of the authorized state body;

the identification number;

the ground for for the request;

the date of the request;

the amount to be collected to the budget by the authorized state body.

The request shall be sent within five business days from the delivery of the control act to the head (the person acting as head) of the audited authorized state body by hand against signature or in any other way confirming its dispatch and receipt.

The request is subject to execution by the authorized state body within thirty business days from its delivery (receipt).

9. Collection of tax debts discovered as a result of control is carried out by authorized state bodies responsible for correct calculation, full collection and timely transfer of taxes and payments to the budget.

10. The authorized state bodies are responsible for correct calculation, full collection and timely transfer of taxes and payments to the budget, as well as for reliable information and its

timely submission to tax authorities in accordance with the laws of the Republic of Kazakhstan.

Footnote. Article 175 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 176. Control over the observance of the procedure of registration of accompanying invoices for goods

The tax authorities shall exercise control over compliance with the procedure for issuing accompanying invoices for goods:

1) when moving, selling and (or) shipping goods on the territory of the Republic of Kazakhstan, including in the international road transportation between the member states of the Eurasian Economic Union;

2) when importing goods into the territory of the Republic of Kazakhstan from the territory of states that are not members of the Eurasian Economic Union and member states of the Eurasian Economic Union;

3) when exporting goods from the territory of the Republic of Kazakhstan to the territory of states that are not members of the Eurasian Economic Union and member states of the Eurasian Economic Union.

The obligation to issue accompanying invoices for goods shall arise in the following terms:

1) when moving, selling and (or) shipping goods on the territory of the Republic of Kazakhstan - no later than the start of moving, selling and (or) shipping of goods;

2) importing goods into the territory of the Republic of Kazakhstan:

from the territory of states that are not members of the Eurasian Economic Union - no later than the beginning of the movement, sale of goods that have undergone customs clearance;

from the territory of the member states of the Eurasian Economic Union - before crossing the state border of the Republic of Kazakhstan;

3) at the exportation of goods from the territory of the Republic of Kazakhstan to the territory of the states that are not members of the Eurasian Economic Union, and the member states of the Eurasian Economic Union - no later than the beginning of the movement, sale and (or) shipment of goods;

4) when carrying out international road transportation from the territory of one member state of the Eurasian Economic Union to the territory of another member state of the Eurasian Economic Union through the territory of the Republic of Kazakhstan - at the automobile checkpoint when crossing the state border of the Republic of Kazakhstan.

The list of goods subject to the obligation to draw up accompanying invoices for goods, as well as the procedure for registration and their document flow, shall be established by the authorized body.

Footnote. Article 176 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 176-1. Traceability of circulation of goods imported into customs territory of the Eurasian Economic Union

1. Traceability of the circulation of goods imported into the customs territory of the Eurasian Economic Union, in accordance with an international treaty ratified by the Republic of Kazakhstan, is carried out by organizing a system for accounting of goods subject to traceability, and operations related to the circulation of such goods, using the national traceability system in accordance with an international treaty ratified by the Republic of Kazakhstan.

2. The national traceability system is an information system of electronic invoices, which ensures the collection, accounting and storage of information about goods subject to traceability, and transactions related to the circulation of such goods, in the manner and terms determined by an international treaty ratified by the Republic of Kazakhstan.

3. Taxpayers involved in the circulation of goods subject to traceability are required to:

issue accompanying documents in the form of electronic documents, except for the case when execution in the form of electronic documents is impossible due to a malfunction of information systems caused by technical failures, disruptions in the operation of communication facilities (telecommunication networks and the Internet information and telecommunication network), power outages, and also in other cases determined in the manner established by an international treaty ratified by the Republic of Kazakhstan;

provide complete and reliable information to be included in the national traceability system.

The accompanying document of the national traceability system is an electronic invoice.

4. For non-fulfillment or improper fulfillment of obligations for traceability of the circulation of goods arising from an international treaty ratified by the Republic of Kazakhstan, taxpayers bear responsibility established by the laws of the Republic of Kazakhstan.

5. The authorized body ensures:

1) the functioning of the mechanism for traceability of the circulation of goods subject to traceability, in accordance with an international treaty ratified by the Republic of Kazakhstan;

2) sending information contained in the national traceability system about goods subject to traceability and transactions related to the circulation of such goods to the relevant member state of the Eurasian Economic Union in accordance with an international treaty ratified by the Republic of Kazakhstan.

6. The rules for the functioning of the goods traceability mechanism are approved by the authorized body.

Footnote. Chapter 20 is supplemented by Article 176-1, in accordance with the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

SECTION 4. APPEAL AGAINST AUDIT FINDINGS, HORIZONTAL MONITORING RESULTS AND ACTIONS (INACTION) OF TAX OFFICIALS

Footnote. Heading of Section 4 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022).

CHAPTER 21. PROCEDURE FOR FILING AN APPEAL AGAINST AN AUDIT FINDINGS REPORT, NOTICE OF HORIZONTAL MONITORING RESULTS

Footnote. Heading of Chapter 21 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022).

Article 177. General provisions

1. An appeal against an audit findings report shall be filed and considered in accordance with the procedure set forth in Articles 178-186 of this Code.

2. The taxpayer (tax agent) has the right to appeal against the notification of the audit findings, as well as the notice of the horizontal monitoring results in court.

Footnote. Article 177 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022).

Article 178. The procedure for filing an appeal by a taxpayer (tax agent)

1. A taxpayer (tax agent) files an appeal against an audit findings report with the authorized body within thirty business days from the day following the delivery of the report to the taxpayer (tax agent).

In this case, a taxpayer (tax agent) shall send a copy of the appeal to the tax authorities that conducted the tax audit and considered the taxpayer's (tax agent's) objections to a preliminary tax audit act.

The date of filing an appeal with the authorized body, depending on the method of filing, is:

1) the date of the appeal's registration by the authorized body – in person without prior arrangement;

2) the date of receipt by a postal or other communications organization - by mail;

3) electronically – the date of sending through the "electronic government" web portal.

This method shall apply to a taxpayer (tax agent) interacting with tax authorities electronically in accordance with the legislation of the Republic of Kazakhstan on electronic documents and electronic digital signatures.

2. Given a good reason for missing the deadline set forth in paragraph 1 of this article, this deadline can be restored by the authorized body considering the complaint, at the request of a taxpayer (tax agent) submitting the complaint.

3. For the purposes of restoring the missed deadline for submitting a complaint, the authorized body recognizes a reason to be good if this is temporary incapacity for work of an

individual in whose respect a tax audit has been conducted as well as of the head and (or) the chief accountant (if any) of the taxpayer (tax agent).

The provisions of this paragraph apply to individuals in whose respect a tax audit was conducted, as well as to taxpayers (tax agents) whose organizational structure does not provide for persons acting as above-mentioned persons during their absence.

In this case, a document confirming the period of temporary incapacity for work of the persons specified in part one of this paragraph and a document establishing the organizational structure of such a taxpayer (tax agent) must be attached to the request for restoring the missed deadline for submitting a complaint by the taxpayer (tax agent).

4. The authorized body meets a taxpayer's (tax agent's) request to restore the missed deadline for submitting a complaint if the complaint and request are submitted by the taxpayer (tax agent) within ten business days from the last day of temporary incapacity for work of the persons specified in part one of paragraph 3 of this article.

5. A taxpayer (tax agent), who submitted a complaint to the authorized body, may withdraw it in his/her written application prior to a decision on this complaint. The withdrawal of a complaint by a taxpayer (tax agent) does not deprive him/her of the right to file a second complaint, provided that the deadlines set forth in paragraph 1 of this article are observed.

A taxpayer (tax agent) is not entitled to withdraw the complaint within the period running from the date of scheduling a thematic audit until its completion.

Footnote. Article 178 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 179. The form and content of a taxpayer's (tax agent's) complaint

1. A taxpayer (tax agent) shall file a complaint in writing.

2. The complaint must contain:

1) the name of the authorized body to which the complaint is submitted;

2) the last name, first name and patronymic (if it is indicated in an identity document) or full name of the person filing the complaint, his/her/its place of residence (location);

3) identification number;

4) the name of the tax authority that conducted a tax audit;

5) circumstances, on which a person submitting a complaint grounds his/her claims, and evidence supporting these circumstances;

6) the date of signing the complaint by the taxpayer (tax agent);

7) the list of attached documents.

3. The complaint may contain other information relevant to the resolution of the dispute.

4. The complaint is signed by a taxpayer (tax agent) or by a person who is his/her representative.

5. The following documents shall be attached to the complaint:

1) documents confirming circumstances, on which the taxpayer (tax agent) grounds his/her claims;

2) other documents relevant to the case.

Article 180. Refusal to consider a complaint

1. The authorized body refuses to consider a taxpayer's (tax agent's) complaint in case:

1) the taxpayer (tax agent) submits a complaint after the appeal period established by part one of paragraph 1 of Article 178 of this Code has expired;

2) of non-compliance of the taxpayer's (tax agent's) complaint with the requirements established by Article 179 of this Code;

3) a complaint is filed by a person who is not the taxpayer's (tax agent's) representative;

4) the taxpayer (tax agent) has filed a statement of claim on the issues set out in the complaint with court.

2. In the cases provided for in subparagraphs 1), 2) and 3) of paragraph 1 of this article, the authorized body shall notify the taxpayer (tax agent) in writing of its refusal to consider the complaint within ten business days from the registration of the complaint.

The authorized body shall notify the taxpayer (tax agent) of the refusal to consider the complaint in the case provided for in subparagraph 4) of paragraph 1 of this article, in writing, specifying a reason for such a refusal within ten business days from establishing the fact of the taxpayer's (tax agent's) appeal to the court.

3. In the cases provided for by subparagraphs 2) and 3) of paragraph 1 of this article, the authorized body's refusal to consider the complaint does not deprive the taxpayer (tax agent) of the right to reappeal within the period established by part one of paragraph 1 of Article 178 of this Code, if he/she/it eliminates violations.

Article 181. Procedure for considering a complaint submitted to the authorized body

1. A reasoned decision on a taxpayer's (tax agent's) complaint shall be made within thirty business days from the complaint's registration, and on complaints of taxpayers subject to tax monitoring - within forty-five business days from the complaint's registration, except for cases of extension and suspension of the terms of consideration of the complaint in accordance with Article 183 of this Code.

2. The authorized body, when considering a taxpayer's (tax agent's) complaint, has the right to schedule a thematic audit, as well as a repeat thematic audit in accordance with the procedure set forth in Article 186 of this Code.

3. Consideration of a complaint is limited to the issues complained of by the taxpayer (tax agent).

4. If, for consideration of his/her/its complaint, a taxpayer (tax agent) submits documents not produced during a tax audit, the authorized body is entitled to verify such documents during thematic and (or) repeat thematic audits fixed in accordance with the procedure set forth in Article 186 of this Code.

5. When considering a taxpayer's (tax agent's) complaint, the authorized body, if necessary, has the right:

1) to send written requests to the taxpayer (tax agent) and (or) to the tax authorities that conducted the tax audit and considered the taxpayer's (tax agent's) objections to a preliminary tax audit act, for additional information or explanations on the issues specified in the complaint;

2) to send inquiries to state bodies, relevant bodies of foreign states and other organizations about issues within the competence of such bodies and organizations;

3) to meet with the taxpayer (tax agent) for discussing issues specified in the complaint;

4) to ask tax officials that participated in the tax audit and considered the taxpayer's (tax agent's) objections to the preliminary tax audit act, for additional information and (or) explanations on arising issues.

6. It is prohibited to interfere with activities of the authorized body exercising its powers to consider the complaint and to exert influence on the persons involved in the complaint's consideration.

Article 182. Issuance of a decision pursuant to consideration of a complaint

1. The authorized body sets up an appeals commission for the consideration of complaints about audit findings reports.

The composition and status of the appeals commission are determined by the authorized body.

Having considered a complaint, the authorized body shall issue a reasoned decision taking into account the appeals commission's decision.

2. As a result of consideration of a taxpayer's (tax agent's) complaint about an audit findings report, the authorized body makes one of the following decisions:

1) to leave unchanged the audit findings report complained of and to reject the complaint;

2) to cancel the complained audit findings report in full or in part.

3. The decision on the complaint shall be sent in writing or handed to the person who filed the complaint, and a copy shall be sent to the tax authorities that conducted the tax audit and examined the objections of the taxpayer (tax agent) to the preliminary tax audit report.

4. In case of partial cancellation of the report complained of pursuant to the consideration of the complaint, the tax authority that conducted the tax audit shall issue a notification of the results of consideration of the taxpayer's (tax agent's) complaint about the audit findings report and send it to the taxpayer (tax agent) within the time limits specified in subparagraph 11) of paragraph 2 of Article 114 of this Code.

5. The decision of the authorized body made on the ground and in accordance with the procedure set forth in this Code is mandatory for execution by tax authorities.

Footnote. Article 182 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 183. Suspension and (or) extension of the time period for consideration of a complaint

1. The period for consideration of a complaint set forth in paragraph 1 of Article 181 of this Code shall be suspended in case of:

1) conducting thematic and repeat thematic audits - for a time period from the date of such audits, in accordance with the procedure set forth in Article 186 of this Code, until the expiration of fifteen business days after the authorized body's receipt of an audit act;

2) sending inquiries to state bodies, relevant bodies of foreign states and other organizations about issues within the competence of such bodies and organizations - for a time period from the date of sending such an inquiry until the receipt of a reply.

2. The authorized body shall notify the taxpayer (tax agent) of suspension of the period for consideration of the complaint in writing, specifying reasons for the suspension within three business days from the date of fixing an audit and (or) sending an inquiry.

3. The period for consideration of a complaint set forth in paragraph 1 of Article 181 of this Code shall be extended in case of:

1) the taxpayer's (tax agent's) submission of annex (annexes) to the complaint - for fifteen business days.

In this case, the period set forth in paragraph 1 of Article 181 of this Code shall be extended for the period indicated in this subparagraph in each case of subsequent submission of annexes to the complaint;

2) additional consideration of the complaint by the authorized body, if necessary, - up to ninety business days.

In case of extending the period for considering the complaint in accordance with this subparagraph, the authorized body shall send a notification to the taxpayer (tax agent) within three business days from the extension of the period for consideration of the complaint.

Article 184. The form and content of the authorized body's decision

A decision of the authorized body on the results of consideration of a complaint shall indicate:

1) the date of the decision;

2) the name of the authorized body to which the taxpayer's (tax agent's) complaint was submitted;

3) the last name, first name, patronymic (if it is indicated in an identity document) or full name of the taxpayer (tax agent) who filed the complaint;

4) identification number of the taxpayer (tax agent);

5) a summary of the audit findings report complained of;

6) the subject-matter of the complaint;

7) the justification with reference to the rules of international treaties ratified by the Republic of Kazakhstan and (or) the legislation of the Republic of Kazakhstan in accordance with which the authorized body made a decision on the complaint.

Article 185. The effect of submitting a complaint (application) to the authorized body or a court

The taxpayer's (tax agent's) submission of a complaint (application) to the authorized body or a court shall suspend the execution of an audit findings report in the part complained of.

When filing a complaint with an authorized body, the execution of an audit findings report in the part complained of shall be suspended pending a decision on the complaint.

If a taxpayer (tax agent) submits an application to a court, the execution of an audit findings report in the part complained of is suspended from the day the court initiated proceedings in the application until the judicial act enters into force.

Article 186. Procedure for fixing and conducting a thematic audit

1. The authorized body, when considering a taxpayer's (tax agent's), may, if necessary, fix a thematic audit.

2. A document on fixing a thematic audit shall be made in writing specifying issues to be audited.

In this case, a tax authority that conducted the tax audit, the results of which are being complained of, shall not be charged with carrying out a thematic audit, except for the case when the tax audit complained of was conducted by the authorized tax authority.

3. A thematic audit shall be carried out in accordance with the procedure and within the time limits established by this Code. A thematic audit shall commence within ten business days from the tax authority's receipt of a document on carrying out such an audit.

4. The authorized body may fix a thematic audit again, in case of insufficient clarity or fullness of the data and also if new issues have arisen with respect to the circumstances and documents previously checked in a thematic audit.

5. A decision on the results of consideration of the complaint shall be made with account of results of thematic and (or) repeat thematic audits. However, in case of the authorized body 's disagreement with the results of such audits, it has the right not to take them into account when issuing a decision on the complaint, but such disagreement shall be reasoned.

Chapter 22. PROCEDURE FOR THE APPEAL OF ACTIONS (INACTION) OF TAX OFFICIALS

Article 187. The right to appeal

A taxpayer and a tax agent have the right to appeal against actions (inaction) of tax officials to a higher-level tax authority or a court.

Article 188. Procedure for appeal

Actions (inaction) of tax officials are appealed in accordance with the procedure established by the laws of the Republic of Kazakhstan.

2. SPECIAL PART SECTION 5. GENERAL PROVISIONS

Article 189. Types of taxes, payments to the budget

1. The Republic of Kazakhstan has the following:

1) taxes:

corporate income tax;

individual income tax;

value added tax;

excise taxes;

rental tax on exports;

special payments and taxes of subsoil users;

social tax;

vehicle tax;

land tax;

property tax;

gambling business tax;

2) payments to the budget:

state duty;

levies;

payment for:

use of licenses for certain types of activities;

use of land plots;

use of surface water resources;

negative impact on the environment;

use of wildlife;

forest use;

use of the radio-frequency spectrum;

provision of long-distance and (or) international telephone communication, as well as cellular communication;

placement of outdoor (visual) advertisements;

digital mining.

2. For the purposes of application of international treaties, VAT and excise duties are indirect taxes.

3. The amounts of taxes and payments to the budget are transferred to relevant budgets in accordance with the procedure set forth in the Budget Code of the Republic of Kazakhstan and the law on the republican budget.

Footnote. Article 189 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (effective from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2022); dated 08.07.2024 № 119-VIII (effective ten calendar days after the date of its first official publication).

Chapter 23. TAX ACCOUNTING

Article 190. Tax accounting and accounting records

1. Tax accounting is the process of maintenance of accounting records by a taxpayer (tax agent) in accordance with the requirements of this Code for the purposes of collating and systematizing information on taxable and (or) tax-related items, as well as calculating taxes and payments to the budget and drawing up tax returns.

Consolidated tax accounting is tax accounting carried out by an authorized representative of parties to a joint activity agreement in the form of a simple partnership, both for the activity as a whole, and for participatory interest of each party to the joint activity agreement.

2. Accounting records include:

1) accounting documents - for persons who are responsible for their maintenance, in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting";

2) standard audit file - for persons voluntarily submitting this file;

3) accounting source documents - for persons specified in paragraph 4 of this article;

4) tax forms;

5) tax accounting policy;

6) other documents that are the basis for identifying taxable and tax-related items, as well as for calculating a tax obligation.

For the purposes of this paragraph, accounting documentation or primary accounting documents drawn up in the information system of electronic invoices using an electronic digital signature shall also be recognized as accounting records.

3. Unless otherwise specified in paragraph 4 of this article, tax accounting is based on accounting data. The procedure for maintaining accounting records is established by the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. Persons who are not required to maintain accounting records and draw up financial statements by the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", organize and maintain tax accounting in accordance with this chapter, Chapter 24 of this Code and the rules approved by the authorized body.

Tax accounting of insurance, reinsurance companies related to the activities of concluding and executing insurance (reinsurance) contracts shall be based on reporting data established by the National Bank of the Republic of Kazakhstan, with regard to the requirements of the authorized body for regulation, control and supervision of the financial market and financial organizations, coordinated with the authorized body and the authorized tax policy body.

The tax accounting of the Export Credit Agency of Kazakhstan related to the conclusion and execution of insurance and reinsurance contracts shall be based on the reporting data established by the authorised body in the field of trade regulation, agreed with the authorised body for the regulation, control and supervision of the financial market and financial organisations, the authorised body and the authorised body in the field of tax policy.

5. A taxpayer (tax agent), independently and (or) through an authorized representative of parties to a joint activity agreement responsible for the consolidated tax accounting, organizes tax accounting and determines the forms of collation and systematization of information in the form of tax registers so as to ensure:

1) the collection of full and reliable information on the accounting procedure, for tax purposes, for transactions carried out by a taxpayer (tax agent) during a taxable period;

2) decoding of each line of tax return forms;

3) the drawing up of reliable tax returns;

4) provision of information to tax authorities for tax control.

6. The procedure for maintaining tax accounting is established by the tax accounting policy - a document approved by the taxpayer (tax agent) independently with account of the requirements of this Code.

The tax accounting policy, excepting the tax accounting policy of a taxpayer who, in accordance with the Law of the Republic of Kazakhstan On Accounting and Financial Reporting, is not obliged to maintain accounting records and prepare financial statements, may be included as a separate section in the accounting policy, developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

7. Individual entrepreneurs applying special tax regimes for small businesses on the basis of a patent, a simplified declaration or using a special mobile application, approve the tax accounting policy in the form established by the authorized body.

Footnote. Article 190 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 24.06. 2021 № 53-VII (effective from 01.01.2022); dated 21.12.2022 № 165-VII (enforcement, see art 4); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2024).

Article 191. Requirements to the tax accounting policy

1. The tax accounting policy shall stipulate the following provisions:

1) the forms and procedure for drawing up tax registers developed by the taxpayer (tax agent) independently;

2) the names of the positions of persons responsible for compliance with the tax accounting policy;

3) the procedure for maintaining separate tax accounting records in cases when this Code provides for an obligation to maintain such accounting;

4) the procedure for maintaining separate tax accounting records in case of subsoil use operations;

5) the methods chosen by the taxpayer to include expenses into deductibles for the purpose of calculating corporate income tax, as well as for offsetting VAT;

6) the policy for identifying hedged risks, hedged items and hedging instruments used with respect to them, the method of assessing the degree of hedge effectiveness in case of hedging transactions;

7) the policy for recording income on Islamic securities in case of transactions with Islamic securities;

8) depreciation rates for each subgroup, a group of fixed assets with account of the provisions of paragraph 2 of Article 271 of this Code;

9) in case of issuance of invoices in accordance with this Code by structural units of a resident legal entity that is a VAT payer, the code of each of these structural units used in the numbering of invoices to identify such a structural unit;

10) the maximum number of digits used in the numbering of invoices being issued.

The provisions of subparagraphs 4), 8), 9) and 10) of part one of this paragraph shall not apply to persons that are not responsible for maintaining accounting records and drawing up financial statements in accordance with the legislation of the Republic of Kazakhstan.

2. The tax accounting policy for joint activities is approved by parties to a joint activity agreement in accordance with the procedure and on the grounds established by this Code.

3. When carrying out a subsoil use activity within the framework of a simple partnership (consortium) under a production sharing agreement (contract), the tax accounting policy, along with the requirements of paragraph 1 of this article, shall include the method of fulfilling a tax obligation for each type of taxes and payments to the budget provided for by the tax legislation of the Republic of Kazakhstan by partners of a simple partnership and (or) operator, which is selected in accordance with paragraph 3 of Article 722 of this Code.

4. The following provisions of the tax accounting policy shall be in effect for at least one calendar year:

the procedure for maintaining separate tax accounting records;

the methods chosen by the taxpayer to include expenses into deductibles for the purposes of calculating corporate income tax.

The methods chosen by the taxpayer for offsetting VAT shall be valid for:

at least one taxable period established for the purposes of VAT calculation - in the case provided for by subparagraph 6) of paragraph 2 of Article 407 and (or) paragraph 3 of Article 407 of this Code;

at least one calendar year - in other cases.

5. The taxpayer (tax agent) alters and (or) supplements the tax accounting policy either by :

1) approval of a new tax accounting policy or its new section, developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) introducing amendments and (or) additions to the current tax accounting policy or to a section of the current accounting policy developed in accordance with international financial

reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

6. A taxpayer (tax agent) is not allowed to introduce amendments and (or) additions to the tax accounting policy:

1) for an audited taxable period - during the period of comprehensive and thematic audits;

2) for a taxable period complained of - during the period of filing and consideration of a complaint about an audit findings report, taking into account the renewed period for filing a complaint;

3) for taxable periods with respect to which a tax audit was conducted.

7. A subsoil user is obliged to indicate a decision on application of the provisions of Article 259 of this Code in his/her/its tax accounting policy.

Footnote. Article 191 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 192. Tax accounting rules

1. Unless otherwise established by this Code, a taxpayer (tax agent) shall maintain tax accounting records in tenge by the accrual method in accordance with the procedure and under the conditions established by this Code.

2. The accrual method is an accounting method, according to which the results of operations and other events are recognized after they are committed, also from the day of performance of works, rendering of services, shipment and transfer of goods to the buyer or his/her/its authorized person for the purpose of selling or registering property, and not from the date of receipt or payment of money or its equivalent.

3. On the basis of tax accounting for the results of a taxable period, a taxpayer (tax agent) identifies taxable and tax-related items and calculates taxes and payments to the budget.

4. For tax purposes accounting of the exchange rate difference, including determination of the exchange difference amount, shall be carried out in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

5. Inventory accounting shall be carried out in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting. Herewith, for tax purposes, the cost of inventories is determined without including the change in the value of inventories by writing it off to its possible net realizable value and recovery in respect of the previous write-off of inventories caused by an increase in the possible net realizable price.

Footnote. Article 192 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 193. Requirements to the compilation and retention of accounting records

1. Accounting records are drawn up by a taxpayer (tax agent) in hard and (or) soft copy in the Kazakh and (or) Russian languages.

If individual documents are drawn up in foreign languages, a tax authority has the right to require a taxpayer (tax agent) to translate them into Kazakh or Russian.

2. When compiling accounting records in electronic form, the taxpayer (tax agent) is obliged during a tax audit at the request of officials of tax authorities to provide copies of such records on paper, except invoices, accounting documentation and primary accounting documents registered in the electronic invoice information system.

3. A taxpayer (tax agent) shall retain accounting records for taxable or tax-related items until the end of the limitation period established by Article 48 of this Code for each type of tax or payment to the budget, at least for five years anyway.

The running of the retention period for accounting records begins from a taxable period following the period in which a tax obligation was calculated on the basis of such accounting records, except for cases provided for by paragraphs 4 and 5 of this article, if the retention period established by them exceeds the period established by this paragraph.

4. Accounting records confirming the value of a fixed asset of Group I, certain groups of depreciable assets created in accordance with Articles 258, 259 and 260 of this Code, also those for a fixed asset transferred (received) under a property lease (rent) contract, are retained by a taxpayer until the expiry of a five-year period, the running of which begins from a taxable period following the latest taxable period in which depreciation deductions for such an asset were calculated.

Accounting records confirming the value of a fixed asset of Group II, III and IV, also those for a fixed asset transferred (received) under a property lease (rent) contract, are retained by a taxpayer within the limitation period established by Article 48 of this Code, but not less than for a five-year period, the running of which begins from a taxable period following the taxable period in which such an asset was added to the transaction table of the group of fixed assets.

5. Accounting records confirming the value of assets that are not depreciable for tax purposes are retained by a taxpayer for a five-year period, the running of which begins from a taxable period following the taxable period in which the taxpayer disposed of an asset that is not subject to depreciation.

6. If a taxpayer was reorganized, the obligation for the retention of accounting records of the reorganized person is assigned to its successor (successors).

Footnote. Article 193 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.04.2018).

Article 194. Rules for the maintenance of separate tax accounting

1. Separate tax accounting is tax accounting for taxable and (or) tax-related items for the purposes of calculating tax obligations for certain types of taxes separately for distinguished categories, for which this Code provides for terms of taxation other than standard ones, that are mentioned below:

a type of activity or a set of types of activities;

a subsoil use contract;

a deposit (group of deposits, part of a deposit) classified as low-profit, high-viscosity, watered, marginal, worked-out;

a trust management agreement or another case of trust management;

a joint activity agreement;

turnover of sale of goods, works, services;

type of income;

a construction object.

Terms of taxation other than standard ones also include an abatement of tax, exemption from taxation, application of a special tax regime.

A taxpayer (tax agent) is not entitled to combine taxable and (or) tax-related items for the purposes of calculating tax obligations for the distinguished categories for which this Code establishes requirements to maintain separate tax accounting.

2. A taxpayer (tax agent) is obliged to maintain separate tax accounting in cases provided for by this Code.

Separate tax accounting of taxable and (or) tax-related items shall be maintained by:

an authorized representative of parties to a joint activity agreement with respect to the joint activity agreement;

a trust management founder or trust manager.

3. A taxpayer applying a special tax regime for small business entities in case of generation of income subject to taxation in accordance with a standard procedure is obliged to maintain separate tax accounting of taxable and (or) tax-related items in order to calculate tax obligations under the standard procedure separately from tax obligations under a special tax regime for small business entities.

4. A taxpayer (tax agent) independently establishes the procedure for maintaining separate tax accounting in the tax accounting policy, including a list of types of total income and expenses, methods for distributing such income and expenses among the distinguished categories and other activities for which this Code establishes different terms of taxation.

5. A subsoil user is obliged to maintain separate tax accounting of taxable and (or) tax-related items for the purposes of calculating tax obligations for contractual activities separately from non-contractual ones in accordance with the procedure set forth in Article 723 of this Code.

6. Transactions with derivative financial instruments shall not be treated as subsoil operations (contractual activity).

7. Separate tax accounting is maintained by taxpayers (tax agents) on the basis of accounting records in accordance with the approved tax accounting policy and with account of the provisions established by this article.

8. When conducting separate tax accounting for the calculation of a tax obligation, a taxpayer (tax agent) is obliged to ensure:

1) the entry of taxable and (or) tax-related items in tax accounting for the calculation of taxes for which this Code establishes the requirement for separate tax accounting - for each distinguished category separately from other activities;

2) the calculation of taxes and payments to the budget for which separate tax accounting is not required by this Code - for all activities as a whole;

3) the filing of tax returns on taxes and payments to the budget - for all activities as a whole, except for:

corporate income tax declarations;

individual income tax declarations;

VAT declarations in the case provided by Subparagraph 6) of this Paragraph;

4) separate presentation of:

a simplified declaration - for types of income to which a special tax regime on the basis of a simplified declaration is applied;

declarations with a fixed deduction - for types of income, to which a special tax regime with a fixed deduction is applied;

declarations for payers of a uniform land tax – for income from activity subject to a special tax regime for peasant or farming enterprises;

declaration on corporate or individual income tax - for other types of income;

5) the submission of a single declaration on corporate or individual income tax as a whole for all activities and relevant annexes thereto for each distinguished category in cases not specified in subparagraph 4) of this paragraph;

6) submission of a single VAT declaration:

on activity provided by Article 411 of this Code;

on other activity.

Footnote. Article 194 as amended by the Law of the Republic of Kazakhstan dated24.05.2018 № 156-VI (shall be enforced from 01.01.2018).

Article 195. General principles of separate tax accounting for corporate income tax

1. For the purposes of this article, the following definitions apply:

1) total income and expenses - income and expenses in a reporting taxable period, including those related to general fixed assets, that are connected both with the performance of an activity on an allocated category and other activities and are subject to distribution between them;

2) general fixed assets - fixed assets related both to the performance of an activity on an allocated category and other activities and, due to specific nature of their use, having no direct causal link to a specified allocated category or other activities;

3) indirect income and expenses - income and expenses in a reporting taxable period, including those related to fixed assets, that have a direct causal link to several allocated categories and are subject to distribution only among such categories;

4) implied fixed assets - fixed assets that, due to specific nature of their use, have a direct causal link to several allocated categories;

5) direct income and expenses - income and expenses in a reporting taxable period, including those related to fixed assets, having a direct causal link to a specified allocated category or other activities.

2. For the purposes of separate tax accounting, all income and expenses of a taxpayer are divided into direct, indirect and total ones.

A taxpayer (tax agent) classifies incomes and expenses as direct, indirect and total on his/her own on the basis of the nature of his/her activity.

Direct income and expenses shall be attributed in full only tothatallocated category or other activities, to which they have a direct causal link.

Total income and expenses are subject to distribution among an allocated category and other activities and pro rata relate to income and expenses of the allocated category and other activities, to which they have a direct causal link.

Indirect income and expenses are subject to distribution only among allocated categories and pro rata relate to income and expenses of that category, to which they have a direct causal link.

Total and indirect income and expenses are distributed in accordance with the methods established by paragraph 4 of this article and with regard to the provisions of paragraph 3 of this article.

3. As to general and implied fixed assets, expenses incurred by a taxpayer on these fixed assets, including depreciation and subsequent expenses, are subject to distribution among an allocated category and other activities.

As to total and indirect expenses for remuneration, total amount of deductions of such remuneration, determined in accordance with Article 246 of this Code, is subject to distribution.

If an exchange rate difference cannot be attributed toa taxpayer's allocated category and other activities by a direct causal link, the final (balanced) financial result for a taxable period shall be subject to distribution in the form of excess amount of a positive exchange rate difference over the amount of a negative exchange rate difference or excess amount of a negative exchange rate difference over the amount of a positive exchange rate difference.

Taxes to be allocated to deductibles as general or indirect expenses are subject to distribution in accordance with the methods established in paragraph 4 of this article, without the distribution of their relevant taxable and (or) tax-related items.

4. A taxpayer (tax agent) distributes total and indirect income and expenses for each allocated category and other activities on his/her/its own taking into consideration specific nature of an activity and using one or several methods of separate tax accounting, which is customary for tax accounting policy, including that:

1) by the ratio of direct income, attributable to each allocated category and other activities , in the total amount of direct income received by the taxpayer (tax agent) in a taxable period;

2) by the ratio of direct expenses, attributable to each allocated category and other activities, in the total amount of direct expenses incurred by the taxpayer (tax agent) in a taxable period;

3) by the ratio of expenses incurred on one of the following items - direct production expenses, payroll or the value of fixed assets, attributable to each allocated category and other activities, in the total amount of expenses for this item incurred by the taxpayer (tax agent) in a taxable period;

4) by the ratio of the average number of employees engaged in an activity on an allocated category and other activities, to the total average number of employees of the taxpayer (tax agent);

5) other methods.

The taxpayer (tax agent) can apply various methods of distribution, which he/she/it chooses independently, to different types of total and indirect income and expenses.

For more accurate distribution of total and (or) indirect income and expenses, the taxpayer (tax agent) determines the value of the ratio, obtained as a result of applying one of the above methods, in percentage points up to one-hundredth (0.01%).

If a tax accounting policy has no method for distributing total income and expenses, tax authorities shall distribute such income and expenses in the course of a tax audit using a method provided for in subparagraph 1) of part one of this paragraph.

5. When calculating corporate income tax on a taxpayer's activity as a whole, expenses incurred on any allocated category, which the taxpayer may compensate for using only income received from the activity on such an allocated category in subsequent taxable periods , shall be ignored as provided for by Article 300 of this Code.

Article 196. Financial lease

1. Financial lease is the transfer of property under a lease agreement concluded in accordance with the legislation of the Republic of Kazakhstan and also the provision of a leased asset for secondary lease or sublease.

2. If a lessee may extend the term of financial lease under a lease agreement, the term of financial lease is determined with account of actual period of extension.

3. Property transferred for financial lease is leased assets to be received by a lessee under a lease agreement.

For tax accounting purposes, the lessee is treated as the buyer of a leased asset.

The value at which a leased asset is transferred (received) is the value of the leased asset determined on the basis of a lease agreement. If the lease agreement does not specify the value at which the leased asset is transferred (to be received), then the said value is determined as the sum of all the lease payments payable for the entire lease period, exclusive of VAT.

For tax accounting purposes, the transfer of property under a property lease agreement, which is at variance with a lease agreement concluded in accordance with the legislation of the Republic of Kazakhstan, is treated as rendering of services, and lease payments payable, exclusive of VAT, - as a payment for services rendered, respectively.

Article 197. Requirements to the transfer of property into financial lease for the purposes of applying tax reliefs

1. For the purposes of applying subparagraph 1) of paragraph 2 of Article 288, Article 398 , paragraph 6 of Article 427 and paragraph 6 of Article 428 of this Code, the transfer of property into financial lease shall meet the requirements provided for in this article.

2. Unless otherwise established by this paragraph and paragraph 3 of this article, financial lease is the transfer of property under a lease agreement concluded in accordance with the legislation of the Republic of Kazakhstan for a period over three years if it meets one of the following requirements:

1) transfer of property into the ownership of a lessee and (or) granting of the right to purchase the property at a fixed price to a lessee are specified in a lease agreement;

2) the financial lease term exceeds 75 percent of the useful life of the property transferred into financial lease;

3) current (discounted) value of lease payments for the entire term of financial lease exceeds 90 percent of the value of property transferred into financial lease.

Secondary lease is the provision of leased assets left in the ownership of a lessor to another lessee (lessees) in case of termination, cancellation of a lease agreement or its modification caused by a change in the number of leased assets (for the purposes of this article, hereinafter referred to as a primary lease agreement), provided all of the following requirements are met:

a primary lease agreement is canceled, terminated or modified and a secondary lease agreement (agreements) is (are) concluded within one taxable period established by Article 423 of this Code;

conditions provided for in a primary lease agreement remain in a secondary lease agreement (agreements), except for those concerning the number of leased assets, lease payments and a lease term;

the number of leased assets provided for secondary lease shall not exceed their total number under a primary lease agreement;

the value of the leased asset transferred to secondary lease does not exceed the value of the leased asset under the primary lease agreement, reduced by the amount of lease payments, except for the lease interest paid as of the date of the lease agreement termination, the interest rate amount under the secondary lease agreement (s) does not exceed the size of the interest rate under the primary leasing agreement;

leased assets are provided for secondary lease for at least three years.

3. For the purposes of applying subparagraph 1) of paragraph 2 of Article 288, Article 398 , paragraph 6 of Article 427 and paragraph 6 of Article 428 of this Code, none of the following is financial lease:

1) leasing transactions in case of cancellation of lease agreements on them (termination of obligations under a lease agreement) prior to expiration of three years from the conclusion of such agreements, except for the case of:

declaring a lessee bankrupt in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy and its removal from the National Register of Business Identification Numbers;

recognition of an individual lessee on the enforced court decision as missing or declaring him dead, incapacitated or partially incapacitated, establishing to him a disability of the first, second groups, also in the event of the death of an individual lessee;

entry into legal force of a law enforcement officer's decision to return a writ of execution to a lessor becausea lessee has no property, including money, securities or income, which can be seized and sold, and (or) in case of unsuccessful measures taken by the law enforcement officer to identify his/her property, including money, securities or income as provided for by the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of law enforcement agents;

entry into legal force of a court judgment to reject the lessor's claim for foreclosing on the lessee's property, including money, securities or income;

provision of leased assets for secondary lease;

2) leasing transactions for which the amount of lease payments (that under an agreement and (or) actual one) exclusive of remuneration for the first year of the lease agreement is more than 50 percent of the leased asset's value;

3) leasing transactions with respect to which, prior to expiration of three years from the conclusion of the lease agreement, the lessee changed due to the change of persons in the liability, except for its reorganization;

4) leasing transactions with respect to which the lessor changed due to the change of persons in the liability, except for its reorganization through transformation;

5) transactions for the transfer of property into sublease.

Footnote. Article 197 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 198. Features of fulfillment of tax obligations by a joint enterprise

1. Unless otherwise established by this paragraph, in case of a joint individual enterprise, taxable and (or) tax-related items are accounted for and taxed in the manner specified in this article.

In case of a joint individual enterprise under a joint activity agreement (in the form of a simple partnership), taxable and (or) tax-related items are accounted for and taxed in the manner specified in article 199 of this Code.

Special part of this Code may establish special tax regimes with respect to peasant and farm enterprises, whichprovide for a different procedure for accounting and taxing taxable and (or) tax-related items.

2. Tax obligations for activities within the framework of a joint individual enterprise, as well as with respect to jointly owned property used in a joint individual enterprise, are fulfilled by:

1) the head of a peasant enterprise - if a joint individual enterprise is in the form of a peasant enterprise;

2) an authorized person of a joint individual enterprise - in other cases.

3. If after application of methods for ensuring the fulfillment of an overdue tax obligation and measures of enforced collection of tax debts from a person specified in subparagraph 2) of paragraph 2 of this article, this person still has tax debts related to a joint individual enterprise, the obligation to pay such debts is imposed in equal shares on all members of the joint individual enterprise.

In this case, the person indicated in subparagraph 2) of paragraph 2 of this article is obliged to notify all members of a joint individual enterprise of the existence of tax debts of the joint individual enterprise and the amount of such debts within three business days from the application of measures of enforced collection of tax debts.

Article 199. Implementation of joint activities

1. Unless otherwise established by this Code, in case of an agreement on joint activities or another agreement involving two or more parties to a joint activity agreement without setting up a legal entity (hereinafter referred to as a joint activity agreement), taxable and (or) tax-related items are accounted for and taxed with respect to each party to the joint activity agreement in accordance with the procedure established by this Code.

2. Each party to a joint activity agreement independently keeps record of assets, liabilities, income and expenses for joint activity with respect to his/her participatory interest in order to identify taxable and (or) tax-related items, unless otherwise established by this Code.

3. If a joint activity agreement does not provide for a procedure for distributing assets, liabilities, income and expenses for joint activity in order to identify taxable and (or) tax-related items, the parties to the joint activity agreement shall develop and approve a tax accounting policy for joint activity prior to the filing of first tax returns that set forth such a procedure and a tax obligation arising as a result of joint activity.

4. A joint activity agreement may appoint an authorized representative of parties thereto, responsible for maintaining tax accounting for such an activity or part thereof, unless otherwise established by this Code.

5. For tax purposes, an authorized representative of parties to a joint activity agreement accounts for assets, liabilities, income and expenses for a joint activity or part thereof separately from his/her/its assets, liabilities, income and expenses for other activities.

6. The distribution of assets, liabilities, income and expenses for joint activity, in order to identify taxable and (or) tax-related items, between parties to a joint activity agreement is carried out by parties thereto and (or) their authorized representative, if any, pursuant to the results of each taxable period in the manner determined by the joint activity agreement.

If conditions of a joint activity agreement and (or) tax accounting policy for joint activity do not establish a procedure for distributing assets, liabilities, income and expenses in order to identify taxable and (or) tax-related items, parties to the joint activity agreement and (or) their authorized representative, if any, shall carry out this distribution in proportion to participatory shares under the joint activity agreement.

The outcome of distribution of assets, liabilities, income and expenses in order to identify taxable and (or) tax-related items between parties to a joint activity agreement must be documented in writing, signed by all the parties to the joint activity agreement and (or) their authorized representative, if any, and also bear aseal (if any, in the cases established by the legislation of the Republic of Kazakhstan). In the course of a tax audit, each party to the joint activity agreement submits a document,containing the results of distribution of assets, liabilities, income and expenses, to tax authorities.

The authorized representative of parties to a joint activity agreement must have copies of all documents underlying the distribution of assets, liabilities, income and expenses, unless otherwise established by this Code.

Article 200. Features of subsoil users' joint activity

1. If the subsoil use right under one subsoil use contract belongs to several individuals and (or) legal entities within a simple partnership (consortium), each member of a simple partnership (consortium) shall be a taxpayer of taxes and payments to the budget established by the tax legislation of the Republic of Kazakhstan.

2. If the subsoil use right under one subsoil use contract belongs to several individuals and (or) legal entities within a simple partnership (consortium), members of a simple partnership (consortium) are obliged to appointtheir authorized representative responsible for maintaining consolidated tax accounting for an activity carried out under such a subsoil use contract.

The authorized representative of members of a simple partnership (consortium) is obliged to maintain consolidated tax accounting for the activity carried out under the subsoil use contract in accordance with the requirements of this Code.

In case of subsoil operations carried out under a production sharing agreement (contract), the operator acts as such an authorized representative.

Powers of the authorized representative of members of a simple partnership (consortium), including the operator, must be confirmed in accordance with the requirements of Articles 16 or 17 of this Code.

3. Tax obligations for a subsoil use agreement shall be fulfilled in the manner determined by this Code by a member (members) of a simple partnership (consortium) and (or) by an authorized representative of members of a simple partnership (consortium), responsible for

maintaining consolidated tax accounting for such an activity, on the basis of consolidated tax accounting data. In this case, members of a simple partnership (consortium) independently fulfill tax obligations for filing tax returns, except for the cases provided for in subparagraph 2) of paragraph 3 of Article 722 of this Code.

Chapter 24. FEATURES OF MAINTAINING TAX ACCOUNTING BY INDIVIDUAL ENTREPRENEURS NOT MAINTAINING ACCOUNTING RECORDS AND NOT COMPILING FINANCIAL STATEMENTS UNDER THE LAW OF THE REPUBLIC OF KAZAKHSTAN "ON ACCOUNTING AND FINANCIAL STATEMENTS"

Article 201. General provisions

For the purposes of applying the provisions of this Code in terms of maintaining tax accounting and procedure for determining and fulfilling tax obligations by individual entrepreneurs not maintaining accounting records and not compiling financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Statements", the following definitions are used:

1) assets – property, controlled by an individual entrepreneur, which is expected to bring economic benefit in the future;

2) accounting source documents - documentary evidence, both in hard and soft copy, of the fact of a transaction or event and the right to perform it, on the basis of which tax accounting is maintained;

3) biological asset - an animal or a plant to be used in agricultural activity;

4) inventories - assets held for sale, as well as for use in the process of production, for administrative purposes or in performance of works, rendering of services;

5) equity - a share in the assets of an individual entrepreneur, remaining after deducting all the obligations;

6) income - an increase in economic benefit during areporting period in the form of asset inflows or asset enhancement or a decrease in liabilities that results in an equity increase other than that related to equity participant contributions;

7) intangible asset - an identifiable non-monetary asset that is not physical in nature and intended for the use in production or for administrative purposes, also for property lease (rent) to other persons;

8) liability - current obligation of an individual entrepreneur, the settlement of which will result in the disposal of resources with economic benefit;

9) fixed assets - tangible assets that:

are intended for the use in production or for administrative purposes when selling goods, performing works, rendering services, also for property lease (rent) to other persons;

are expected to be used for more than one year.

Article 202. Forms of accounting source documents and requirements to their drawing up

1. Individual entrepreneurs, who do not maintain accounting records and do not compile financial statements in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting”,use accounting source documents, the forms of which are approved by the authorized body, as well as requirements to their drawing up.

The specified individual entrepreneurs are also entitled to issue primary accounting documents in the information system of electronic invoices

using the electronic digital signature.

2. Entries into tax registers shall be made on the basis of source documents.

Article 202 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2018).

Article 203. Features of tax accounting

1. Individual entrepreneurs recalculate foreign currency transactions in tenge using the market exchange rate set on the last business day preceding the date of transaction. An exchange rate difference is not taken into account for tax purposes.

2. In tax accounting, inventories are recognized at their production cost when they are received by an individual entrepreneur or his/her authorized person, also after their production by an individual entrepreneur, as a result of disassembly of fixed assets by transferring them from other assets.

The production cost of inventories includes the costs of acquisition, processing, other costs incurred to bring the inventories to their current condition and deliver them to their current location.

Acquisition costs include import duties, taxes (except for reimbursable ones), transportation, manufacturing and other costs directly related to the acquisition. Trade discounts provided by a supplier, the supplier’s refunds and other similar discounts and refunds are deducted in cost determination.

Costs of processing inventories include costs directly related to the processing of raw materials into finished products, including direct labor costs, as well as manufacturing overhead costs.

For tax accounting purposes, the production cost of a unit of inventories is determined with account of actual costs provided for in part two of this paragraph for such a unit of inventories.

An individual entrepreneur has the right to determine, for tax accounting purposes, the cost of a unit of inventories using the weighted average cost method. The weighted average cost method determines the production cost of inventories as the average value of the production cost of inventories at the beginning of a period and of similar inventories acquired (produced) during a period. The individual entrepreneur chooses this method by indicating it in his/her tax accounting policy.

Individual entrepreneurs engaged in production of goods, as well as individual entrepreneurs that chose the weighted average cost method, record inventories at their arrival

and disposal in tax registers, the form of which is developed by individual entrepreneurs on their own.

The arrival of inventories by way of their internal movement is not an individual entrepreneur's income. Internal movement of inventories means their movement from one financially liable person appointed by an individual entrepreneur to another financially liable person appointed by the same individual entrepreneur.

For the purposes of tax accounting of an individual entrepreneur, transfer of inventories for storage or as a customer-supplied raw material is not the disposal of inventories.

An individual entrepreneur receives inventories for storage on the basis of a storage agreement or an application to refuse acceptance in case the individual entrepreneur received inventories and legitimately refused to accept invoices of these inventories' suppliers and to pay them. The value of such inventories is not the income of an individual entrepreneur.

The disposal of inventories is:

1) termination of their recognition as an asset, also as a resultof external sale of inventories, their transfer free of charge, their use in production process, in performance of works, rendering of services and for other purposes, when they are transferred as a contribution to the authorized capital, in case of their exchange, shortage discovered when taking an inventory, a theft, property damage, expiration of storage periods, obsolescence and other cases of loss of marketability;

2) reclassification of an asset, including transfer to fixed assets, other assets.

Chapter 25. TAX FORMS

Article 204. Tax forms

1. Tax forms include a tax application, tax returns and tax registers.

2. Tax forms shall be drawn up, signed, certified (by a seal in the cases established by the legislation of the Republic of Kazakhstan or by an electronic digital signature) by a taxpayer (tax agent) or its representative, in paper and (or) electronic media in Kazakh and (or) Russian .

Signing and certification of tax forms by individual taxpayers shall be admissible with the use of one-time passwords in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 204 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 205. The retention period for tax forms

1. Tax forms are retained by a taxpayer (tax agent) during the limitation period established by Article 48 of this Code, at least for five years.

2. In case of reorganization of a taxpayer, a tax agent, an operator that is a legal entity, an obligation to retain tax forms of a reorganized person is assigned to its successor (successors).

Subchapter 1. Tax application, tax returns

Article 206. General provisions

1. A tax application is a document of a taxpayer (tax agent) submitted to a tax authority for the purpose of exercising his/her/its rights and performing duties in the cases established by this Code. The forms of tax applications are approved by the authorized body.

2. A tax return is a document of a taxpayer (tax agent) filed in accordance with the procedure established by this Code, which contains information on the taxpayer (tax agent), taxable and (or) tax-related items, assets and liabilities, and also on the calculation of tax obligations and social welfare payments.

Tax reporting shall include tax declarations, calculations, annexes to them, by types of taxes, payments to the budget, social payments, an application for importation of goods and payment of indirect taxes, a register of lease (use) agreements. The forms of tax reporting and rules for their preparation are approved by the authorized body.

For the purposes of this Code, an application for importation of goods and payment of indirect taxes is a tax declaration.

3. Tax reporting, with the exception of an application for importation of goods and payment of indirect taxes, is divided into the following types:

1) initial - tax reporting submitted for the tax period in which the taxpayer (tax agent) was registered and (or) the first tax liability for certain types of taxes and payments to the budget, as well as the obligation to calculate, withhold and transfer social payments;

2) regular - tax reporting submitted for subsequent tax periods after submission of the initial tax reporting;

3) additional - tax reports submitted when changes and (or) additions are made to the previously submitted tax reports for the tax period to which these changes and (or) additions relate;

4) additional on notification - tax reports submitted when changes and (or) additions are made to the previously submitted tax reports for the tax period in which the tax authority revealed violations based on the results of in-house control;

5) liquidation - tax reporting submitted upon termination of activities, liquidation or reorganization of a taxpayer (tax agent), as well as upon deregistration for value added tax.

Footnote. Article 206 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 207. Features of drawing up tax returns, including the register of rental (use) agreements

1. In cases provided for by this Code, a taxpayer (tax agent), carrying out types of activities subject to different terms of taxation, compiles tax returns separately for each activity.

In case of switching, within a calendar year, from special tax regime for producers of agricultural products and agricultural cooperatives to the standard procedure, tax returns shall be compiled separately for the period of application in the specified calendar year of:

special tax regime;

standard procedure.

2. Subsoil users, for whom this Code sets forth the requirement for separate tax accounting, shall compile tax returns in the manner prescribed by this Code.

3. The register of rental (use) agreements is drawn up by persons providing retail facilities , trading places in retail facilities, also at open-air markets, for temporary possession and use.

The register of rental (use) agreements is drawn up and submitted to the tax authority at the location of the taxpayer providing retail facilities, trading places in retail facilities, also at open-air markets, for rent (use) on or before March 31 of a year following the reporting one.

Article 208. The order for submitting a tax application, tax returns

1. A tax application and a tax return shall be submitted to tax authorities in accordance with the procedure and within the time limits established by this Code.

2. If a taxpayer (tax agent) belongs to the categories for which the authorized body established different forms of tax returns, in this case, tax returns are filed in the forms provided for each category to which the taxpayer (tax agent) belongs.

3. Unless otherwise provided for by this article, a tax application and tax returns shall be submitted to relevant tax authorities, at the taxpayer's choice:

1) in hard copy, also through the "Government for Citizens" State Corporation (except for VAT returns), -when filed in person without prior arrangement;

2) in hard copy – when submitted by registered mail with return receipt;

3) in soft copy allowing computer processing of information.

4. After deregistration for VAT by the decision of a tax authority, VAT returns shall be filed in person without prior arrangement.

5. The authorized body, together with special state bodies, military intelligence bodies of the Ministry of Defense of the Republic of Kazakhstan, law enforcement bodies, shall determine a special procedure for submitting tax reports and the list of persons submitting such reports.

6. If filed in person without prior arrangement, a tax application and (or) a tax return shall be at least in two copies, one of which shall be returned to a taxpayer (tax agent) with a note put by a tax authority.

7. The authorized body posts on its Internet resource the electronic form structure, the software for electronic compiling and submitting and update of this software for:

1) a tax application – on or before January 1 of a current year;

2) tax returns – at least thirty business days before the deadline for filing tax returns.

8. After filing liquidation tax returns, a taxpayer (tax agent) has no right to file next scheduled tax returns with a tax authority, except for additional and (or) additional upon notice ones, unless otherwise provided for by this paragraph.

Liquidation tax returns filed for an unfinished taxable period are equated to regular tax returns for a taxable period in case:

1) a taxpayer (tax agent) reverses his/her/its resolution to liquidate, to reorganize through separation after the completion of a tax audit;

2) a taxpayer(tax agent) reverses his/her/its resolution to terminate entrepreneurial activity before deregistration as an individual entrepreneur;

3) of a decision to refuse to deregister as an individual entrepreneur.

Tax returns for subsequent taxable periods from the date of filing liquidation tax returns shall be filed with relevant tax authorities in accordance with the procedure and within the time limits established by this Code.

9. Given no taxable items, no tax reporting shall be filed on:

property tax;

land tax;

vehicle tax;

export rent tax;

subscription bonus;

payment on reimbursement of historical costs;

payments to the budget;

corporate income tax withheld at the source of payment from the income of a non-resident

.

9-1. For special payments and taxes of subsoil users not specified in Paragraph 9 of this Article, tax reporting shall be submitted by the subsoil user under the relevant subsoil use contract.

10. The obligation to file tax returns on excise duties applies to taxpayers (tax agents) carrying out activities such as:

production of gasoline (except for aviation one), diesel fuel;

wholesale and (or) retail sales of gasoline (except for aviation one), diesel fuel;

production of ethyl alcohol and (or) alcohol products;

manufacture of tobacco products;

production, assembly (completion) of excisable goods envisaged by sub-paragraph 6) of Article 462 of this Code, excluding their production, assembly (completion) on the territory of a free warehouse.

The obligation to file tax returns on excise duties applies to taxpayers (tax agents) carrying out taxable transactions for crude oil, gas condensate (except for crude oil and gas condensate sold for export).

The obligation to file tax returns on excise duties does not apply to taxpayers (tax agents) engaged in the wholesale of tobacco products, heated tobacco products, nicotine-containing liquid for electronic cigarettes.

11. Annexes to declarations, calculations are not submitted if there are no data to be stated in them.

Footnote. Article 208 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2018); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 209. Acceptance of tax forms, except for tax registers

1. Tax forms shall be submitted to the tax authorities within the time limits established by this Code and by-laws that determine the procedure for the provision of public services, approved by the authorized body.

2. Depending on the method of submitting tax forms to tax authorities, the date of their submission is that:

1) of receipt by tax authorities or by the "Government for Citizens" State Corporation - if submitted in person without prior arrangement;

2) of the receipt note by a postal or other communications organization – if submitted by registered mail with return receipt;

3) of their receipt by the central processing unit of the system for receiving and processing tax returns, which is indicated in an electronic notification sent to a taxpayer (tax agent) within at least one day of their receipt by the system - if submitted in electronic form.

3. When receiving and processing tax forms, the tax authorities' system performs a format-logical control, which consists in verifying the completeness and correctness of their filling.

4. Information on submission of declarations of individuals shall be posted on the Internet resource of the authorized body within fifteen working days from the date of submission of declarations of individuals, established by paragraph 2 of this article.

5. Tax forms are not considered to have been submitted to tax authorities given any of the cases below:

1) tax forms do not correspond to forms established by the authorized body;

2) a tax authority's code is not indicated in a tax form;

3) taxpayer's (tax agent's) tax identification number is not indicated or incorrectly indicated in a tax form;

4) a tax form does not specify a taxable period;

5) the tax form does not indicate the date on which the declaration of assets and liabilities was drawn up;

6) the type of tax returns is not indicated in a tax form;

7) tax returns are not signed and (or) not certified with a seal bearing a taxpayer's name;

8) tax returns have the "Denial of processing" processing status if the system for receiving and processing tax returns rejects format-logical control;

9) the requirements of paragraph 1 of Article 212 of this Code were violated regarding the method of filing tax returns in case of extension of the deadline for their filing;

10) registers of invoices for goods, works, services acquired and sold during the tax period are not submitted together with the declaration for value added tax - in case of issuing invoices on paper in accordance with subparagraph 1) of paragraph 2 of Article 412 of this Code;

11) VAT return was not submitted in person without prior arrangement after deregistration for the specified tax upon the decision of a tax authority;

12) tax reporting shall be filed by an individual entrepreneur or a legal entity whose registration has been invalidated by an effective court decision;

13) tax reporting on VAT shall be filed by persons deregistered for VAT by the decision of the tax authority in the cases provided for in the eighth and ninth paragraphs of subparagraph 6) of paragraph 4 of Article 85 of this Code.

Footnote. Article 209 as amended by Law of the Republic of Kazakhstan № 272-VI dated November 25, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 210. The order for withdrawing tax returns

1. To withdraw his/her/its tax returns, a taxpayer (tax agent) shall submit to atax authority:

1) a tax application - at the place of his/her/its registration.

Iftax returns are withdrawn by way of their altering because of incorrect indication of a tax authority's code, a tax application shall be submitted at the place of filing such returns;

2) tax returns - in case of withdrawal of tax returns by deleting those filed with violation of the requirements of paragraph 2 of Article 208 of this Code.

A tax authority withdraws tax returns from the system for receiving and processing tax returns with account of all additional forms of tax returns filed for the specified taxable period .

Tax returns can be withdrawn using such methods as:

1) deletion, when a tax return to be withdrawn is deleted from the central processing unit of the system for receiving and processing tax returns;

2) alteration, when alterations and (or) additions declared by a taxpayer (tax agent) are entered in earlier filed tax returns.

2. The method of deletion is used to withdraw the following tax returns:

1) liquidation tax returns if a decision to resume operations was made before a tax audit;

2) those submitted with violation of the requirements of paragraph 2 of Article 208 and paragraph 5 of Article 211 of this Code;

3) those submitted with no obligation for filing such a tax return;

4) those considered not to have been submitted in accordance with paragraph 5 of Article 209 of this Code;

5) those submitted after expiration of the limitation period, except for tax returns upon notices of elimination of violations identified by a tax authority pursuant to the results of an in-house audit.

Withdrawing tax returns bythe application of the deletion method to personal accounts of a taxpayer (tax agent), the tax authority at the place of registration reverses calculated (reduced) amounts of taxes, payments to the budget and social welfare payments with respect to tax returns being withdrawn.

In case of failure to submit a tax application for withdrawing tax returns specified in subparagraphs 2), 3), 4) and 5) of part one of this paragraph, the tax authority shall notify the taxpayer (tax agent) of the elimination of violations of the tax legislation of the Republic of Kazakhstan within five business days from the day the failure to submit was found out.

In case of failure to execute the notice, the tax authority shall withdraw tax returns without a tax application using the deletion method. Towithdraw tax returns, the tax authority issues a decision to withdraw them in the form established by the authorized body.

3. The method of alteration is used to withdraw tax returns:

1) in which a currency code is not indicated or is incorrectly indicated;

2) in which the number and (or) date of a subsoil use contract are not indicated or incorrectly indicated;

3) in which the residency status is not indicated or incorrectly indicated;

4) in which the tax authority's code is incorrectly indicated;

5) in which a taxable period is incorrectly indicated;

6) in which the type of tax returns is incorrectly indicated;

7) that are liquidation tax returns if a decision to resume operations was made after a tax audit or after the completion of an in-house audit.

Withdrawing tax returns applying the alteration method to personal accounts of a taxpayer (tax agent), the tax authority at the place of registration reverses amounts stated in tax returns being withdrawn and subsequently states tax returns data in the personal account, inclusive of declared alterations and (or) additions.

4. It is not allowed to withdraw filed tax returns:

1) for a taxable period being audited – in the course of comprehensive and thematic audits by types of taxes and payments to the budget and social welfare payments specified in a prescription for conducting an audit;

2) for a taxable period complained of - during the period of submission and consideration of the complaint about an audit findings report with account of the renewed period for submitting the complaint;

3) on notices of elimination of violations identified by a tax authority pursuant to the results of an in-house audit.

5. Information on withdrawal shall be published on the Internet resource of the authorized body within:

1) in case of tax reporting withdrawal on the basis of the tax application referred to in paragraph 1 of this article, - within one business day from the date of receipt of such an application;

2) two business days from the expiration of the time period provided for the execution of a notice of elimination of violations of the tax legislation of the Republic of Kazakhstan - in case of withdrawal of tax returns on the basis of the tax authority's decision specified in paragraph 2 of this article.

6. This article does not apply to cases provided for in Article 458 of this Code.

Footnote. Article 210 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 211. Introduction of alterations and additions to tax returns

1. A taxpayer (tax agent) has the right to introduce alterations and additions to tax returns by compiling additional tax returns for a taxable period to which these alterations and additions relate.

2. Additional tax returns indicate in relevant lines:

1) a difference between amounts indicated in earlier filed tax returns and actual tax obligation for a taxable period - if the amounts have changed;

2) a new value – if all the rest data have changed.

3. When filing additional and (or) additional upon notice tax returns, the amounts of taxes and payments, found by a taxpayer (tax agent) or a tax authority pursuant to the results of an in-house audit, shall be paid to the state budget, and the amounts of social welfare payments shall be paid in accordance with the laws of the Republic of Kazakhstan – in this case the taxpayer (tax agent) is not held liable as established by the laws of the Republic of Kazakhstan.

4. It is allowed to file additional tax returns prior to the commencement of a tax audit conducted by a tax authority pursuant to a taxpayer's (tax agent's) application for liquidation, reorganization through separation or termination of activity.

5. It is not allowed to introduce alterations and additions to relevant tax returns:

1) for the taxable period being audited – in the course of (with account of extension and suspension) comprehensive and thematic audits by types of taxes and payments to the budget, social welfare payments specified in a prescription for conducting a tax audit;

2) for the taxable period complained of:

during the period of submission and consideration of the complaint about an audit findings report with account of the renewed period for submitting the complaint by types of taxes and payments to the budget, as well as social welfare payments indicated in the taxpayer 's (tax agent's) complaint;

during the period of submission and consideration of the complaint for notification based on the results of horizontal monitoring;

3) regarding the VAT refund claim;

4) to adjust them downwards - on advance payments of corporate income tax for the months of the taxable period, for which advance payments have matured, except for the case provided for in subparagraph 5) of this paragraph;

5) on or before January 20 of a current taxable period - on advance payments of corporate income tax payable for a period prior to the declaration on corporate income tax for previous taxable period;

6) after December 31 of a current taxable period - on advance payments of corporate income tax payable for a period after the submission of the declaration on corporate income tax for previous taxable period;

7) in terms of reflecting in the declarations of individuals of the debt of other persons to the individual (accounts receivable) and the debt of the individual to other persons (accounts payable) formed from relations that arose with the individual, except for debts under transactions notarized in the Republic of Kazakhstan before the beginning of the year in which the obligation to provide a declaration of an individual, as well as debts recognized by a court decision arose;

8) in terms of changing the method of allocating managerial and general administrative expenses of a non-resident legal entity to deductibles.

The provision of subparagraphs 1) and 2) of part one of this paragraph shall not apply to the right of a tax agent to make changes and additions to the tax reporting specified in Articles 648 and 657 of this Code, with regard to non-residents, for which the tax authority does not consider:

an application for the refund of paid income tax from the budget on the basis of the international agreement, provided for in Article 672 of this Code;

a complaint against a notification of the results of inspection conducted in accordance with an application submitted on the basis of Article 672 of this Code.

6. After the liquidation of a legal entity or the termination of activity by an individual entrepreneur, a taxpayer, who was the counterparty of such a liquidated taxpayer (the one that terminated activity), is not allowed to make alterations and additions to tax returns on corporate income tax and VAT (also to the register of purchased goods, works, services) in terms of reflecting relevant amounts for transactions with such a liquidated taxpayer (the one that terminated activity) resulting in the reduction of tax obligations for corporate income tax and VAT.

Footnote. Article 211 as amended by the laws of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 212. Extension of the deadline for filing tax returns

1. A taxpayer (tax agent) has the right to extend the deadline for filing tax reports, provided they are submitted in electronic form, with the exception of an application for the import of goods and payment of indirect taxes.

The deadline for filing declarations of assets and liabilities, income and property shall not be extended, excluding cases where declarations are filed by military personnel serving on fixed-term contracts.

2. To extend the deadline for filing tax returns with a tax authority at the place of registration, a notification shall be sent in the form established by the authorized body in accordance with this article, also through the "Government for Citizens" State Corporation

The notification shall be sent in hard or soft copy prior to expiration of the deadline for filing tax returns established by this Code.

The extension applies to tax returns filed by the taxpayer (tax agent) during a calendar year in which a notification of extension has been sent to a tax authority.

3. The deadline for filing tax returns, except for calculating the amounts of advance payments of corporate income tax, is extended for:

1) not more than thirty calendar days from the date established for submitting a declaration of corporate income tax or individual income tax;

2) not more than fifteen calendar days from the date established for submitting a declaration and (or) calculation of other types of taxes, payments to the budget, social welfare payments;

3) not more than thirty calendar days from the date established for submitting a declaration on other types of taxes, payments to the budget, social welfare payments for low-risk taxpayers according to the risk management system.

4. The extension does not change the period for payment of taxes, payments to the budget and social welfare payments.

5. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall come into force on 01.01.2025).

6. The deadline for filing tax returns is not extended with respect to a high-risk taxpayer (tax agent) according to the risk management system, except for an individual entrepreneur applying special tax regimes.

Footnote. Article 212 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 213. The order for suspension (extension, renewal) of filing tax returns by a taxpayer (tax agent)

1. A taxpayer (tax agent), in accordance with the procedure specified in this article, has the right, on the basis of a tax application, to:

1) suspend the filing of tax returns;

2) extend the period of suspension of filing tax returns;

3) resume the filing of tax returns, unless otherwise provided for by this article.

A taxpayer (tax agent) shall submit to the tax authority at the place of his/her/its location:

1) a tax application - in case of a decision to suspend or resume activity or to extend the period of suspension of filing tax returns.

A tax application is submitted:

for the forthcoming period - in case of a decision to suspend the activity;

before the end of the period of activity suspension - in case of a decision to resume operations or extend the suspension of filing tax returns;

2) tax returns from the beginning of a taxable period until the date of activity suspension specified in the tax application - in case of a decision to suspend operations.

If a deadline for filing next scheduled tax returns comes after the submission of a tax application, such returns shall be filed before the tax application's submission;

3) a tax application for VAT registration in order to deregister for VAT - in case of a decision to suspend activity by a taxpayer (tax agent) that is a VAT payer.

The total period for the suspension of filing tax returns, with account of its extension, shall not exceed the limitation period established by Article 48 of this Code. The extension is granted for the period indicated in the tax application with account of the total period.

2. Within one working day from the tax application receipt, the tax authority shall suspend (extend, renew) the filing of tax returns or refuse to suspend the filing of tax returns.

3. Information on the suspension (extension, renewal) shall be published on the Internet resource of the authorized body on the date of adoption of such a decision and is the basis for non-filing tax returns for the period indicated in the tax application.

4. A taxpayer (tax agent) is refused the suspension of filing tax returns if he/she/it:

1) has tax debts, arrears in social welfare payments as of the date of application;

2) has failed to submit:

tax returns specified in subparagraph 2) of part two of paragraph 1 of this article, with account of the limitation period;

a tax application for VAT registration in the case established by subparagraph 3) of part two of paragraph 1 of this article;

3) was recognized inactive by a tax authority in accordance with Article 91 of this Code;

4) failed to execute notices sent by the tax authority.

5. In case of refusal to suspend the filing of tax returns they shall be filed in accordance with the procedure established by this Code.

6. If a tax authority finds out that a taxpayer (tax agent) has resumed activity during the suspension period, tax authorities, without informing the said person, recognize the suspension of filing tax returns as terminated from the date of the activity's resumption.

For the purposes of this paragraph, the resumption of activity by the taxpayer (tax agent), who suspended activity in accordance with this article, is recognized as the commencement of activity giving rise to the obligation for calculation, payment of taxes, payments to the budget and social welfare payments.

7. The provisions of this article do not apply to:

1) an individual entrepreneur applying special tax regimes on the basis of the payment of a uniform land tax, for small businesses on the basis of a patent or with the use of a special mobile application;

2) payer of tax on gambling business;

3) a taxpayer applying a special tax regime for producers of agricultural products and agricultural cooperatives;

4) a high-risk taxpayer (tax agent) according to the risk management system, except for an individual entrepreneur applying special tax regimes;

5) the procedure and time limits for filing tax returns on property, vehicle and land taxes, on payment for the use of land plots.

Footnote. Article 213 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 24.06. 2021 № 53-VII (effective from 01.01.2022).

Article 214. The order for suspension (extension, renewal) of filing tax returns by an individual entrepreneur applying a special tax regime for small business entities on the basis of a patent

1. An individual entrepreneur, in accordance with the procedure specified in this article, has the right, on the basis of a tax application, to:

1) suspend the filing of tax returns;

2) extend the deadline for suspending the filing of tax returns.

If an individual entrepreneur makes a decision to suspend activity or extend the period of suspension of the patent value's calculation, he/she shall submit a tax application to the tax authority at his/her location.

A tax application is submitted:

for the forthcoming period before the patent's expiry - in case of a decision to suspend activity;

before the expiration of the period of activity suspension - in case of a decision to extend the period of suspension of the calculation'ssubmission.

The total period for suspension of the calculation's submission, with account of its extension, shall not exceed three years from the date on which the running of the period of suspension of the calculation's submission began.

2. A tax authority shall suspend (extend, renew) the calculation's submission or refuse to suspend thecalculation's submission on the day a tax application is submitted.

3. Information on the suspension (extension, renewal) of the calculation's submission shall be published on the Internet resource of the authorized body on the date of adoption of such a decision and is a basis for non-submitting calculations for the period indicated in the tax application.

4. An individual entrepreneur is refused the suspension of the calculation's submission if he/she:

1) has tax debts, arrears in social welfare payments as of the date of the tax application;

2) failed to file tax returns with account of the limitation period;

3) failed to execute notices sent by the tax authority.

5. An individual entrepreneur shall be deemed to have renewed his/her activity after the expiration of the period of activity suspension, unless otherwise stipulated by this article.

6. An individual entrepreneur has the right to resume activityprior to the expiration of the period of activity suspension by submitting to a tax authority the calculation for the forthcoming period from the day of activity resumption.

7. An individual entrepreneur, submitting the calculation during the period of suspension of its submission, shall be deemed to have resumed activity from the day of commencement of activity specified in this calculation.

When switching to a special tax regime using a special mobile application, an individual entrepreneur shall be deemed as having resumed activities from the date of such a special tax regime commencement.

8. In case of failure to submit an application or next scheduled calculation, within sixty calendar days from the patent's expiry, an individual entrepreneur shall be deregistered as an individual entrepreneur in the manner prescribed by Article 67 of this Code.

9. If a tax authority finds out that an individual entrepreneur has resumed activity during the suspension period, it recognizes the period of suspension of the calculation's submission as terminated from the date of the activity's resumption and notifies the individual entrepreneur thereof in writing.

For the purposes of this paragraph, the resumption of activity by an individual entrepreneur, who suspended activity in accordance with this article, is recognized as the commencement of an activity giving rise to the obligation for the calculation, payment of taxes, payments to the budget and social welfare payments.

10. The provisions of this article do not apply to the procedure and time limits for filing tax returns on property, vehicle and land taxes, on payment for the use of land plots.

Footnote. Article 214 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Subchapter 2. Tax registers

Article 215. Tax registers

1. A tax register is a taxpayer's (tax agent's) document containing information on taxable and (or) tax-related items, as well as on money and (or) property received from foreign states, international and foreign organizations, foreigners, stateless persons, and also on the expenditure on the said money and (or) other property in accordance with paragraph 1 of Article 29 of this Code.

Tax registers are intended for generalization and systematization of information to ensure the fulfillment of tax accounting purposes specified in paragraph 5 of Article 190 of this Code .

Tax accounting data are formed by stating information used for tax purposes in chronological order and by ensuring the continuity of tax accounting data between taxable periods (including those on transactions that are accounted for in several taxable periods and affect the size of a taxable item in subsequent taxable periods or are carried forward for a number of years).

A taxpayer (tax agent) draws up tax registers as special forms. The forms of tax registers and the procedure for recording tax accounting data in them are developed by the taxpayer (tax agent) independently with account of the provisions of this article, except for the forms of tax registers established by the authorized body and approved in the tax accounting policy.

Persons signing tax registers ensure correct statement of economic transactions in them.

2. Tax registers include:

1) tax registers compiled by a taxpayer (tax agent) independently by the forms approved by the taxpayer (tax agent) in the tax accounting policy, with account of the provisions of Article 190 of this Code;

2) tax registers compiled by a taxpayer (tax agent) by the forms and rules of their drawing up that are approved by the authorized body.

3. Tax registers shall contain the following details:

1) the name of the register;

2) the taxpayer's (tax agent's) identification number;

3) the period for which the register is drawn up;

4) the last name, first name, patronymic (if it is indicated in an identity document) of the person responsible for drawing up the register.

4. The authorized body has the right to determine the forms of tax registers to reflect information on:

1) exemption from taxation, reduction in taxable income with regard to corporate income tax, investment tax preferences;

2) determination of value balances of groups (subgroups) of fixed assets and subsequent expenses for fixed assets;

3) derivative financial instruments;

4) the amounts of managerial and general administrative expenses of a non-resident legal entity that are allocated to deductibles by its permanent establishment in the Republic of Kazakhstan;

5) property transferred under a lease agreement;

6) consideration of reductions in the amount of claims to debtors provided for by subparagraphs 8) - 10) of paragraph 5 of Article 232 of this Code;

7) was valid until 01.01.2019 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

8) record keeping of purchases of agricultural products from a private subsidiary farmer by a procurement organization in the field of agro-industrial complex, by an agricultural cooperative and (or) a legal person engaged in the processing of agricultural raw materials and their sale;

9) tour operator services – broken down by outbound and inbound tourism;

10) receiving money and (or) other property from foreign states, international and foreign organizations, foreigners, stateless persons, as well as on the expenditure on this money and (or) other property;

11) the turnover in the form of stock on hand for the purposes of VAT calculation;

12) VAT applied against the stock on hand;

13) the sale of goods by an agricultural cooperative to its members in accordance with item six of subparagraph 2) of paragraph 2 of Article 698 of this Code, as well as on the provision of such goods for use, into trust management, for lease;

14) the agricultural cooperative's performance (rendering) of works (services) to its members in accordance with paragraph 5 of subparagraph 2) of paragraph 2 of Article 698 of this Code.

The provisions of this paragraph shall not apply to individual entrepreneurs who, in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", do not maintain accounting records and do not compile financial statements, except for a tax register to reflect the information provided for in subparagraph 10) of part one of this paragraph.

5. For individual entrepreneurs who, in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", do not maintain accounting records and do not compile financial statements, the authorized body may introduce the forms of tax registers to reflect information on record keeping of:

1) income, including that received through non-cash settlements;

2) purchased goods, works and services;

3) items subject to imposition with individual income tax on the income of individuals to be taxed at the source of payment, as well as on social tax and social welfare payments;

4) tax obligations for the payment for:

negative impact on the environment;

the use of surface water resources.

6. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020).

6-1. For an individual engaged in private practice, the authorized body shall approve the forms of tax registers for accounting:

1) income from private practice;

2) expenses provided for in Articles 362, 363, 364 and 365 of this Code.

7. For the disclosure of information on carriers and (or) suppliers of works, services provided under a freight forwarding agreement, and also on the cost of such works, services, a freight forwarder shall maintain a tax register indicating the following data:

1) the serial number and date of issuance of an invoice of the carrier and (or) supplier of works, services that are VAT payers;

2) the taxpayer identification number of the carrier and (or) supplier of works, services;

3) the last name, first name, patronymic (if it is indicated in an identity document) or the name of the carrier and (or) supplier of works, services;

4) the cost of works, services carried out by the carrier and (or) supplier of works and services that are VAT payers, which is included in the size of taxable (non-taxable) turnover specified in the invoice;

5) the cost of works, services carried out by the carrier and (or) supplier that are not VAT payers, with “ex VAT” indication;

6) the cost of works, services, which are the turnover of a freight forwarder for the acquisition of works, services from a non-resident.

7-1. In cases of damage, loss of goods as a result of emergency situations or during the state of emergency period, the VAT payer shall compile a tax register, reflecting the information referred to in paragraph 3 of this article, and also the following data:

1) the name of the commodity;

2) the input VAT balance;

3) book value of the goods;

4) details of the document on which the VAT on such goods was previously offset (name, number, date), also the value of the goods without VAT (taxable turnover amount).

8. In case of maintaining tax registers, the correction of errors in such tax registers must be well-reasoned and confirmed by the signature of an authorized person that made the correction, indicating the date of and the reason for the corrections.

9. Except for cases provided for in part two of this paragraph, tax registers shall be submitted to tax officials in the course of tax audits in paper form and (or) on electronic media - at the request of tax officials conducting the audit.

Taxpayers, within the framework of tax monitoring, submit tax registers at the request of tax authorities or their officials.

If tax registers are compiled in electronic form, at the request of tax authorities or their officials, a taxpayer (tax agent) is obliged to submit tax registers on electronic media and copies of such tax registers in paper form certified by signatures of the head and the person (persons) responsible for the compilation of tax registers’ data of the taxpayer (tax agent) as well as by the seal of the taxpayer (tax agent) in the course of a tax audit and within the framework of tax monitoring except for cases where the taxpayer (tax agent) has no seal on the grounds provided for by the legislation of the Republic of Kazakhstan.

10. For individual entrepreneurs applying a special tax regime with a fixed deduction, the authorized body may establish forms of tax registers to reflect information on keeping record of:

1) inventories;

2) income;

3) items subject to imposition with an individual income tax on individuals' income to be taxed at the source of payment, as well as social tax and social welfare payments.

11. Payers of the unified land tax are required to maintain tax registers provided for in paragraph 5 of this article, with the exception of the tax register for recording tax liabilities on payment for negative environmental impact.

Footnote. Article 215 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020); dated 02.01.2021 № 402-VI (effective from 01.01.2022); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2022).

SECTION 6. GENERAL PROVISIONS ON TAXATION OF THE INCOME OF RESIDENTS AND NON-RESIDENTS Chapter 26. GENERAL PROVISIONS

Article 216. Basic principles of taxation of residents and non-residents

1. Taxes on income from sources in the Republic of Kazakhstan and outside it shall be paid by a resident of the Republic of Kazakhstan in the Republic of Kazakhstan, in accordance with the provisions of this Code.

2. A non-resident shall pay taxes on income from sources in the Republic of Kazakhstan in the Republic of Kazakhstan, in accordance with the provisions of this Code.

A non-resident carrying out entrepreneurial activity in the Republic of Kazakhstan through a permanent establishment shall also pay taxes on income from sources outside the Republic of Kazakhstan related to the activity of such a permanent establishment, in accordance with the provisions of this Code, in Kazakhstan.

3. Residents and non-residents also pay other taxes and payments to the budget in the Republic of Kazakhstan, as well as social welfare payments if such obligations arise.

Article 217. Residents

1. For the purposes of this Code, a resident of the Republic of Kazakhstan is:

1) an individual:

permanently residing in the Republic of Kazakhstan;

residing in the Republic of Kazakhstan not permanently, but whose center of vital interests is in the Republic of Kazakhstan;

2) a legal entity:

set up in accordance with the legislation of the Republic of Kazakhstan;

set up in accordance with the legislation of a foreign state, whose place of effective management (the location of the actual management body) is in the Republic of Kazakhstan.

The place of a meeting of the actual body (the board of directors or a similar body) exercising basic management and (or) control and adopting strategic commercial decisions necessary for conducting the entrepreneurial activity of a legal entity is recognized as the place of effective management (the location of the actual management body).

2. Unless otherwise established by paragraph 2-1 of this article, an individual is recognized as permanently residing in the Republic of Kazakhstan for the current taxable period, if he stays in the Republic of Kazakhstan for at least one hundred and eighty-three calendar days (including the days of arrival and departure) in any consecutive twelve-month period ending in the current taxable period.

2-1. An individual who is an investment resident of the ASTANA International Financial Center is recognized as permanently residing in the Republic of Kazakhstan for the current taxable period if he stays in the Republic of Kazakhstan for at least ninety calendar days (including the days of arrival and departure) in any consecutive twelve-month period ending in the current taxable period. For the purposes of this article, an individual must comply with the conditions established by the Constitutional Law of the Republic of Kazakhstan On ASTANA International Financial Center.

3. The center of vital interests of an individual is recognized to be in the Republic of Kazakhstan provided all of the following requirements are met:

1) an individual has the citizenship of the Republic of Kazakhstan or a residence permit of the Republic of Kazakhstan;

2) an individual's spouse and (or) close relatives reside in the Republic of Kazakhstan;

3) the existence of real estate in the Republic of Kazakhstan belonging to an individual and (or) his/her spouse and (or) his/her close relatives on the basis of the right of ownership or on other grounds, where an individual and (or) his/her spouse and (or) his/her close relatives can live at any time.

4. An individual that is a citizen of the Republic of Kazakhstan, as well as an individual who has applied for citizenship of the Republic of Kazakhstan or for permission to reside permanently in the Republic of Kazakhstan without conferment of citizenship of the Republic of Kazakhstan, is recognized as a resident individual, regardless of the period of his/her residence in the Republic of Kazakhstan and any other criteria provided for in this article, who is:

1) seconded abroad by government authorities, including employees of diplomatic, consular offices, international organizations, as well as family members of the said individuals;

2) a crew member of a vehicle belonging to a legal entity or a citizen of the Republic of Kazakhstan carrying out regular international transportation;

3) a serviceman and civilian personnel of military units or military formations of the Republic of Kazakhstan stationed outside the Republic of Kazakhstan;

4) working at a facility outside the Republic of Kazakhstan that is the property of the Republic of Kazakhstan or of entities of the Republic of Kazakhstan (also under concession agreements);

5) outside the Republic of Kazakhstan for the purpose of training, including probation or internship, medical treatment or health-improving and preventive care procedures, during the training period, including probation or internship, during medical treatment or health-improving and preventive care procedures;

6) a teacher and (or) a scientific worker who are outside the Republic of Kazakhstan for the purpose of teaching, consulting or performing scientific research, during the period of rendering (performance) of the specified services (works).

Footnote. Article 217 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 218. The order for confirming the residency of the Republic of Kazakhstan

1. A resident carrying out activity in a foreign country with which the Republic of Kazakhstan has concluded an international treaty, provided that all the provisions of the relevant international treaty are met, has the right to apply the provisions of this international treaty in the specified country.

2. To confirm the residency of the Republic of Kazakhstan for the purposes of applying the international treaty, and also for other purposes, a person shall submit a tax application for residency confirmation, unless otherwise specified by this paragraph, to a tax authority that is superior to the tax authority with which such a person is registered at the place of location, stay (residence).

If a person is registered with a tax authority at the place of location, stay (residence), which is immediately subordinate to the authorized body, the tax application for residency confirmation shall be submitted to this tax authority.

In this case, the below mentioned persons are obliged to submit the following documents to the tax authority together with the tax application for residency confirmation:

1) a resident foreign legal entity on the grounds that its place of effective management is in the Republic of Kazakhstan - a notarized copy of the document confirming the existence in the Republic of Kazakhstan of the place of effective management (the location of the actual management body) of the legal entity (the minutes of the general meeting of the board of directors or a similar body with indication of the place of its holding or other documents confirming the place of basic management and (or) control, as well as that of adopting strategic commercial decisions necessary for conducting the entrepreneurial activity of a legal entity);

2) a citizen of the Republic of Kazakhstan that is a resident - a copy of the identity card or passport of the Republic of Kazakhstan;

3) a foreigner and stateless person that are residents - notarized copies of:

a foreign passport or a certificate of identity of a stateless person;

a residence permit of the Republic of Kazakhstan (if any);

a document confirming the period of stay in the Republic of Kazakhstan (visa or other documents);

4) a foreign national or a stateless person who is an investment resident of the ASTANA International Financial Center:

a notarized copy of a foreign passport or a stateless person's ID;

a notarized copy of a document confirming the period of stay in the Republic of Kazakhstan (visa or other documents);

a copy of the document confirming the payment of the fee for issuance of the document confirming residency;

confirmation letter issued by the Administration of the ASTANA International Financial Center for the relevant period, in the form established by the act of the ASTANA International Financial Center, on the implementation of investments in accordance with the investment tax residency program of the ASTANA International Financial Center;

confirmation letter issued by the internal affairs body stating that the foreign national or stateless person is not a person whose citizenship of the Republic of Kazakhstan was terminated during the last twenty years preceding the initial application for participation in the investment tax residency program of the ASTANA International Financial Center. For the purposes of this paragraph, a letter of confirmation issued by an internal affairs body must contain information about a foreign passport of a foreign national or an ID of a stateless person.

If the document confirming residency was issued upon initial application, then in submitting a tax application for acknowledgement of residency, the letter of confirmation issued by the internal affairs body is not required.

A document confirming residency shall be issued for the calendar year in which the fee for issuing a document confirming residence was paid.

3. Pursuant to the results of consideration of a tax application for residency confirmation, a tax authority within ten calendar days from the date of its submission:

1) issues to the person a document confirming his/her residency in the form approved by the authorized body or confirms his/her residency in the form established by the competent authority of a foreign state.

In case of issuing a document confirming residency in the form of an electronic document , the date of issuance is that of publishing such a document on the Internet resource of the authorized body;

2) makes a well-reasoned decision to refuse to confirm the residency of a person.

Grounds for refusal to confirm residency to a person are:

non-compliance with the conditions established by Article 217 of this Code;

non-compliance of the period indicated in the application for confirmation of residence of the investment resident of the ASTANA International Financial Center with the period for which the fee for issuing a document confirming residence was paid.

4. The residency of a person is confirmed for each calendar year indicated in a tax application for residency confirmation within the limitation period established by Article 48 of this Code.

5. In case of loss of a document confirming residency, a tax authority that issued such a document shall issue its duplicate within ten calendar days from the submission of a resident' s application.

Footnote. Article 218 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 219. Non-residents

For the purposes of this Code, a non-resident is:

1) an individual or legal entity that is not a resident in accordance with the provisions of Article 217 of this Code;

2) a foreigner or stateless person who is recognized as a non-resident in accordance with the provisions of the international treaty governing the avoidance of double taxation and the prevention of tax evasion despite the provisions of Article 217 of this Code.

Article 220. Permanent establishment of a non-resident

1. Unless otherwise established by an international treaty, a permanent establishment of a non-resident in the Republic of Kazakhstan shall be one of the below indicated places of operation through which a non-resident conducts entrepreneurial activity in the territory of the Republic of Kazakhstan, regardless of the timing of such an activity:

1) any place of goods' production, processing, assembling, packaging, packing, and (or) delivery;

2) any place of management;

3) any place of geological study of subsoil resources, exploration, preparatory works for the extraction of minerals and (or) extraction of minerals and (or) performance of works, rendering of services for control and (or) monitoring of exploration and (or) extraction of minerals;

4) any place for carrying out a pipeline-related activity (including control or monitoring);

5) any place of an activity related to the installation, debugging and operation of gaming machines (including gaming consoles), computer networks and communication channels, rides, and also those related to transport or another infrastructure;

6) the place of sale of goods in the territory of the Republic of Kazakhstan, except for the sale of goods at exhibitions and fairs, unless otherwise established by paragraph 5 of this article;

7) any place of construction activities and (or) construction and installation works, as well as rendering of services for monitoring the performance of these works;

8) the location of a structural unit of a non-resident legal entity, except for a representative office carrying out the activity specified in paragraph 6 of this article;

9) the location of a person carrying out intermediary activity in the Republic of Kazakhstan on behalf of a non-resident in accordance with the Law of the Republic of Kazakhstan "On Insurance Activity";

10) the location of a resident that is a party to a joint activity agreement concluded with a non-resident in accordance with the legislation of a foreign country or the Republic of Kazakhstan, if such a joint activity is carried out in the territory of the Republic of Kazakhstan.

2. A permanent establishment of a non-resident is the place of rendering services, performing works in the territory of the Republic of Kazakhstan not provided for in paragraph 1 of this article, through employees or other personnel hired by a non-resident for such purposes, if such an activity is carried out in the territory of the Republic of Kazakhstan for more than one hundred and eighty-three calendar days within any consecutive twelve-month period from the date of commencement of business within a single project or related projects.

For the purposes of this Section, interrelated or interdependent contracts (agreements) are recognized as related projects.

Interrelated contracts (agreements) are contracts (agreements) that simultaneously meet the following requirements:

1) under such contracts (agreements) a non-resident or its related party renders (performs) identical or homogeneous services (works) to one and the same tax agent or its related party;

2) the time period between the completion of services' provision (works' performance) under one contract (agreement) and the conclusion of another contract (agreement) does not exceed twelve consecutive months.

Contracts (agreements) concluded by a non-resident or its related party with a tax agent or its related party are recognized as interdependent if a failure to fulfill obligations for one of them by a non-resident or its related party affects the performance of obligations under another contract (agreement) by such a non-resident or its related party.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this article, in case a non-resident carries out entrepreneurial activity in the territory of the Republic of Kazakhstan through a dependent agent, such a non-resident will be deemed as having a permanent establishment in connection with any activityconducted by the dependent agent for this non-resident, regardless of the timing of such activities.

For the purposes of this Section, a dependent agent is an individual or a legal entity that simultaneously meets the following requirements:

1) he/she/it is authorized, on the basis of contractual relations, to represent interests of a non-resident in the Republic of Kazakhstan, to act and (or) perform certain legal actions on behalf of and at the expense of a non-resident, including the conclusion of a paid services agreement or playing a major role in concluding such an agreement or in transfer of the right

of ownership (right to use) of property belonging to a non-resident on the basis of the right of ownership (right to use);

2) he/she/it carries out activity specified in subparagraph 1) of this paragraph not as part of the activityof a customs representative, professional participant of the securities market and other brokerage activities, except for the activity of an insurance broker and cases where such an agent acts exclusively or primarily on behalf of a non-resident;

3) his/her/its activity is not limited to the activities specified in paragraph 6 of this article.

4. A non-resident's activity carried out in the territory of the Republic of Kazakhstan through a subsidiary established in accordance with the legislation of the Republic of Kazakhstan results in the setting up of a permanent establishment of a non-resident if the subsidiary is recognized as a dependent agent, in accordance with paragraph 3 of this article.

5. A non-resident sets up a permanent establishment in the Republic of Kazakhstan when selling goods at exhibitions and fairs held in the territory of the Republic of Kazakhstan if such realization lasts more than ten calendar days.

6. The following types of a non-resident activitythat are exclusively of a preparatory or auxiliary nature, not part of main types of entrepreneurial activity of a non-resident and last not more than three years do not result in the setting up of a permanent establishment of a non-resident in the Republic of Kazakhstan:

1) the use of any place solely for the storage and (or) demonstration of goods belonging to a non-resident, without their realization;

2) the maintenance of a permanent place of business solely for purchasing goods for a non-resident without their realization;

3) the maintenance of a permanent place of business solely for collecting, processing and (or) disseminating information, advertising or studying the market of goods, works, services sold by a non-resident.

In addition to the above, preparatory and auxiliary activities shall be conducted for the non-resident himself/herself, and not for third parties.

7. A non-resident's activity on rendering an international outstaffing service in the territory of the Republic of Kazakhstan to a legal entity, including a non-resident operating in the Republic of Kazakhstan through a permanent establishment, does not result in the setting up of a permanent establishment for such a service in the Republic of Kazakhstan, provided that all of the following requirements are met:

1) such staff act on behalf of and in the interests of the legal entity to which they are provided;

2) a non-resident rendering an international outstaffing service is not liable for the performance of the staff provided;

3) the non-resident's income from rendering an international outstaffing service for a taxable period does not exceed 10 percent of the total amount of the non-resident's expenses for the provision of such staff over the specified period.

In this case, the amount of such income is determined in the form of a positive difference between the cost of international outstaffing services rendered by a non-resident for a taxable period and the cost of the non-resident's total expenses for the provision of staff in the specified period.

To confirm the amount of expenses for the provision of such services, including the income of foreign staff, the non-resident is obliged to provide copies of source documents compiled in accordance with the legislation of the Republic of Kazakhstan and (or) a foreign state to the service recipient. For the purposes of calculating corporate income tax from the income of a non-resident providing international outstaffing services, such services of a non-resident are recognized as those rendered outside the Republic of Kazakhstan provided that requirements of this paragraph are met.

8. In case a non-resident carries out its activity in the territory of the Republic of Kazakhstan under a joint activity agreement:

1) the activity of each party to such an agreement sets up a permanent establishment in accordance with the provisions established by this article;

2) the tax obligation is fulfilled by each party to such an agreement independently in the manner determined by this Code.

9. A non-resident, carrying out entrepreneurial activity in the Republic of Kazakhstan that results in the setting up of a permanent establishment shall be obliged to register as a taxpayer with a tax authority in the manner specified in Article 76 of this Code.

A non-resident's activity sets up a permanent establishment in accordance with the provisions of this Article from the date the non-resident commences the activity in the Republic of Kazakhstan, whether the non-resident is registered as a taxpayer with tax authorities or registration in the registration authority or not.

If a non-resident carries out entrepreneurial activity resulting in the setting up of two or more permanent establishments subject to registration with one tax authority, registration is mandatoryonly for one permanent establishment as part of the group of such permanent establishments of a non-resident.

If a non-resident has a registered permanent establishment carrying out the activity specified in paragraphs 2, 3, 5 or 7 of this article and carries out similar or same activity in a place other than that of registration of such a permanent establishment, the result of carrying out such an activity shall be the setting up of a permanent establishment subject to registration from the commencement of a similar or same activity.

If, after the removal of a non-resident's permanent establishment from the state database of taxpayers, such a non-resident resumes an activity specified in paragraphs 2 and 5 of this article within a consecutive twelve-month period, he/she/it is recognized as having set up a permanent establishment and is subject to registration as a taxpayer from the commencement of such an activity.

10. For the purposes of applying this Code, the date of commencement of activity by a non-resident in the Republic of Kazakhstan is that of:

1) conclusion of any below mentioned contract (treaty, agreement) for:

the performance of works, rendering of services in the Republic of Kazakhstan, also under a joint activity agreement;

granting authority to carry out actions on his/her/its behalf in the Republic of Kazakhstan;

the purchase of goods in the Republic of Kazakhstan for the purpose of their realization;

the purchase of works, services for the purposes of performing works, rendering services in the Republic of Kazakhstan;

2) conclusion of the first labor contract (agreement, treaty) for the purposes of carrying out activities in the Republic of Kazakhstan;

3) arrival in Kazakhstan of a non-resident individual, non-resident's employee or other hired staff for the fulfillment of the terms of the contract (agreement, treaty) specified in subparagraphs 1) or 2) of part one of this paragraph;

4) entry into force of a document certifying the right of a non-resident to carry out the activities specified in subparagraphs 3) and 4) of paragraph 1 of this article.

In the existence of several conditions established by this paragraph, the earliest of the dates specified in this paragraph shall be recognized as the date of commencement of the activities of a non-resident in the Republic of Kazakhstan.

11. If a non-resident carries out activity through a structural unit, which does not result in the setting up of a permanent establishment in accordance with the international treaty governing the avoidance of double taxation and the prevention of tax evasion, or paragraph 6 of this article, this Code's provisions for a permanent establishment of a non-resident shall apply to such a structural unit of a non-resident. At the same time, such a structural unit has the right to apply the provisions of the international treaty governing the avoidance of double taxation and the prevention of tax evasion, in accordance with Articles 672, 673 and 674 of this Code.

Footnote. Article 220 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 221. Mutual agreement procedure

1. A person has the right to apply to the authorized body for conducting a mutual agreement procedure with the competent body of a foreign state with which the Republic of Kazakhstan has concluded an international agreement:

1) to examine the issue of applying the provisions of an international treaty, if it considers that the actions of one or both contracting states lead or will lead to taxation that is inconsistent with the provisions of such an international treaty;

2) to determine the status of residence.

2. The application must indicate the circumstances on which the claims of the person are based.

3. The person is obliged to attach to the application submitted in accordance with subparagraph 1) of paragraph 1 of this article, the copies of accounting documents confirming the amounts of income received (receivable) and (or) taxes withheld (if they are withheld) in a foreign state with which The Republic of Kazakhstan has concluded an international agreement, as well as notarized copies of:

1) contracts (agreements) for performance of work, rendering of services or for other purposes;

2) for legal entities - constituent documents or extracts from the commercial register indicating the founders (participants) and majority shareholders of the resident legal entity;

3) documents referred to in subparagraphs 1), 2) and 3) of paragraph 2 of Article 218 of this Code.

The person has the right to submit other documents not specified in this paragraph, necessary for the mutual agreement procedure.

4. To the application submitted in accordance with subparagraph 2) of paragraph 1 of this article, the person is obliged to attach the documents specified in subparagraphs 2) and 3) of part one of paragraph 3 of this article.

5. The authorized body has the right to demand from the person additional documents in writing necessary for the mutual agreement procedure.

6. The authorized body shall, within five working days from the date of submission of the application, direct to the person a decision to refuse to consider the application on the following grounds:

1) submission of an application for conducting the procedure of mutual agreement with the competent authority of the state with which the Republic of Kazakhstan has not concluded an international agreement;

2) failure to submit the documents provided for in paragraphs 3 and 4 of this article.

If the authorized body refuses to examine the application on the grounds referred to in subparagraph 2) of part one of this paragraph, the person has the right to re-submit the application if the violations are eliminated.

7. The authorized body shall examine the application within forty-five calendar days from the date of its receipt, except for the cases specified in paragraph 6 of this article.

8. Upon examination of the application by the authorized body, one of the following decisions shall be made:

1) on refusal to conduct a mutual agreement procedure;

2) on conducting a mutual agreement procedure.

9. The decision to refuse to conduct the mutual agreement procedure shall be made by the authorized body on the following grounds:

1) non-compliance of the grounds specified in the application with the provisions of the international treaty of the Republic of Kazakhstan;

2) false information provided by a person;

3) non-submission by the person during the examination of the application of the documents referred to in paragraph 5 of this article.

Such a decision shall be directed to the person within two working days from the date of its issuance.

When deciding to refuse to conduct the mutual agreement procedure due to dual residency , refusal on the grounds established by subparagraph 1) of part one of this paragraph shall not apply.

10. If a decision is made to conduct a mutual agreement procedure, the authorized body shall make a request to the competent authority of the foreign state to conduct such a procedure.

11. The authorized body terminates the initiated procedure of mutual agreement with the competent body of a foreign state in the following cases:

1) submission by a person of an application to terminate the mutual agreement procedure;

2) revealing in the course of the mutual agreement procedure of the fact that a person provided false information;

3) non-submission by a person in the course of the mutual agreement procedure of the documents referred to in paragraph 5 of this article.

12. The authorized body shall direct information to the person about the decision taken in the outcome of the mutual agreement procedure within seven working days from the date of such a decision.

13. The decision taken upon the mutual agreement procedure carried out in the manner specified in this article, as well as the decision taken upon the mutual agreement procedure carried on request from the competent authority of a foreign state, are binding on the tax authorities.

Footnote. Article 221 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

SECTION 7. CORPORATE INCOME TAX Chapter 27. GENERAL PROVISIONS

Article 222. Payers

1. Corporate income tax payers are resident legal entities of the Republic of Kazakhstan, except for state institutions and state secondary education institutions, as well as non-resident legal entities that operate in the Republic of Kazakhstan through a permanent establishment or receive income from sources in the Republic of Kazakhstan.

2. Legal entities that apply special tax regimes for small businesses, retail tax, calculate and pay corporate income tax on the incomes taxed under these regimes, in accordance with Section 20 of this Code.

Legal entities applying a special tax regime for producers of agricultural products and agricultural cooperatives shall calculate corporate income tax and advance payments thereof on income taxed under this regime, with account of the features established by Section 20 of this Code.

3. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

Footnote. Article 222 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 223. Taxable items

Items to be imposed with corporate income tax are:

1) taxable income;

2) income taxed at the source of payment;

3) net income of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

4) taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, except for those registered in states with preferential taxation;

5) taxable income of controlled foreign companies and permanent establishments of controlled foreign companies registered in states with preferential taxation.

Footnote. Article 223 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020).

Chapter 28. TAXABLE INCOME

Article 224. Taxable income

Taxable income is defined as the difference between total annual income, with account of adjustments provided for in Article 241 of this Code, and deductions provided for in this section.

Footnote. Article 224 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020).

Subchapter 1. Total annual income

Article 225. Total annual income

1. Total annual income of a resident legal entity of the Republic of Kazakhstan consists of income (to be) received by this person from sources in the Republic of Kazakhstan and outside it within a taxable period.

For the purposes of this Section, all types of income that are not income from sources in the Republic of Kazakhstan are recognized as income from sources outside the Republic of Kazakhstan, regardless of the place of their payment.

Total annual income of a non-resident legal entity carrying out activity in the Republic of Kazakhstan through a permanent establishment consists of income specified in Article 651 of this Code.

2. For tax purposes, income is not:

1) the value of property received as a contribution to the authorized capital;

2) the value of property (to be) received by a shareholder, including that (to be) received in return of earlier contributed one, in the course of distribution of property upon liquidation of a legal entity or reduction of the authorized capital, and also the repurchase of shares issued by a legal entity-issuer of these shares from a shareholder in the amount of the paid authorized capital attributable to the number of shares, for which the property is distributed;

3) value of the property received by the participant, founder, including the property to be received (received) in exchange for previously contributed in the course of property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as repurchase by a legal entity from the founder, participant of a participatory interest or part thereof in this legal entity in the amount of the paid authorized capital attributable to the participation share to which the property is distributed, but no more than the initial value of such participatory share, determined as prescribed by paragraph 7 of Article 228 of this Code, for such a participant, founder;

4) the value of property received from the placement of shares by their issuer;

5) the value of property transferred free of charge - for a taxpayer transferring property;

6) the amount of penalties and fines written off in accordance with the tax legislation of the Republic of Kazakhstan;

7) the value of goods received for advertising purposes (also in the form of donations) at no cost, if the value of a unit of goods does not exceed 5 times the monthly calculated index established for a relevant financial year by the law on the republican budget and effective as of the date of such receipt of the goods;

8) the amount of reduction in a tax obligation in cases provided for by this Code;

9) unless otherwise provided by this Code, income arising from a change in the value of assets and (or) liabilities recognized as income in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for the one to be received (received) from another person;

The provisions of this subparagraph shall also apply in the case provided for by paragraph 7-1 of Article 228 of this Code;

10) increase in undistributed profits due to reduction of reserves for revaluation of assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

11) income generated in connection with recognition of an obligation in accounting in accordance with international financial reporting standards and (or) the requirements of the

legislation of the Republic of Kazakhstan on accounting and financial reporting, in the form of a positive difference between the size of the binding obligation and the cost of this obligation, recognized in accounting;

12) investment income received by mutual investment funds in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds and recognized as such by the custodian of a mutual investment fund, except for remuneration for such a management company - for a management company that performs trust management of the assets of a mutual investment fund on the basis of a license for managing an investment portfolio;

13) the amount of compensation (to be) received in fulfillment of the tax obligation by such a person to pay excise duty on excisable goods, which is the product of processing of the customer's raw materials - for a person who produced gasoline (except for aviation fuel), diesel fuel from the customer's raw materials;

14) the value of property received by a state enterprise from a state institution in the form of:

fixed assets assigned to such an enterprise by the right of economic management or operations management;

money for the acquisition of fixed assets that will be assigned to such an enterprise on the basis of the right of economic management or operations management;

15) insurance payment received in the amount by which the group's value balancewas reduced in accordance with paragraph 8 of Article 270 of this Code, with account of the excess amount provided for by Article 234 of this Code, if any;

16) the value (in monetary terms) of mineral resources received from a subsoil user in fulfillment of the tax obligation to pay taxes in kind - for a recipient on behalf of the state;

17) income from write-offs before commercial discovery during the period of exploration by a strategic partner of the liabilities of a national subsoil use company or a legal entity whose shares (participatory interests in the authorized capital) are directly or indirectly owned by such a national subsoil use company, and for remuneration on investment financing in accordance with the Code of the Republic of Kazakhstan On Subsoil and Subsoil Use - in the amount of remuneration that is assessed but not paid and is subject to accounting for the purposes of forming a separate group of depreciable assets in accordance with Article 258 of this Code;

18) revenue from the mineral resources sale received from a subsoil user in fulfillment of tax obligation in kind, by the recipient on behalf of the state or by a person authorized by the recipient on behalf of the state to carry out such a sale, including the revenue from writing off of the recipient's liabilities on behalf of the state that arose in connection with such sale;

19) commission of a recipient on behalf of the state or a person authorized by a recipient on behalf of the state, in terms of reimbursement of expenses associated with the sale of minerals received from a subsoil user in fulfillment of the tax obligation in kind;

20) the value of property, including works, services received in accordance with paragraph 8 of Article 243 of this Code;

21) receivable (received) remuneration that reduces the value of a facility under construction in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, within the remuneration amount payable (paid) that increases the value of such a facility in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

22) the cost of electric grids:

recognized as ownerless in accordance with the civil legislation of the Republic of Kazakhstan, accepted by the energy transmission organization into ownership gratuitously;

accepted on a gratuitous basis by the power transmitting company by way of ownership transfer from state or local executive bodies, other power transmitting organizations or power grids owners that do not carry out power transmission activities;

23) the cost of services received for public money in the form of non-financial state support of business entities in accordance with the state program forthe development of agro-industrial complex of the Republic of Kazakhstan, programs approved by the Government of the Republic of Kazakhstan and operated by the National Chamber of Entrepreneurs of the Republic of Kazakhstan;

24) remained in force before 01.01.2019 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI;

Subparagraph 25) is valid until 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

25) income of a sustainability organization, whose 100 percent of voting shares are held by the National Bank of the Republic of Kazakhstan, arising in connection with depreciation, in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, of a positive difference between:

the amount of assets in accordance with the terms of the agreement on gratuitous transfer of assets from the organization for improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan,

and their fair value;

26) technogenic mineral formations received, donated from state property;

26-1) an increase in the cost balance of groups (subgroups) of depreciable assets resulting from application of a conditional coefficient by a subsoil user under a contract for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects) in accordance with paragraph 6 of Article 258 and (or) paragraph 2-1 of Article 268 of this Code;

Subparagraph 27) is valid until 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

27) for a railway carrier carrying out activities for the transportation of passengers, baggage, cargo luggage, postal items - income arising from the receipt of services of the main railway network when transporting passengers by rail on a free basis, from the National Infrastructure Operator, including using a temporary reduction coefficient in the amount of 0 to the tariff for regulated services of the main railway network when transporting passengers by rail in accordance with the legislation of the Republic of Kazakhstan;

Subparagraph 28) shall be valid from 01.01.2020 to 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

28) forfeits (fines, penalties) awarded to a bank that underwent restructuring by a court resolution, whose more than 90 percent of voting shares as of December 31, 2013 belong to the national managing holding or a legal entity that was previously such a bank, on credits (loans) and (or) debt related to a credit (loan), whose debt, subject to forgiveness, is included in the list approved before July 1, 2019 by the management body of such a legal entity and submitted to the authorized body no later than August 1, 2019;

28-1) the cost of property, the cost of major repairs, reconstruction of state-owned facilities received gratuitously as part of charitable assistance by a legal entity with one hundred percent participation of the state in the authorized capital from a non-profit organization established in the form of a fund in accordance with the civil legislation of the Republic of Kazakhstan;

29) was valid from 01.01.2018 to 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

30) subsidies, allocated from the reserve of the Government of the Republic of Kazakhstan and local executive bodies, receiving grants or other gratuitous assistance to energy producing organizations, one hundred percent shares (stakes in the authorized capital) of which are owned by the state, in communal property that simultaneously engage in the production of electricity, water (distillate), and thermal energy.

Footnote. Article 225 as amended by the Law of the Republic of Kazakhstan dated 04.07.2018 № 174-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 295-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 10.12. 2020 № 382-VI (enforcement, Article 2); dated 21.12.2022 № 165-VII (enforcement, see art.4); dated 12.12.2023 № 45-VIII (effective from 01.01. 2021); dated 26.12.2025 № 244 (shall come into effect from 01.01.2024).

Article 226. Income to be included in total annual income

1. Total annual income includes all types of income of a taxpayer exclusive of the amount of VAT and excise duty:

1) income from sales;

2) income from insurance and reinsurance contracts;

3) income from increase in value;

4) income from derivative financial instruments;

5) income from writing off obligations;

6) income from doubtful obligations;

7) income from decreasing the amount of provisions (reserves) created by a taxpayer entitled to deduct provisions (reserves) in accordance with paragraphs1, 5, 6 and 7 of Article 250 of this Code;

8) income from the assignment of the right of claim;

9) income from the disposal of fixed assets;

10) income from adjustment of expenses for geological study and preparatory works for the extraction of natural resources, as well as other subsoil users' expenses;

11) income from the excess amount of contributions to the fund for liquidation of consequences of field development over the amount of actual expenses for liquidation of consequences of field development;

12) income from joint activity;

13) forfeits (fines, penalties) awarded or recognized by a debtor, except for fines groundlessly withheld but returned from the state budget, if these amounts were not earlier allocated to deductibles;

14) compensations received for earlier made deductions;

15) income in the form of property received free of charge;

16) dividends;

17) remuneration on deposit, debt security, bill of exchange, Islamic lease certificate;

18) excess of the amount of positive exchange rate difference over the amount of negative exchange rate difference;

19) winnings;

20) income received from operating social facilities;

21) income from the sale of an enterprise as a property complex;

22) income from an investment deposit in an Islamic bank;

23) net income from trust management of property (to be) received by a trust management founder;

24) income of a state-owned enterprise arising in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting in connection with depreciation of fixed assets assigned to such an enterprise on the right of economic management or operational management;

25) other income not specified in subparagraphs 1) - 24) of this paragraph.

2. If one and the same income can be stated in several items of income, this income is included in total annual income only once.

Unless otherwise established by Articles 227 - 240, paragraphs 5 and 6 of this section, for the purposes of this section, recognition of income, including the date of its recognition, shall

be in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting .

In the event that the recognition of income in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting differs from the procedure for determining and recognizing income in accordance with this Code, the specified income shall be inclusive for tax purposes in the manner determined by this Code.

3. The total annual income of a trust manager and a trust management founder from the activity on trust management of property shall be determined with account of the provisions of Articles 40, 42, 43, 44 and 45 of this Code.

4. A taxpayer has the right to adjust income in accordance with Articles 286 and 287 of this Code. At the same time, the total annual income, subject to adjustments in accordance with Articles 286 and 287 of this Code, can have a negative value.

Footnote. Article 226 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2024).

Article 227. Income from sales

1. Income from sales is recognized as the amount of income generated by the sale of goods, works, services, except for income included in total annual income in accordance with Articles 228-240 of this Code, as well as income specified in paragraph 4 of Article 258 of this Code, in part not exceeding the amount of expenses specified in paragraph 1 of Article 258 of this Code.

2. Income from sales is determined in the amount of the value of goods, works, services, exclusive of the amount of VAT and excise duty.

3. The date of recognition of income from sales shall be determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. For the purposes of this Section, income from the provision of services includes:

1) income in the form of interest on a credit (loan, microcredit), repo transactions;

2) income in the form of remuneration for the transfer of property under a lease agreement ;

3) royalties;

4) income from the rental (tenancy) of property, except for lease.

5. Income from sales is subject to adjustment in cases and in the manner established by the legislation of the Republic of Kazakhstan on transfer pricing.

Footnote. Article 227 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 227-1. Income of a digital miner, digital mining pool, digital assets exchange

1. The income of a person from digital mining shall be determined as the product of the number of digital assets distributed to him by the digital mining pool that have arisen as a result of his activities, and their value, determined in accordance with paragraph 4 of this article.

2. The income of a person from digital mining activities shall not include the value of digital assets withheld by the digital mining pool as a commission.

3. The income of a digital mining pool, digital assets exchange received in the form of digital assets shall be calculated at the cost determined in accordance with paragraph 4 of this article.

4. For the purposes of this article, the procedure for determining and publishing the value of digital assets and the list of their types are determined by the authorized body.

Footnote. Chapter 28 shall be supplemented by Article 227-1 pursuant to the Law of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (shall be enforced from 01.04.2023); as amended by Law dated 12.12.2023 № 45-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Article 228. Income from increase in value

1. Income from increase in value is generated from:

1) the sale of non-depreciable assets, except for assets purchased for state needs in accordance with the laws of the Republic of Kazakhstan;

2) transfer of non-depreciable assets as a contribution to the authorized capital;

3) disposal of non-depreciable assets as a result of reorganization through merger, incorporation, division or separation.

2. For the purposes of this article, non-depreciable assets include:

1) land plots;

2) construction in progress;

3) uninstalled equipment;

4) assets with a service life of more than one year, not used in profit-orientedactivities, including long-term assets held for sale;

5) assets with a service life of more than one year not allocated to fixed assets in accordance with subparagraph 2) of paragraph 2 of Article 266 of this Code;

6) securities;

7) participatory interest;

8) investment gold;

9) fixed assets, the value of which is fully allocated to deductibles in accordance with the tax legislation of the Republic of Kazakhstan that was in effect until January 1, 2000;

10) assets put into operation within the framework of an investment project with regard to contracts concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan on investments, the value of which is fully allocated to deductibles;

11) property attributed to social facilities in accordance with Article 239 of this Code.

3. As to non-depreciable assets, except for those provided for in paragraphs 4 and 5 of this article, the increase in each asset is recognized as:

1) a positive difference between the selling price and the initial value – upon sale;

2) a positive difference between the value of an asset determined on the basis of the value of a contribution to the authorized capital and the initial value - when transferred as a contribution to the authorized capital;

3) a positive difference between the value indicated in a transfer certificate or a separation balance sheet and the initial value - upon the disposal as a result of reorganization of a legal entity through merger, incorporation, division or separation.

4. As to debt securities, an increase in value for each security is recognized as:

1) a positive difference ex coupon between the selling price and the initial value, with account of amortization of a discount and (or) premium as of the date of sale - upon sale;

2) a positive difference ex coupon between the value of a debt security determined on the basis of the value of a contribution to the authorized capital and the initial value with account of amortization of a discount and (or) premium as of the date of transfer - when transferred as a contribution to the authorized capital;

3) a positive difference ex coupon between the value indicated in atransfer certificate or a separation balance sheet and the initial value with account of amortization of a discount and (or) premium as of the date of retirement – upon the disposal as a result of reorganization of a legal entity through merger, incorporation, division or separation.

5. As to assets indicated in subparagraphs 9) and 10) of paragraph 2 of this article, an increase in value for each asset is recognized as:

1) the cost of realization – upon sale;

2) the value of a contribution to the authorized capital - when transferred as a contribution to the authorized capital;

3) the value indicated in a transfer certificate or a separation balance sheet - upon the disposal as a result of reorganization of a legal entity through merger, incorporation, division or separation.

6. The initial cost of the assets specified in subparagraphs 1) - 6) and 8) of paragraph 2 of this article shall be determined in the following order:

a set of costs for acquisition, production, construction

or

if the assets were received as a contribution to the authorized capital, - the value of the contribution to the authorized capital,

or

if the assets were received as a result of reorganization - the value indicated in the deed of transfer or separation balance sheet,

or

in the event that the assets were received by a shareholder (participant, founder) as a result of the distribution of property during the liquidation of a legal entity or reduction of the authorized capital, as well as redemption by a legal entity from the founder, participant of a participation interest or a part thereof in this legal entity, redemption by a legal entity-issuer for a shareholder of shares issued by this issuer - the book value of the property received (received) by the shareholder, participant, founder during the distribution of property, including received (received) instead of previously contributed, as of the date of transfer, subject to reflection (reflected) in the accounting records of the transferor persons, excluding revaluation and impairment, reflected in the document confirming the transfer of such property and certified by the signatures of the parties,

or

in the event that the assets were received free of charge, - the value included in the total annual income in the form of the value of the property received free of charge in accordance with this Code,

plus

other costs that increase the value of assets, including after their acquisition, in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for:

costs (expenses) not subject to deductions in accordance with subparagraphs 2) , 3) , 4) and 5) of Article 264 of this Code;

depreciation charges.

The initial value of the assets specified in subparagraph 4) of paragraph 2 of this article excluded from fixed assets is the book value of such assets determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting as of the date of retirement from fixed assets, excluding revaluation and impairment.

7. The initial value of the participation share is:

a set of actual costs for its acquisition, costs associated with the acquisition and increasing the value of participatory interest in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting,

and/or

the value of contribution to the authorized capital, including if the participatory interest was received as a contribution to the authorized capital,

and/or

in the event that the participatory interest was received due to reorganization - the value indicated in the deed of transfer or separation balance sheet,

and/or

the book value of property to be received (received) by the shareholder, participant, founder in the course of the distribution of property, including the received (to be received) one in return of previously contributed one, as of the date of transfer, subject to reflection (reflected) in the accounting records of the transferor, excluding revaluation and impairment, stated in a document confirming the transfer of such property and certified by the signatures of the parties – if the assets were received by a shareholder (participant, founder) due to the property distribution during the liquidation of a legal entity or a decrease in the authorized capital, also in case of repurchase by a legal entity from the founder, participant of a participatory interest or part thereof in this legal entity, repurchase of shares from a shareholder by a legal entity that issued these shares,

and/or

in the event that the participatory interest was received gratuitously,- the value included in the total annual income in the form of the value of property received gratuitously in accordance with this Code.

7-1. The initial cost of the assets specified in subparagraphs 6) and 7) of paragraph 2 of this article, received by a resident legal entity as a result of acquisition from a non-resident legal entity, shall be determined in the following order:

the actual costs incurred by a non-resident legal entity for the acquisition of assets specified in the sale and purchase agreement or other type of agreement under which the assets were acquired,

or

if the assets were received as a contribution to the authorized capital of a non-resident legal entity, the value of the contribution to the authorized capital,

or

in the event that the assets were received due to reorganization of a non-resident legal entity,- the value indicated in the deed of transfer or separation balance sheet,

or

in the event that the assets were received by a non-resident legal entity due to property distribution in the course of liquidation of a legal entity, the shareholder (participant, founder) of which is this non-resident legal entity, or a decrease in the authorized capital of such a legal entity, also repurchase by a legal entity from a non-resident legal entity of shares, participatory interest or part thereof in this legal entity - the book value of the property to be received (received) by the non-resident legal entity in the distribution of property from the legal entity, including the property to be received (received) in return for the previously contributed one, as of the date of transfer, subject to reflection (reflected) in the accounting of a legal entity, excluding revaluation and impairment, reflected in a document confirming the transfer of such property and certified by the signatures of the parties,

plus

in the event that a non-resident legal entity made contributions to the authorized capital of the transferred legal entity - the value of such contributions to the authorized capital,

plus

the value of contributions to the authorized capital of a legal entity after its acquisition by a resident legal entity.

If the value of assets is determined in foreign currency, such value shall be recalculated in tenge at the market exchange rate determined as of the last business day preceding the date of the above transactions and (or) actions.

In this case, the initial cost is subject to reflection in a document confirming the sale of such assets, certified by the signatures of the parties.

This paragraph shall apply for the purposes of the subsequent sale of an asset by a resident legal entity that has accepted such an asset, provided that there are notarized copies of documents confirming the initial cost.

The provisions of this paragraph shall apply if at least ninety-nine percent of the participation shares, securities or other forms of equity participation with the persons transferring and acquiring assets directly or indirectly belong to one natural person.

8. The initial value of property attributed to social facilities in accordance with Article 239 of this Code is the book value of such assets as of the date of their disposal, exclusive of revaluations and impairments.

9. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

10. For the purposes of this article, the value of the contribution to the authorized capital is:

the value of the asset transferred (received) as a contribution to the authorized capital, including as an additional contribution to the authorized capital, indicated in the deed of acceptance and transfer or other document confirming the acceptance and transfer of the asset , its value, but not more than the amount of the contribution to the authorized capital, in payment for which the asset was transferred (received);

the amount of money contributed (received) as a contribution to the authorized capital, including as an additional contribution to the authorized capital, but not more than the amount of the contribution to the authorized capital, in payment of which the money was transferred (received).

11. Income from increase in value is recognized when:

1) a non-depreciable asset is sold - in a taxable period in which such an asset was sold;

2) a non-depreciable asset is transferred as a contribution to the authorized capital - in a taxable period in which such an asset was transferred as a contribution to the authorized capital;

3) a non-depreciable asset is disposed of as a result of reorganization through merger, incorporation, division - in a taxable period for which liquidation tax returns are filed;

4) a non-depreciable asset is disposed of as a result of reorganization through separation - in a taxable period in which a separation balance sheet is approved.

12. Income from increase in value received from the sale of securities is included in total annual income, with account of the provisions of paragraphs 3, 4, 5, 6 and 7 of Article 300 of this Code.

Footnote. Article 228 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement, Article 2).

Article 229. Income from writing off obligations

1. Income from writing off obligations is:

1) the amount of an obligation with respect to which a creditor terminated the requirement to execute it by a taxpayer;

2) the amount of an obligation that is not claimed by a creditor as of the date of filing liquidation tax returns upon the liquidation of a taxpayer, unless otherwise provided for in this subparagraph.

If the liquidation of a taxpayer, in accordance with this Code, provides for a liquidation tax audit or issuance of an opinion based on the results of an in-house audit, the amount of such an obligation is determined as:

the amount of obligations (except for VAT amount) that was payable according to the taxpayer's source documents and (to be) stated in interim liquidation balance sheet, as of the date of approval of such a balance sheet,

minus

the amount of obligations that will be fulfilled between the date of approval of interim liquidation balance sheet and the day of completion of liquidation tax audit or in-house audit.

Pursuant to the results of a liquidation tax audit, a tax authority determines the amount of an obligation on the basis of the actual amount of fulfilled obligations for the specified period. The amount of such an obligation is stated in a tax audit act.

Pursuant to the results of an in-house audit, a tax authority determines the amount of an obligation on the basis of the actual amount of fulfilled obligations for the specified period, which shall be stated in a notice of elimination of violations revealed as a result of an in-house audit;

3) the amount of an obligation for which the limitation period established by the laws of the Republic of Kazakhstan expired during a taxable period;

4) the amount of an obligation, the fulfillment of which a creditor has no right to demand on the basis of a final and binding court judgment.

2. The amount of income from writing off obligations is equal to the amount of obligations (except for VAT amount) payable according to the taxpayer's source documents:

in the case specified in subparagraph 1) of paragraph 1 of this article – as of the day of termination of claim;

in the case specified in subparagraph 3) of paragraph 1 of this article – as of the day of expiration of the limitation period established by the laws of the Republic of Kazakhstan;

in the case specified in subparagraph 4) of paragraph 1 of this article - as of the date of entry into legal force of a court decision.

3. The provisions of paragraphs 1 and 2 of this article shall not apply to obligations recognized as doubtful in accordance with this Code.

4. Income from writing off obligations does not include a reduction in the amount of obligations due to their transfer under a contract of sale of an enterprise as a property complex .

5. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

6. Income from writing off obligations shall not include a reduction in the amount of obligations arising from the forced restructuring of obligations of a bank that is classified as insolvent banks, carried out in accordance with Article 61-10 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan".

7. The write-off income does not include a decrease in the amount of liabilities on debt written off by an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan.

Footnote. Article 229 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced from 01.01.2019); dated 10.12.2020 № 382-VI (effective from 01.01.2020).

Article 230. Income from doubtful obligations

1. Obligations arising for purchased goods (works, services), as well as for assessed employees' income determined in accordance with paragraph 1 of Article 322 of this Code, and not fulfilled within a three-year period calculated in accordance with paragraph 2 of this article, are recognized doubtful. Income from doubtful obligations for received credits (loans, microcredits) does not include the amount of the received credit (loan, microcredit).

The specified doubtful obligations are included in the taxpayer's total annual income, except for VAT that is subject to exclusion from the offset in the manner specified in Section 10 of this Code.

2. Income from a doubtful obligation is recognized in a taxable period of expiration of a three-year period, which is calculated as follows:

1) for doubtful obligations that arose under credit (loan, microcredit) agreements - from the day following the day of maturity of remuneration in accordance with the terms of a credit (loan, microcredit) agreement;

2) for doubtful obligations that arose under lease agreements - from the day following the day of maturity of a lease payment in accordance with the terms of a lease agreement;

3) for doubtful obligations that arose with respect to accrued employment income - from the day of calculating employment income in accordance with paragraph 1 of Article 322 of this Code;

4) for doubtful obligations not specified in subparagraphs 1) - 3) of this paragraph:

from the day following the expiry date of an obligation for purchased goods (works, services), the deadline for which is fixed;

from the date of transfer of goods, performance of works, rendering of services under an obligation for purchased goods (works, services), the deadline for which is not fixed.

3. The provisions of this article shall not apply to interest on credits (loans) that is not deductible, with account of the provisions of paragraph 3 of Article 246 of this Code.

Article 231. Income from insurance and reinsurance contracts

Footnote. The title of the article as reworded by Law of the Republic of Kazakhstan № 208-VIII of 01.01.2025 (shall come into force since 01.01.2024).

1. The income of an insurance, reinsurance organization under insurance, reinsurance contracts is income of an insurance, reinsurance organization in the form of:

1) insurance premiums (contributions);

2) increase in reinsurance assets on unearned premiums, avoided losses, reported but unsettled losses, incurred but unreported losses;

3) reimbursement of expenses for insurance payments;

4) reduction of insurance reserves by insurance, reinsurance companies under insurance, reinsurance contracts;

5) other income under insurance and reinsurance contracts, except for income specified in Article 237 of this Code.

Income associated with the activities of insurance, reinsurance companies on conclusion and execution of insurance (reinsurance) contracts shall be determined on the basis of reporting data established by the National Bank of the Republic of Kazakhstan, taking into account the requirements of the authorized body for regulation, control and supervision of the financial market and financial organizations, coordinated with the authorized body and the authorized tax policy body.

1-1. When applying tax accounting established by part three of paragraph 4 of Article 190 of this Code, the Export Credit Agency of Kazakhstan shall establish income under insurance and reinsurance contracts as per the provisions of this Article and Article 232 of this Code, as prescribed for insurance and reinsurance organisations under insurance and reinsurance contracts.

2. The provisions of this article shall not apply to insurance, reinsurance contracts, under which income in the form of insurance premiums in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting is recognized in full before January 1, 2012 .

3. The income of an insurance, reinsurance company in the form of reinsurance assets calculated on unearned premiums, avoided losses, reported but unsettled losses, incurred but undeclared losses is recognized as a positive difference between the amount of reinsurance assets calculated in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities on unearned premiums, avoided losses, reported but unsettled losses, incurred but unreported losses as at the end of the reporting tax period and the amount of such assets at the end of the previous tax period.

4. Reimbursement of expenses for insurance payments of an insurance, reinsurance organization on the basis of the right of exoneration (recourse) applied with respect to a person that caused the damage, and (or) a reinsurance organization under a reinsurance contract is recognized as income of an insurance, reinsurance organization in the form of reimbursement of expenses for insurance payments.

Alongside this, under the agreements of accumulative insurance, reinsurance, non-cumulative insurance, life reinsurance that took effect before January 1, 2012 on which income in the form of insurance premiums is recognized in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, including after December 31, 2011, the income of an insurance, reinsurance company in the form of reimbursement of expenses on insurance payments is determined by the following formula:

Ix (A/B), where:

I - income (to be) received in a reporting taxable period in the form of reimbursement of expenses for insurance payments;

A - insurance premiums (to be) received in the form of reimbursement of expenses for insurance payments from December 31, 2011 until the day of recognition of income in a reporting taxable period;

B - insurance premiums (to be) received in the form of reimbursement of expenses for insurance payments from the effective date of the agreement until the day of recognition of income in a reporting taxable period.

Footnote. Article 231 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2024).

Article 232. Income from decreasing the amount of created provisions (reserves)

1. Income from decreasing the amount of provisions (reserves) created by a taxpayer entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraphs 1, 3, 6 and 7 of Article 250 of this Code, unless otherwise provided for by this article, is recognized as:

1) the amount of provisions (reserves) allocated to deductibles in a reporting taxable period and (or) previous taxable periods in the amount proportionate to that of claim satisfaction – upon the satisfaction of a claim by a debtor;

2) the amount of provisions (reserves) allocated to deductibles in a reporting taxable period and (or) previous taxable periods, in case of reduction in the size of claims to a debtor under a settlement agreement, contract of novation, of assignment of claim by concluding a cession agreement and (or) on other grounds provided for by the legislation of the Republic of Kazakhstan, in the amount proportionate to the amount of reduction in the size of claims;

3) amounts of reductions allocated to deductibles in a reporting taxable period and (or) previous taxable periods for provisions (reserves) as a result of a change in the estimate of expected credit losses.

Paragraph 2 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

2. Income from decreasing the amount of provisions (reserves) created by a taxpayer entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraph 2 of Article 250 of this Code is recognized as:

1) the amount of provisions (reserves) allocated to deductibles in a reporting taxable period and (or) previous taxable periods in the amount proportionate to that of claim satisfaction - upon the satisfaction of a claim by a debtor;

2) the amount of provisions (reserves) allocated to deductibles in a reporting taxable period and (or) previous taxable periods, in case of reduction in the size of claims to a debtor under a settlement agreement, contract of novation, of assignment of claim by concluding a cession agreement and (or) on other grounds provided for by the legislation of the Republic of Kazakhstan, in the amount proportionate to the amount of reduction in the size of claims;

3) amounts of reductions allocated to deductibles in a reporting taxable period and (or) previous taxable periods for provisions (reserves) as a result of a change in the estimate of expected credit losses.

4) amounts of provisions (reserves) recognised as deductions in the reporting and/or previous tax periods against doubtful and bad assets granted to a subsidiary of the bank for the acquisition of doubtful and bad assets of the parent bank. The amounts of provisions (reserves) specified in this sub-paragraph shall be included in the bank's total annual income for the tax period falling in 2025.

Paragraph 2-1 shall be valid from 01.0.01.2020 to 01.0.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

2-1. A bank that has the right to deduct the amount of expenses for creation of provisions (reserves) in accordance with paragraph 1 of Article 250 of this Code shall not recognize as income from a decrease in the amount of provisions (reserves) the amount of provisions (reserves) deducted in the reporting and (or) previous tax periods, in case of debt forgiveness on a credit (loan) in the manner and on the terms established by this paragraph.

The provisions of this paragraph shall apply to a bank, in respect of which, by a court resolution, a restructuring has been carried out, more than 90 percent of the voting shares of

which as of December 31, 2013 belong to the national managing holding, or a legal entity that was previously such a bank.

The provisions of this paragraph shall apply to the credit (loan) debt against which the bank has created provisions (reserves) deducted in the reporting and (or) previous tax periods in accordance with paragraph 1 of Article 250 of this Code, which consists of:

outstanding principal debt;

outstanding interest accrued after December 31, 2012;

debt related to credit (loan).

This paragraph shall apply in case of forgiveness of a debt on a credit (loan) and (or) debt associated with a credit (loan) if the following conditions are simultaneously met:

1) the credit (loan) was issued before October 1, 2009;

2) the debtor under the credit (loan) and (or) debt associated with the credit (loan) is indicated in the list (lists) of debtors, whose debt is subject to forgiveness, approved before July 1, 2019 by the management body of the bank or a legal entity , which was previously such a bank, specified in part two of this paragraph, and submitted to the authorized body no later than August 1, 2019;

3) forgiveness of debt on a credit (loan) and (or) debt associated with a credit (loan) is made within the amount specified in the list (lists) of debtors whose debt is subject to forgiveness, approved before July 1, 2019 by the management body of the bank or a legal entity that was previously such a bank, specified in part two of this paragraph, and submitted (presented) to the authorized body no later than August 1, 2019;

4) there is one and (or) more documents on credit (loan):

issued to a non-resident:

an application to a law enforcement body of a foreign state to initiate criminal proceedings against a debtor - an individual and (or) an official or a person who had an opportunity to otherwise directly or indirectly determine the decisions taken by the debtor - legal entity;

a claim to the court of the Republic of Kazakhstan or a foreign state for the recovery of a debt, for the foreclosure of a pledge and (or) restoration of lost rights to a pledge;

an effective bailiff's resolution or another document of a foreign state on the return of a writ of execution to the bank, in the event that the debtor and third parties bearing joint and several or subsidiary liability to the specified bank together with the debtor do not have property, including money, securities, or income subject to foreclosure and the measures taken to identify his property or income have been unsuccessful;

effective court ruling of a foreign state on refusing to collect a debt, restore lost rights to a pledge, to foreclose on property, including money, securities, or the debtor's income;

effective court ruling of a foreign state on declaring the debtor bankrupt and (or) a ruling on the completion of bankruptcy proceedings;

document of the competent authority of a foreign state on exclusion of the debtor or pledgor from the register of legal entities in connection with liquidation;

issued to a resident:

application to the law enforcement body of the Republic of Kazakhstan on initiation of criminal proceedings against the debtor - an individual and (or) an official or a person who had the opportunity to otherwise directly or indirectly determine the decisions taken by the debtor - legal entity;

a document confirming implementation of measures by law enforcement bodies of the Republic of Kazakhstan at the request of the bank or initiation of criminal proceedings.

The presence of the documents referred to in this subparagraph is not required for credits (loans) issued to non-residents:

when the amount of outstanding debt on the loan is forgiven after the sale of the pledged property, which fully secured the principal debt as of the date of the mortgage agreement conclusion, from an out-of-court auction at a price below the principal debt amount;

when the bank assigns the right to claim at a discount on a credit (loan) to a third party that is a non-resident on the date of assignment of the right to claim, if the value of the right to claim on the credit (loan) for which the assignment was made is equal to the market value of the bank's right to claim, determined in appraisal report conducted in accordance with the legislation of the Republic of Kazakhstan on valuation activity or a foreign state under an agreement between the appraiser and such a third party or a bank or a person representing the interests of a bank or appointed by a court of a foreign state to manage property in the interests of such a bank. For the purposes of this paragraph, the discount is a negative difference between the value of the right to claim on a credit (loan), on which the bank has made an assignment, and the value of the right to claim on a loan;

in case of documentary confirmation by the bank's management body of the impossibility of applying to a law enforcement body or a court of a foreign state due to the absence of:

agreements on legal assistance between the Republic of Kazakhstan and such a foreign state in criminal and (or) civil cases;

the original of the agreement confirming the issuance of the credit (loan);

when part of the debt is forgiven to a debtor who is a non-resident as of the debt forgiveness date, which is determined as the difference between the amount of debt on a credit (loan) and the market value of the bank's right of claim specified in part two of this paragraph, determined in the assessment report carried out in accordance with the law of the Republic of Kazakhstan on valuation activity or a foreign state under an agreement between the appraiser and the debtor or such a bank, in cases if:

there is an amendment to the agreement signed with the debtor, under which a credit (loan) was issued, providing for the forgiveness of a part of the debt, subject to repayment of the remaining part of the debt (hereinafter referred to as debt balance);

by the bank specified in part two of this paragraph:

in accordance with paragraph 1 of this article, income is recognized from a decrease in the amount of created provisions (reserves) in the amount of the debt balance;

the adjustment of income provided for by Articles 286 and 287 of this Code has not been made;

the amount of expenses on provisions (reserves) against the amount of the balance of the debt created after forgiveness of a part of the debt is not deductible;

5) there is information on credit (loan) in a credit bureau on the amount of debt on such a credit (loan), provided by the bank in accordance with the legislation of the Republic of Kazakhstan on credit bureaus and formation of credit histories;

6) there is a primary accounting document for a credit (loan), on the basis of which provisions (reserves) are created for such a credit (loan), allocated to deductions in accordance with paragraph 1 of Article 250 of this Code;

7) there is information on the credit (loan) in the credit register provided by the bank to the National Bank of the Republic of Kazakhstan in the manner prescribed by the legislation of the Republic of Kazakhstan.

Alongside this, in the list of debtors on credits (loans), the debt on which is subject to forgiveness, for each credit (loan) the following shall be indicated:

1) credit file number;

2) the date of issue of the credit (loan);

3) full name as indicated in the identity document and (or) name of the borrower (co-borrower);

4) the maximum amount of debt subject to forgiveness, in terms of interest accrued after December 31, 2012, and the principal debt under the credit (loan).

The provisions of this paragraph shall not apply to credits (loans) issued to a bank employee, spouse (wife) and close relatives of a bank employee.

3. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

4. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

This wording of item one of paragraph 5 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017 (for the suspended wording, refer to the archival version of the Tax Code of the Republic of Kazakhstan as of 25.12.2017).

5. The amounts of provisions (reserves) allocated to deductibles in a reporting taxable period and (or) previous taxable periods in case of a decrease in the amount of claims to the debtor are not recognized as income from decreasing the amount of provisions (reserves) created by a taxpayer entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraphs 1, 2, 3, 6 and 7 of Article 250 of this Code, in case of :

1) removal from the National Register of Business Identification Numbers in connection with the liquidation of a debtor-legal entity by a court decision on the grounds established by the laws of the Republic of Kazakhstan;

2) declaring a debtor-individual missing, incapacitated, partially incapacitated or dead by a final and binding court judgment;

3) establishing disability of the first, second groups to an individual debtor, also in the event of the death of an individual debtor;

This wording of subparagraph 4) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017 (for the suspended wording, refer to the archival version of the Tax Code of the Republic of Kazakhstan as of 25.12.2017).

4) a legally effective decision of a law enforcement officer on the return of an execution document to the taxpayer entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraphs 1, 2, 3, 6 and 7 of Article 250 of this Code, if a debtor and third parties bearing joint or secondary liability to the taxpayer entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraphs 1, 2, 3, 6 and 7 of Article 250 of this Code, have no property, including money, securities or income that can be foreclosed on, and the measures, provided for by the legislation of the Republic of Kazakhstan on Enforcement Proceedings and Status of Law Enforcement Agents, taken to identify his/her/its property or income have been ineffective;

This wording of subparagraph 5) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017 (for the suspended wording, refer to the archival version of the Tax Code of the Republic of Kazakhstan as of 25.12.2017).

5) a final and binding court judgment to refuse the taxpayer entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraphs 1, 2, 3, 6 and 7 of Article 250 of this Code to foreclose on the debtor's property, including money, securities or income;

6) deregistration as an individual entrepreneur in connection with declaring a debtor-individual entrepreneur bankrupt in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

7) assignment by a second-tier bank, a mortgage organization, an organization engaged in microfinance activities (with the exception of a pawnshop), of the rights of claim on a loan (loan, mortgage loan, mortgage housing loan, microcredit) to legal entities specified in the Laws of the Republic of Kazakhstan "On Banks and Banking activities in the Republic of Kazakhstan", "On Real Estate Mortgage" and "On Microfinance Activities", in terms of the negative difference between the value of the right to claim a loan (loan, mortgage loan, mortgage housing loan, microcredit), for which an assignment has been made by a second-tier bank, a mortgage organization, an organization engaged in microfinance activities (with the exception of a pawnshop), and the value of the right to claim a loan (loan, mortgage loan, mortgage housing loan, microcredit) to be received by a second-tier bank, a mortgage

organization, an organization engaged in microfinance activities (with the exception of a pawnshop) from the debtor, on the date of assignment of the right to claim for a loan (loan, mortgage loan, mortgage housing loan, microcredit) in accordance with the primary documents of a second-tier bank, mortgage organization, organization engaged in microfinance activities (with the exception of a pawnshop);

8) reduction in accounting of the amount of claim to the debtor in the form of an unpaid overdue credit (loan, mortgage loan, mortgage housing loan) and interest on it, receivables on documentary settlements and guarantees in accordance with international financial reporting standards and (or) legal requirements of the Republic of Kazakhstan on accounting and financial reporting by a taxpayer entitled to deduct the amount of expenses for the creation of provisions (reserves) in accordance with paragraphs 1 and 7 of Article 250 of this Code, in the absence in the reporting tax period of full or partial termination of the right of such a claim of the taxpayer to the debtor in accordance with the legislation of the Republic of Kazakhstan;

9) reducing the amount of claim against the debtor in connection with forgiveness by the taxpayer, having the right to deduct the amount of expenses for creation of provisions (reserves) in accordance with paragraphs 1, 3 of Article 250 of this Code, bad debt on a credit (loan, mortgage loan, mortgage housing loan) and interest on it within the maximum ratio of the total amount of bad debts forgiven for the tax period on credits (loans, mortgage loan, mortgage housing loan) and interest on them to the amount of the principal debt on credits (loans, mortgage loans, mortgage housing loans) and remuneration on them as of the tax period start. In this case, the maximum size of such a ratio is equal to coefficient 0.1;

Note!

Subparagraph 9-1) shall be valid until 01.01.2027 pursuant to the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

9-1) reduction of the amount of claim to the debtor in connection with the forgiveness by the taxpayer entitled to deduct the amount of expenses on creation of provisions (reserves) in accordance with paragraph 6 of Article 250 of this Code, bad debt on microcredit and remuneration thereon within the maximum size of the ratio of the total amount of bad debt on microcredit and remuneration thereon forgiven for the tax period to the amount of principal debt on microcredit and remuneration thereon as of the tax period commencement. In this case, the maximum amount of such ratio is equal to the coefficient 0.2;

10) reduction of the size of a claim to the debtor of a home loan (mortgage loan) subject to refinancing within the program for refinancing home loans (mortgage loans) approved by the National Bank of the Republic of Kazakhstan in connection with the forgiveness of bad debts with respect toa credit (loan) and interest thereon up to the maximum ratio of total amount of bad debts with respect to credits (loans) and interest thereon forgiven in a taxable period to the amount of principal credits (loans) and interest thereon as of the beginning of the taxable period by a taxpayer entitled to deduct the amount of expenses for creating provisions

(reserves) in accordance with paragraph 3 of Article 250 of this Code. In this case, the maximum ratio is equal to 0.1;

11) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

12) was valid from 01.01.2020 to 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

6. Income from the reduction of insurance reserves of an insurance, reinsurance company is recognized as a negative difference between the amount of insurance reserves previously deducted, calculated in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities for unearned premiums, avoided losses, reported but unsettled losses, incurred, but not reported losses at the end of the reporting taxable period and the amount of such reserves at the end of the previous taxable period.

Paragraph 7 shall be valid from 01.01.2020 to 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

7. The provisions of paragraphs 1 and 5 of this article shall apply to a legal entity that was previously a bank, restructured by a court resolution, whose more than 90 percent of the voting shares as of December 31, 2013 belong to the national managing holding.

Footnote. Article 232 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018 г.); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024); № 208-VIII of 15.07.2025 (shall come into force since 01.01.2024).

Article 233. Income from the assignment of the right of claim

1. Unless otherwise established by this Article, the income from the assignment of the right of claim shall be:

1) for a taxpayer acquiring the right of claim - the positive difference between the amount to be received from the debtor upon demand of the principal debt, including the amount in excess of the principal debt on the date of assignment of the right to claim, and the cost of acquiring the right to claim;

2) for a taxpayer who has ceded the right of claim - the positive difference between the value of the right of claim, for which the assignment was made, and the value of the claim to be received from the debtor on the date of assignment of the right of claim, in accordance with the taxpayer's primary documents.

Income from the assignment of the right of claim shall be recognized in the tax period in which the assignment of the right of claim is made.

2. Income from the assignment of the right of claim to a taxpayer who acquires the right to claim on loans (loans, microloans) and specified in the laws of the Republic of Kazakhstan " On Banks and Banking Activities in the Republic of Kazakhstan" and " On Microfinance

Activities" shall be a positive difference between the amount actually paid the debtor, and the cost of acquiring the right to claim.

Income from the assignment of the right of claim shall be recognized in the tax period in which the positive difference arises (increases). Herewith, the positive difference, previously recognized in previous tax periods, shall not be taken into account.

3. Income from the assignment of the right of claim of a taxpayer acquiring the right of claim on credits (loans, microloans) from an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, is a positive difference between the amount actually paid by the debtor, and the cost of acquiring the right of claim.

Income from the assignment of the right of claim shall be recognized in the tax period in which the positive difference arises (increases). Herewith, the positive difference previously recognized in previous tax periods shall not be inclusive.

Footnote. Article 233 as amended by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 234. Income from the disposal of fixed assets

If the value of disposed fixed assets of a subgroup (with respect to group I) or a group (with respect to groups II, III and IV) determined in accordance with Article 270 of this Code exceeds the value balance of the subgroup (with respect to group I) or the group (with respect to groups II, III and IV) at the beginning of a taxable period with account of the value of the fixed assets received in the taxable period, as well as subsequent expenses incurred in the taxable period and accounted for in accordance with paragraph 2 of Article 272 of this Code, the amount of excess shall be included in total annual income. The value balance of this subgroup (with respect to group I) or group (with respect to groups II, III and IV) at the end of the taxable period becomesequal to zero.

Income from the disposal of fixed assets is recognized in the taxable period in which such assets were disposed of in accordance with Article 270 of this Code.

Article 235. Income from adjustment of expenses for geological study and preparatory works for the extraction of natural resources, as well as other subsoil users' expenses

If the size of amounts adjusting expenses that form a separate group,in accordance with Article 258 of this Code, exceeds the amount of the latter at the beginning of a taxable period with account of expenses incurred in the taxable period, the excess amount shall be included in total annual income. The size of this group at the end of the taxable period becomes equal to zero.

Article 236. Income from the excess amount of contributions to the fund for liquidation of consequences of field development over the amount of actual expenses for liquidation of consequences of field development

If subsoil user's actual expenses for liquidation of consequences of field development for the entire period of a subsoil use contract covered by the fund for liquidation of consequences of field development set up during the entire period of the subsoil use contract are lower than its contributions to the specified fund, the difference is to be included in total annual income in that taxable period in which the subsoil use contract terminates.

In this case, the amount of such a difference to be included in total annual income is reduced by the amount of adjustment of total annual income made by the subsoil user during the period of validity of the subsoil use contract in accordance with Article 252 of this Code in connection with the misuse of the liquidation fund by the subsoil user.

Article 237. Compensations received for earlier made deductions

1. Income received in the form of compensation for earlier made deductions includes:

1) the amount of claims recognized as doubtful, which were earlier allocated to deductibles and reimbursed in subsequent taxable periods, also by the assignment of rights of such claims;

2) amounts received from the state budget to cover costs (expenses);

3) the amount of compensation for damage paid by an insurance organization or a person that caused the damage, except for insurance payments specified in Article 270 of this Code;

4) other compensations received to reimburseexpenses earlier allocated to deductibles.

The compensation received is the income of the taxable period in which it was received.

2. In case of reimbursementby an individual of training expenses to which a taxpayer applied the provisions of subparagraph 4) of paragraph 1 of Article 288 of this Code, the amount of such compensation is included in the taxpayer's total annual income to the extent of the amount of such expenses allocated to the reduction of taxable income of previous taxable periods provided that such compensation is made by an individual within a period of time including the taxable period in which the individual's training is terminated (a labor agreement is terminated before the expiry of three years from the date of its conclusion), and the subsequent taxable period.

3. The amount of insurance premiums subject to return or returned by an insurance organization to an insurant in accordance with the civil legislation of the Republic of Kazakhstan under non-accumulative insurance contracts and earlier allocated to deductibles by the insurant is included in total annual income of the taxable period in which they were subject to return or were returned to the insurant.

Article 238. Property received free of charge

1. Unless otherwise established by this Code, the value of any property, including works and services received by the taxpayer free of charge, is his/her/its income.

2. Income in the form of property received free of charge, including works and services, is recognized in the taxable period in which such property is received, works are performed, services are rendered.

3. For the purposes of determining the income amount in the form of gratuitously received property, the value of the gratuitously received property, including works and services, shall be determined basing on accounting records in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting , but not below the value indicated in the deed of acceptance and transfer (if any) of such property, inclusive of the value added tax indicated in the documents of the transferring party.

4. The value of property received free of charge in the form of a GNG emission quota obtained in accordance with the National Plan for GNG emission quotas allocation in the manner determined by the authorized body in the field of environmental protection is recognized to be zero.

Footnote. Article 238 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 239. Income received from operating social facilities

If the income to be received (received) from another person in the operation of social facilities does not exceed 5 percent of the total annual income, including such income, then the taxpayer's total annual income shall include the excess of such incomes over the actual expenses incurred in the operation of social facilities determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

A social facility is property belonging to the taxpayer on the basis of the right of ownership and:

1) used in one or more of the following activities:

in the field of recreation, entertainment;

in the field of science, culture, physical training and sports, conservation of historical and cultural heritage, archival valuables;

2) being a housing facility.

If the conditions established by this article are not observed, tax accounting of income and expenses from the operation of social facilities shall be carried out in accordance with the generally established procedure.

Footnote. Article 239 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020 № 382-VI (enforcement, Article 2).

Article 240. Income (loss) from the sale of an enterprise as a property complex

1. Income from the sale of an enterprise as a property complex is determined as a positive difference between the sales value under a contract of sale of the enterprise as a property complex and the book value of transferred assets reduced by the book value of transferred liabilities according to the accounting data as of the date of the sale.

2. Loss from the sale of an enterprise as a property complex is determined as a negative difference between the sales value under a contract of sale of the enterprise as a property

complex and the book value of transferred assets, reduced by the book value of transferred liabilities according to the accounting data as of the date of the sale.

Loss from the sale of an enterprise as a property complex is carried forward or back in the manner prescribed by Article 300 of this Code.

Article 241. Adjustment of total annual income

1. Unless otherwise established by paragraph 2 of this article, the following shall be excluded from the total annual income of taxpayers:

1) dividends;

2) excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020);

3) is the amount of mandatory calendar, additional and emergency contributions of banks received by organizations for mandatory insurance of deposits of individuals;

4) the amount of guarantee contributions received by the housing construction Single operator, within the funds aimed at increasing the reserve for the settlement of warranty claims in accordance with the Law of the Republic of Kazakhstan On Equity Participation in Housing Construction;

5) is the amount of mandatory, additional and emergency contributions of insurance organizations received by the Insurance Payments Guarantee Fund;

5-1) received by a special enterprise development fund established by decision of the Government of the Republic of Kazakhstan, the controlling stake in which belongs to the national management holding company (hereinafter referred to as the special fund), as per the Enterprise Code of the Republic of Kazakhstan:

the amount of mandatory and voluntary contributions within the framework of participation in the system of guaranteeing the obligations of private entrepreneurs;

income arising due to the allocation of funds from the republican and local budgets;

income received as a result of the placement of guarantee fund assets, providing that such income is used to increase the guarantee fund;

6) is the amount of money received by an organization for mandatory insurance of deposits of individuals and the Insurance Payments Guarantee Fund to satisfy their claims for reimbursed deposits and guarantee and compensation payments given out;

7) the amount of money received by the Single operator of housing construction to satisfy claims for payments upon completion of the construction of multi-apartment residential buildings in accordance with the Law of the Republic of Kazakhstan On Equity Participation in Housing Construction;

8) investment income received in accordance with the legislation of the Republic of Kazakhstan on social protection and directed to individual pension accounts;

9) investment income received in accordance with the legislation of the Republic of Kazakhstan on social protection and directed to increase the assets of the State Social Insurance Fund;

10) investment income received in accordance with the legislation of the Republic of Kazakhstan on compulsory social medical insurance and aimed at increasing the assets of the Social Medical Insurance Fund;

11) investment income received by:

joint-stock investment funds from investment activities in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds and accounted for by the custodian of the joint-stock investment fund;

investment funds registered in accordance with the current law of the ASTANA International Financial Center and accounted for by the custodian or management company of the investment fund;

11-1) income from the sale of digital assets on which income shall be calculated in accordance with paragraph 1 of Article 227-1 of this Code;

12) is income from the assignment of the right ofclaim of debt received by a special financing company under a securitization transaction in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization;

13) is net income from trust management of property (to be) received by atrust management founder;

14) excluded by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (effective from 01.01.2022);

15) is the amount of annual mandatory contributions received by the fund guaranteeing the fulfillment of obligations for grain receipts from grain collecting stations;

16) the amount of money received by the Fund for Guaranteeing the Fulfillment of Obligations on Grain Receipts to satisfy claims on guarantee payments made;

17) is income of the state Islamic special-purpose financial company received from renting property and (or) sale of immovable property specified in subparagraph 6) of paragraph 3 of Article 519 of this Code, including land plots;

18) is income received by an Islamic bank in the process of managing money in the form of investment deposits sent to these investment deposit accounts and available in them. Such income does not include the interest of an Islamic bank;

19) is income from the assignment of the right of claim of debt received by an Islamic special-purpose financial company established in accordance with the legislation of the Republic of Kazakhstan on the securities market;

20) is income of an organization for mandatory insurance of deposits of individuals received as a result of placement of special reserve assets, and also in the form of a penalty applied to second-tier banks for failure to fulfill or improper fulfillment of obligations under an accession agreement in accordance with the Law of the Republic of Kazakhstan “On Mandatory Insurance of Deposits Placed with Second-Tier Banks of the Republic of Kazakhstan”.

The provisions of this subparagraph shall be valid provided the said income goes to increase the special reserve;

21) is income of an autonomous cluster fund designated by the legislation of the Republic of Kazakhstan on the innovation cluster, which is received from the state budget in the form of a targeted transfer solely for the establishment of joint ventures with the participation of transnational corporations, as well as for participatory interest in foreign investment funds;

22) investment income of the Single operator of housing construction in accordance with the Law of the Republic of Kazakhstan On Equity Participation in Housing Construction, within the funds allocated to increase the reserve for the settlement of warranty claims;

23) is income of a non-commercial organization provided for by paragraph 2 of Article 289 of this Code, given the observance of the provisions set forth in Article 289 of this Code;

24) is income of the attorney (agent) of the authorized body in the field of education in the form of an awarded penalty in connection with implementation of the activity on the reimbursement of budget expenses, as well as for the return of state tuition and state student loans;

Subparagraph 25) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

25) the value of property received without charge by a venture fund established in accordance with the legislation of the Republic of Kazakhstan and intended for transfer without charge to legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code.

26) investment income of the Insurance Payments Guarantee Fund in accordance with the Law of the Republic of Kazakhstan On Insurance Payments Guarantee Fund within the funds allocated to increase the reserve for damages and the reserve for guaranteeing insurance payments;

27) income generated upon termination of obligations in accordance with the civil legislation of the Republic of Kazakhstan on a credit (loan, microcredit) issued by a bank (microfinance organization), in the form of:

forgiveness of the main debt;

forgiveness of debt on remuneration, commission, forfeit (penalty, fine);

income received by the borrower as a result of payment for such a person by a bank, an organization performing certain types of banking operations, also by a collection agency, of the state fee levied on a statement of claim filed with the court.

28) was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (effective from 01.01.2023).

Part two of paragraph 1 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

Subject to exclusion from total annual income of a bank’s subsidiary acquiring doubtful and bad assets of its parent bank is income from the activities specified in the legislation of

the Republic of Kazakhstan on banks and banking activity included in total annual income of such an organization and transferred to its parent bank.

Part three of paragraph 1 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

In this case, the assignment of income to be received to income from the implementation of activities provided for by the legislation of the Republic of Kazakhstan on banks and banking activities shall be carried out in the manner determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in agreement with the authorized body.

Part four of paragraph 1 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

Subject to exclusion from total annual income of a bank is income from the assignment of the right of claim obtained in connection with the repurchase of rights to claim credits (loans) earlier assigned toan organization for improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, from such an organization.

2. It is not allowed to exclude from total annual income dividends:

1) excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020);

2) excluded by the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (effective from 01.01.2023);

3) received by a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan. At the same time, the provisions of this subparagraph shall not apply to dividends when the conditions specified in subparagraph 3) of paragraph 9 of Article 645 of this Code are met;

4) excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2023).

3. When switching to an inventory costing method other than that used by a taxpayer in previous taxable period, the taxpayer’s total annual income shall be increased by the positive difference amount and decreased by the negative difference amount appearing as a result of applying the new costing method.

The taxpayer shall switch to a different inventory costing method in the beginning of a taxable period.

Footnote. Article 241 as amended by the Law of the Republic of Kazakhstan dated 04.07.2018 № 174-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 203-VI dated 26.12.2018 (shall be enforced since 01.01.2019); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 24.06. 2021 № 53-VII (effective from 01.01.2022); dated 11.07.2022 № 135-VII (enforcement, see art. 3); dated 06.02.2023 № 196-VII (shall be

enforced from 01.04.2023); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2023) ; № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Subchapter 2. Deductions

Article 242. General provisions

1. When determining taxable income, the taxpayer's expenses in connection with aprofit-oriented activity shall be deductible, with account of the provisions established by this article and Articles 243 - 263 of this Code, except for expenses not subject to deduction in accordance with this Code.

The provisions of this paragraph apply to the taxpayer's expenses incurred both in the Republic of Kazakhstan and outside it.

The taxpayer's expenses for construction, acquisition of fixed assets and other capital expenses are deductible in accordance with Articles 265 - 276 of this Code.

2. The taxpayer's expenses related to activities carried out in a foreign state through a permanent establishment are subject to deduction in accordance with this Code.

When determining taxable income of a permanent establishment of a resident legal entity in a foreign country, it is allowed to deduct managerial and general administrative expenses incurred both in the Republic of Kazakhstan and outside it for the purposes of obtaining such a taxable income in accordance with the provisions of tax legislation of such a foreign state or an international treaty.

The amount of managerial and general administrative expenses is deductible in a foreign state, from which sources a resident legal entity receives income, in the manner prescribed by tax legislation of such a foreign state.

If tax legislation of a foreign state, from which sources a resident legal entity receives income, or an international treaty allows the deduction of managerial and general administrative expenses, but the foreign state's tax legislation does not provide for the procedure for allocating such expenses to deductibles, a resident taxpayer allocates managerial and general administrative expenses to deductibles in the indicated foreign state in the manner determined by Articles 662 - 665 of this Code.

3. A taxpayer deducts actually incurred expenses given documents confirming such expenses related to a profit-oriented activity.

Prepaid expenses determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting are subject to deduction in the taxable period to which they relate.

3-1. Deductions for expenses on goods, works, services when they are acquired from the persons referred to in subparagraph 8) of paragraph 1 of Article 412 of this Code, under a civil law transaction, the value of which exceeds 1000 times the monthly calculation index established by the law on the republican budget and effective as of the date of such a transaction, are made subject to the provisions of paragraph 3 of this article and availability of

an electronic invoice or a check of a cash register with the function of fixing and (or) transmission of data, containing the identification number of the buyer (client), recipient of goods, works, services, except for:

cases provided for by subparagraphs 4), 5) and 6) of paragraph 13 of Article 412 of this Code;

expenses for the acquisition of works, services from a non-resident;

goods brought into the territory of the Republic of Kazakhstan from the territories of the Eurasian Economic Union member states;

goods brought into the territory of the Eurasian Economic Union member states, subject to declaration in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

In the case provided for by subparagraph 1) of paragraph 2 of Article 412 of this Code, deductions are made in the existence of an invoice on paper.

For the purposes of this section, the date of the invoice issue does not affect the date of recognition of expenses.

3-2. Deductions on expenses for goods, works, services when they are acquired from persons applying special tax regime of retail tax shall be made subject to the provisions of paragraph 3 of this article and availability of an electronic invoice or a cash register check with the data fixing and (or) transmitting function or a receipt of a special mobile application containing the identification number of the buyer of goods, works, services.

4. Unless otherwise established by this article and articles 243 - 263 of this Code, for the purposes of this section, the recognition of expenses, including the date of their recognition, shall be in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting .

In the event that the procedure for recognizing expenses in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting differs from the procedure for determining deductions in accordance with this Code, for tax purposes these expenses shall be accounted for in the manner established by this Code.

5. Unless otherwise provided by paragraph 4 of Article 192 of this Code, expenses arising in accounting due to a change in the value of assets and (or) liabilities when applying international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting, other than those payable (paid), shall not be considered as expenses for taxation purposes.

6. If several expense items provide for the same types of expenses, the latter are deducted only once when calculating taxable income.

7. A taxpayer shall adjustdeductions in accordance with Article 287 of this Code. In this case, the sum of these deductions, with account of these adjustments, can have a negative value.

Footnote. Article 242 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 24.06. 2021 № 53-VII (effective from 01.01.2022); dated 20.03.2023 № 213-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 243. Deductions with regard to individual types of expenses

1. Losses of goods incurred by a taxpayer, except for the cases provided for in paragraph 2 of this article, shall be deductible within the natural loss rates established by the legislation of the Republic of Kazakhstan.

2. Losses incurred by a natural monopoly entity for the purposes of providing regulated services (goods, works) are subject to deduction up to the amount of technical loss rates and (or) with account of restrictions established in accordance with the legislation of the Republic of Kazakhstan.

3. The taxpayer's expenses in the amount of the book value of goods not earlier allocated to deductibles, in connection with the loss of, damage to which or with the occurrence of an insured event with respect to which, compensation for damages was received from a person that did damage or an insurance organization, also in the form of an insurance payment, are deductible up to the amount of the compensation received in the period in which the amount of compensation for damage was received.

For the purposes of this Section:

deterioration of goods means deterioration of all or certain qualities (properties) of the goods, as a result of which the given goods cannot be used in profit-oriented activities;

loss of goods means an event that resulted in the destruction or loss of goods. The loss of goods incurred by a taxpayer to the extent of natural loss rates established by the legislation of the Republic of Kazakhstan is not a loss.

4. Subject to deduction are the taxpayer's expenses for compulsory employees' periodic (during their working life) medical examinations and pre-shift, post-shift and other medical examination (check-up), for maintenance or services for the organization of medical posts in cases stipulated in an agreement, a collective agreement, the legislation of the Republic Kazakhstan.

5. Subject to deduction are the taxpayer's expenses for providing employees with working conditions that meet the safety, health and hygiene requirements, including sanitary and epidemiological requirements, for providing employees with the opportunity to rest and eat in a specially equipped place in accordance with the labor legislation of the Republic of Kazakhstan, labor, collective agreements or the employer's acts.

6. The taxpayer's expenses on the organization of public catering for employees, on preschool education and training, social protection and social security of children, the elderly and persons with disabilities are subject to deduction.

7. Subject to deduction are awarded or recognized penalties (fines, penalties), unless otherwise provided for in Articles 246 and 264 of this Code.

8. If terms of a transaction provide for the quality guarantee of goods sold, works performed, services rendered by a taxpayer, the amount of the taxpayer's actual expenses for elimination of defects in goods sold, works performed, services rendered during the warranty period under the transaction, shall be allocated to deductibles in accordance with this Code.

9. Unless otherwise established by this Article, the cost of purchased goods, works, services shall include the following expenses for VAT:

the amount of VAT not taken as an offset in accordance with Paragraph 1 of Article 402 of this Code;

the amount of VAT that may not be taken as an offset in accordance with Subparagraph 2) of Paragraph 2 of Articles 409 and 410 of this Code;

the amount of VAT adjustment taken as an offsettowards the reduction in the cases specified in Subparagraphs 1) and 4) of Paragraph 2 of Article 404 of this Code.

A VAT payer shall has the right to deduct the amount of:

1) VAT that may not be taken as offset n accordance with Article 408 and Subparagraph 3) of Paragraph 2 of Article 409 of this Code, if such tax shall not be taken into account in the accounting for the cost of purchased goods, work, services;

2) VAT adjustment taken as an offset towards the reduction in the case specified in Subparagraph 1) of Paragraph 2 of Article 404 of this Code with regard to fixed assets, inventories, works, services used in a profit-oriented activity;

3) reduction of VAT taken as an offset, in the case specified in Subparagraph 4) of Paragraph 2 of Article 404 of this Code, except for transfer of non-depreciable assets as a contribution to the authorized capital.

The deduction provided by Subparagraph 1) of part two of this Paragraph shall be made in the tax period in which VAT, which shall not be taken as an offset.

The deductions provided for in subparagraphs 2) and 3) of part two of this paragraph shall be made in the tax period in which the amount of value added tax to be offset is subject to adjustment.

The amounts of downward adjustment of VAT to be taken as an offset in the case specified in Subparagraphs 1) and 4) of Paragraph 2 of Article 404 of this Code with regard to non-depreciable assets shall be accounted for in accordance with Paragraph 6 of Article 228 of this Code.

If a payer of corporate income tax is a subsoil user carrying out activity under a production sharing agreement (contract) as part of a simple partnership (consortium) and the fulfillment of tax obligations for VAT is imposed on the operator in accordance with

Paragraph 3 of Article 426 of this Code, then subject to deduction is VAT provided by part two of this Paragraph in the amount attributable to the specified subsoil user according to the operator's VAT declaration.

The provisions of this Article shall not apply to VAT on goods, works, services, the value of which shall be allocated to deductibles in accordance with Paragraph 3 of Article 258 of this Code.

10. Subject to deduction are membership fees paid by a taxpayer to:

1) associations of private business entities in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship in the amount not exceeding the monthly calculated index, established by the law on the republican budget and effective as of January 1 of a relevant financial year, per employee based on the average number of employees over a year;

2) the National Chamber of Entrepreneurs of the Republic of Kazakhstan in the amount not exceeding the maximum amount of mandatory membership fees approved by the Government of the Republic of Kazakhstan.

The provisions of subparagraphs 1) and 2) of part one of this paragraph shall also apply in case of payment of membership fees in the reporting tax period for the previous and (or) preceding the previous tax periods.

11. Subject to deduction are the taxpayer's expenses for assessed social contributions to the State Social Insurance Fund in the amount determined by the legislation of the Republic of Kazakhstan.

12. The taxpayer's expenses on accrued contributions to the social health insurance fund shall be deductible in the amount established by the legislation of the Republic of Kazakhstan .

13. The value of goods transferred free of charge for advertising purposes (also in the form of donations) is allocated to deductibles in a taxable period in which such goods were transferred, if a unit value of such goods does not exceed 5 times the monthly calculation index established for a relevant financial year by the law on the republican budget and effective as of the date of such transfer.

14. Subject to deduction are expenses incurred by an electric power transmission organization in connection with the provision of gratuitous services for the transmission of electric power to entities using renewable energy sources.

14-1. It was valid until 01.01.2022 in accordance with the Law of the Republic of Kazakhstan dated 12.27.2019 № 295-VI.

14-2. Was in effect from 01.01.2022 to 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII.

15. A taxpayer engaged in the production and (or) sale of goods under a trade name, trademark and (or) service mark, which such a taxpayer owns and (or) uses (including on the basis of a license or sublicense contract (agreement) in the manner prescribed by the

legislation of the Republic of Kazakhstan, and (or) international treaties ratified by the Republic of Kazakhstan, shall deduct expenses for activities aimed at maintaining and (or) increasing sales volumes of such goods, regardless of the existence of ownership right to it.

16. For the purposes of this Section, when this Code imposes the fulfillment of a tax obligation for trust management activity on a trust manager, the expenses of such a trust manager, for the purposes of deduction, are determined with account of the provisions of Articles 40, 42, 43, 44 and 45 of this Code.

17. Mandatory pension contributions of the employer paid by the taxpayer in favor of the employee shall be deductible within the limits established by the legislation of the Republic of Kazakhstan on social protection.

18. Expenses are subject to deduction that are incurred by the National infrastructure operator in connection with the provision of services of the main railway network for the transportation of passengers by rail to a railway carrier engaged in the transportation of passengers, baggage, cargo baggage, mail, on a free-of-charge basis, including with the application of a temporary reduction factor of 0 to the tariff for regulated services of the main railway network for the transportation of passengers by rail in accordance with the legislation of the Republic of Kazakhstan.

19. With a view to this section, deductions made by the Export Credit Agency of Kazakhstan under insurance and reinsurance contracts when applying tax accounting established by part three of paragraph 4 of Article 190 of this Code shall be subject to deductions specified in Articles 249, 250 and 251 of this Code for insurance and reinsurance organisations.

Footnote. Article 243 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); № 295-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated December 10, 2020 № 382-VI (enforcement, Article 2); dated 11.07.2022 № 135-VII (enforcement, see art. 3); dated 21.12.2022 № 165-VII (enforcement, see art. 4); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024); № 208-VIII of 15.07.2025 (shall come into force since 01.01.2024).

Article 244. Deduction of compensation amounts for business trips

Footnote. The title of Article 244 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022).

1. Subject to deduction are expenses for compensation of business trips such as:

1) expenses for around trip to a business destination, including payment for reservation, on the basis of documents confirming expenses for travel and reservation. In case of travel using an electronic ticket or an electronic travel document, documents confirming expenses for travel and reservation are as follows:

an electronic ticket, an electronic travel document;

a document confirming payment for an electronic ticket, an electronic travel document;

Expenses covered by this subparagraph do not include travel expenses within one and the same populated locality;

2) expenses for lodging away from an employee's permanent place of work during a business trip, including the cost of reservation, on the basis of documents confirming expenses for lodging and reservation. Such expenses also cover lodging expenses for days of temporary incapacity for work of a seconded employee (unless the seconded employee is hospitalized);

3) daily subsistence allowance in the amount fixed by ataxpayer's decision, paid to an employee for the duration of a business trip, including days of temporary incapacity for work of the seconded employee;

4) expenses incurred by a taxpayer for obtaining permits for entry and exit (visas) (the cost of a visa, consular services, compulsory medical insurance), on the basis of documents confirming such expenses.

2. For the purposes of paragraph 1 of this article:

1) the place of destination is that indicated in an employer's order or written instruction on the business trip of an employee for performing work duties, training, advanced training or retraining;

2) a business trip time is determined on the basis of:

an employer's order or written instruction onan employee's business trip;

the number of days of a business trip counted from the date of departure to a business trip destination and until the return date indicated in travel documents, including the departure and return dates. Without such documents, the number of days of a business trip is determined on the basis of other documents confirming the date of departure to the business trip destination and (or) the return date provided for by the taxpayer's tax accounting policy.

3. excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022).

4. excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022).

Footnote. Article 244 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 245. Deduction of representation expenses

1. Representation expenses include expenses for hosting and entertaining persons, including individuals that are not the taxpayer's staff, which are incurred in the conduct of the following representational events, regardless of their venue, aimed at:

1) establishing or maintaining mutual cooperation;

2) organizing and (or) holding meetings of the taxpayer's board of directors, another management body, except for executive bodies.

Representation expenses include, but are not limited to:

1) transport support to persons participating in representational events, except for expenses allocated to compensations for business trips in accordance with subparagraph 1) of paragraph 1 of Article 244 of this Code;

2) meals for such persons at representational events;

3) payment for services of interpreters that are not the taxpayer's staff;

4) rent and (or) decoration of premises hosting representational events.

2. Expenses for the accommodation of invited persons, issuance of visas for such persons, organization of their leisure time, entertainment, recreation, as well as expenses not allocated to those for transportation of persons participating in representational events in accordance with part two of this paragraph are neither representation expenses nor subject to deduction.

Expenses for transport support do not include those for travel by rail, sea and air by participants of representational events.

3. Grounds for deducting representation expenses are as follows:

1) a taxpayer's written order or written instructionon conducting a representational event with an indication of its purpose and persons responsible for conductingit;

2) the estimated cost of such an event approved by the taxpayer;

3) the responsible persons' report on the representational event held, indicating its date and venue, results, participants, program, actual costs incurred;

4) source and other documents confirming the grounds for and incurrence of representation expenses.

4. Representation expenses shall be allocated to deductibles in the amount not exceeding 1 percent of the amount of the employer's expenses for employees' income subject to taxation specified in paragraph 1 of Article 322 of this Code for a taxable period.

Article 246. Deduction of remuneration

1. For the purposes of this article, remuneration shall be recognized as:

1) remuneration defined in subparagraph 62) of Article 1 of this Code;

2) forfeit (fine, penalty) under a credit (loan) agreement between related parties;

3) payment for the guarantee to a related party.

2. Unless otherwise established by paragraph 3 of this article, the amount of remuneration to be allocated to deductibles shall be determined by the accrual method in accordance with paragraph 2 of Article 192 of this Code.

3. Remuneration for obligations to a person entitled to create provisions (reserves) subject to deduction in accordance with paragraphs 1 and 6 of Article 250 of this Code, and (or) to a person specified in paragraph 2 of Article 233 of this Code shall be deducted in the amount of actually paid by a taxpayer or a third party against the obligations of such a taxpayer:

1) in a reporting taxable period up to the amount of expenses recognized by the taxpayer as expenses in a reporting taxable period and (or) taxable periods preceding the reporting taxable period;

2) in taxable periods preceding a reporting taxable period, up to the amount of expenses recognized by the taxpayer as expenses in the reporting taxable period.

4. Remuneration is deducted with account of the provisions specified in paragraphs 2 and 3 of this article, within the amount calculated on the following formula:

(A + E) + (AE/AL) x (MC) x (B + C + D),

where:

A – is the amount of remuneration, except for the amounts included in B,C,D,E indices;

B – is the amount of remuneration (to be) paid with account of the provisions of paragraph 3 of this article to the related party, except for the amounts included in E index;

C – is the amount of remuneration (to be) paid with account of the provisions of paragraph 3 of this article, to persons registered in a state with preferential taxation, determined in accordance with Article 294 of this Code, except for the amounts included in B index;

D - the sum of D1 and D2 indices with account of the provisions of paragraph 3 of this article, except for the amounts included in C index;

D1 - the amount of remuneration paid (to be paid) to an independent party for loans secured by the deposit of the related party;

D2 - the amount of remuneration paid (to be paid) to an independent party for loans secured by guarantee, pledge or other form of collateral of related parties, if obligations under the guarantee, pledge or other form of collateral (payment of a loan) are fulfilled by a related party in a reporting taxable period;

D - the amount of remuneration:

for credits (loans) issued by a credit partnership established in the Republic of Kazakhstan , a bank that is a national development institution, whose controlling stake is held by the national management holding;

in the form of a discount or coupon (taking into account the discount or premium from the cost of the initial placement and (or) acquisition cost) on debt securities held by the unified accumulative pension fund;

E - the amount of remuneration for credits (loans) granted by a credit partnership established in the Republic of Kazakhstan, a bank that is a national development institute, a controlling interest in which is held by the national management holding;

MC- marginal coefficient;

AE - average annual total equity;

AL - average annual amount of liabilities.

When calculating A, B, C, D, E amounts, the remunerations included in the cost of the construction object in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall be excluded. For the purposes of this article, an independent party is a party that is not related.

For the purposes of this paragraph, the parent company is a national company, the sole participant of which is the national management holding, provided that the said national company owns one hundred percent of the shares (participatory interests) in each subsidiary.

5. For the purposes of paragraph 4 of this article:

1) the average annual total equity is equal to the arithmetic-mean of sums of equity at the end of each month of a reporting taxable period. The negative value of the average annual total equity for the purposes of this article is considered to be zero;

2) the average annual amount of liabilities is equal to the arithmetic-mean of sums of liabilities in each month of a reporting taxable period. When calculating the average annual amount of liabilities, one shall not take into account assessed obligations such as those:

for taxes and payments to the budget;

for wages and other income of employees;

for deferred income, except for income from a related party;

for remunerations and commissions;

for dividends;

estimated liabilities accrued in accounting in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) the marginal coefficient for financial organizations (except for organizations engaged in microfinance activities) is 7, for other legal entities, including organizations engaged in microfinance activities -4

6. For the purposes of paragraph 4 of this article, the amount of equity of a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan is determined as a difference between the assets and liabilities of such a permanent establishment.

For the purposes of this paragraph, the amount of equity of a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan is treated as if this permanent establishment was a detached and separate legal entity and acted independently of the non-resident legal entity whose permanent establishment it is.

Footnote. Article 246 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 24.06. 2021 № 53-VII (effective from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 247. Deduction of paid doubtful liabilities

1. If doubtful liabilities earlier recognized as income were paid by a taxpayer to a creditor, then subject to deduction is the amount of the payment made, except for VAT amount taken as an offset in accordance with paragraph 2 of Article 405 of this Code.

Such a deduction is made in the taxable period in which the payment was made, up to the amount earlier allocated to income.

2. The procedure for allocating to deductibles provided for in this article shall also apply in case of payment of liabilities earlier recognized as income in accordance with Article 229 of this Code.

Article 248. Deduction of doubtful claims

1. Unless otherwise established by Paragraph 7 of this Article, doubtful claims shall be considered to be those:

1) arising in connection with the sale of goods, the performance of works, the rendering of services to legal entities and individual entrepreneurs, as well as non-resident legal entities operating in the Republic of Kazakhstan through a permanent establishment, structural unit of a legal entity and not satisfied within a three-year period calculated in accordance with paragraph 4 of this article;

2) arising in connection with the sale of goods, performance of work, provision of services to individuals, individual entrepreneurs and legal entities, and not satisfied in connection with the recognition of the taxpayer-debtor as bankrupt under the legislation of the Republic of Kazakhstan;

3) in connection with the inclusion of fines and penalties in the total annual income on the basis of effective court ruling on bank credit (loan) agreements and microcredit agreements, on the claims of an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, not satisfied within a three-year period calculated in accordance with paragraph 4 of this article.

2. Doubtful claims are subject to deduction from a person that:

1) sold goods, performed works, rendered services and did not assign the right of such a claim;

2) sold goods, performed works, rendered services and assigned the right of such a claim;

3) acquired the right of claim of goods sold, works performed, services rendered from a person specified in subparagraph 2) of this paragraph;

4) inclusion in the total annual income of fines and penalties on the basis of effective court ruling under bank credit (loan) agreements and microcredit agreements, on the claims of an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan.

3. Doubtful claims are subject to deduction from the person:

1) specified in subparagraph 1) of paragraph 2 of this article – up to the amount including the value of goods sold, works performed, services rendered, as well as the amount of other claims arising in connection with such sale of goods, performance of works, rendering of services, including the amount of forfeits (fines, penalties), but not more than the amount of earlier recognized income;

2) specified in subparagraph 2) of paragraph 2 of this article – up to the amount of a positive difference between the amount including the value of goods sold, works performed,

services rendered and the amount of other claims arising in connection with such sale of goods, performance of works, rendering of services, including the amount of forfeits (fines, penalties), but not more than the amount of earlier recognized income, and the value of the assigned right of claim;

3) specified in subparagraph 3) of paragraph 2 of this article – up to the amount including the value of goods sold, works performed, services rendered, as well as the amount of other claims arising in connection with such sale of goods, performance of works, rendering of services, including the amount of forfeits (fines, penalties), but not more than the amount of earlier recognized income, in accordance with Article 233 of this Code, increased by the value of the acquired right of claim;

4) specified in subparagraph 4) paragraph 2 of this article – up to the amount of earlier recognized income indicated in subparagraph 13) of paragraph 1 of Article 226 of this Code.

4. In cases provided for by subparagraph 1) of paragraph 1 of this article, doubtful claims are deductible in the taxable period in which a three-year period expired that is calculated:

1) for persons specified in subparagraphs 1) and 2) of paragraph 2 of this article:

for doubtful claims that arose under credit (loan) agreements - from the day following the day of maturity of interest in accordance with the terms of a credit (loan) agreement;

for doubtful claims that arose under lease agreements - from the day following the day of maturity of a lease payment in accordance with the terms of a lease agreement;

in other cases - from the day:

following the expiration of a deadline for the claim of sold goods (works, services), the deadline for which is fixed;

of transfer of goods, performance of works, rendering of services under the claim of sold goods (works, services), the deadline for which is not fixed;

2) for persons specified in subparagraph 3) of paragraph 2 of this article:

for doubtful claims that arose under credit (loan) agreements - from the day following the day of maturity of interest in accordance with the terms of a credit (loan) agreement;

for doubtful claims that arose under lease agreements - from the day following the day of maturity of a lease payment in accordance with the terms of a lease agreement;

in other cases - from the following dates whichever comes last:

the day following the expiration of a deadline for the claim of sold goods (works, services), the deadline for which is fixed;

the day of assignment of the right of claim of sold goods (works, services), the deadline for which is not fixed;

5. In the cases provided for by subparagraph 2) of paragraph 1 of this article, doubtful claims are subject to deduction in the tax period in which the court ruling on completion of the bankruptcy procedure took effect or the decision was made of the state body exercising

leadership in public administration to restore solvency and bankruptcy of citizens of the Republic of Kazakhstan, on completion of the out-of-court bankruptcy procedure and declaring the debtor bankrupt.

6. In cases provided for by subparagraph 3) of paragraph 1 of this article, doubtful claims are deductible in the taxable period in which a three-year period, calculated from the day of entry into legal force of a court decision, expired.

7. Claims are not recognized as doubtful ones if these are claims of taxpayers entitled to deduct the amount of expenses for creating provisions (reserves) in accordance with paragraph 1 of Article 250 of this Code for the payment of accrued, after December 31, 2012, :

1) interest on deposits, including balances of correspondent accounts with other banks;

2) interest on loans (except for financial lease) granted to other banks and clients;

3) receivables for documentary settlements and guarantees;

4) contingent liabilities for unsecured letters of credit, issued or confirmed guarantees.

8. Unless otherwise provided for in paragraph 9 of this article, a taxpayer shall allocate doubtful claims to deductibles with concurrent observation of the following conditions:

1) documents confirming the occurrence of claims shall be available;

2) claims shall be stated in accounting records at the time of deduction or such claims shall be allocated to expenses in accounting records of previous periods.

9. In the case provided for by subparagraph 2) of paragraph 1 of this article, besides documents specified in paragraph 8 of this article, a copy of the court ruling on completion of bankruptcy procedure is required in addition.

Footnote. Article 248 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (effective from 01.01.2020); dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023) .

Article 249. Deductions of an insurance, reinsurance organization

1. An insurance, reinsurance company shall have the right to deduct the following expenses:

1) insurance payments under insurance, reinsurance contracts;

2) cash surrender value and insurance premiums (contributions) (to be) returned in accordance with the civil legislation of the Republic of Kazakhstan;

3) insurance premiums (contributions) (to be) paid to the reinsurer under reinsurance contracts;

4) increase in insurance reserves under contracts of insurance, reinsurance in accordance with paragraph 5 of Article 250 of this Code;

5) payments to insurance agents and insurance brokers under insurance and reinsurance contracts;

6) other expenses of the insurance, reinsurance organization related to profit-oriented activities.

Deductions related to the activities of insurance, reinsurance companies for conclusion and execution of insurance (reinsurance) contracts shall be determined on the basis of reporting data established by the National Bank of the Republic of Kazakhstan, with regard to the requirements of the authorized body for regulation, control and supervision of the financial market and financial organizations, coordinated with the authorized body and the authorized body in the tax policy area.

2. The provisions of this article shall not apply to insurance, reinsurance contracts, for which income in the form of insurance premiums is recognized in full in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting before January 1, 2012.

3. Under an agreement of accumulative insurance, reinsurance, the contract of non-cumulative insurance, life reinsurance, which took effect before January 1, 2012, under which income in the form of insurance premiums is recognized in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, including after December 31, 2011:

1) deduction of expenses specified in subparagraphs 1) and 2) of paragraph 1 of this article shall be determined using the following formula:

Ex (A/B), where:

E - expenses (to) paid in a reporting taxable period;

A - insurance premiums (to be) received from December 31, 2011 to the date of assessment of expenses in a reporting taxable period;

B - insurance premiums (to be) received from the date of entry into force of the agreement to the date of assessment of expenses in a reporting taxable period;

2) deduction of expenses specified in subparagraph 3) of paragraph 1 of this article shall not exceed the amount of income in the form of an insurance premium (contribution) recognized in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting from January 1, 2012.

Footnote. Article 249 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 250. Deduction of contributions to reserve funds21

1. Banks, with the exception of a bank that is a national development institution, the controlling stake of which belongs to the national management holding, shall have the right to deduct the amount of expenses on provisions (reserves) created in accordance with international financial reporting standards and the requirements of the legislation of the

Republic of Kazakhstan on accounting and financial reporting and in the manner determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in agreement with the authorized body.

The cost of collateral and other security, as well as the amount of the guarantee offered by a special fund for the obligations of private entrepreneurs, shall be taken into account when determining the amount of provisions (reserves) in the cases and in the manner specified by the rules for creating provisions (reserves).

The provisions of this paragraph shall be applied for provisions (reserves) against the following assets, contingent liabilities, with the exception of assets and contingent liabilities provided in favor of related parties or to third parties for the obligations of related parties:

1) deposits, including balances on correspondent accounts placed with other banks, as well as interest on such deposits accrued after December 31, 2012;

2) loans (except for financial leasing) provided to other banks and customers, as well as interest on such loans accrued after December 31, 2012;

3) accounts receivable for documentary settlements, guarantees and factoring operations;

4) contingent liabilities for uncovered letters of credit, issued or confirmed guarantees.

Paragraph 2 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

2. Banks shall have the right to deduct the amount of expenses for the creation of provisions (reserves) against doubtful and bad assets provided to the bank's subsidiary for the acquisition of doubtful and bad assets of the parent bank.

The list of permits issued for the creation or acquisition of a subsidiary that acquires doubtful and bad assets of the parent bank shall be determined by the regulatory legal act of the authorized body for regulation, control and supervision of the financial market and financial organizations.

At the same time, the amount of expenses shall be subject to deduction in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting for the creation of provisions (reserves) against doubtful or bad assets provided by the parent bank of a subsidiary for the acquisition of doubtful and hopeless assets of such parent bank.

The procedure for classifying assets provided by banks to subsidiaries for the acquisition of doubtful and hopeless assets of the parent bank, to the category of doubtful and hopeless, as well as the procedure for the formation of provisions (reserves) against assets provided by parent banks to subsidiaries, shall be determined by the authorized body for regulation, control and supervision of financial market and financial organizations in agreement with the authorized body.

Banks shall not be entitled to deduct the amount of expenses for creating provisions (reserves) against assets purchased from an organization specializing in improving the quality

of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan.

3. Organizations carrying out certain types of banking operations on the basis of a license to conduct banking lending operations shall have the right to deduct the amount of expenses on provisions (reserves) created in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, and in the manner determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in agreement with the authorized body, against credits (loans), except for:

1) financial lease;

2) credits (loans) granted to the benefit of related parties or to third parties for liabilities of related parties.

Organisations engaged in certain types of banking operations reduce the amount of expenses on provisions (reserves) by the amount of the guarantee issued by a special fund for the tax period for the obligations of private entrepreneurs.

Paragraph 3-1 shall be valid from 01.01.2020 to 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

3-1. Provisions of paragraph 1 of this article shall apply to a legal entity that was previously a subsidiary bank, restructured by a court resolution, whose more than 90 percent of the voting shares as of December 31, 2013 belong to the national managing holding.

4. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

5. Insurance, reinsurance companies shall have the right to deduct the amount of expenses on the calculated insurance reserves for unearned premiums, avoided losses, reported but unsettled losses, incurred but undeclared losses in the amount determined as a positive difference between the amount of insurance reserves calculated in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities on unearned premiums, avoided losses, reported but unsettled losses, incurred but undeclared losses at the end of the reporting tax period and the amount of such reserves at the end of the previous tax period.

The provisions of this paragraph shall not apply to insurance, reinsurance contracts, under which income in the form of insurance premiums in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting is recognized in full before January 1, 2012.

6. Organisations engaged in microfinance activities (with the exception of pawnshops) may deduct the amount of expenses incurred in creating provisions (reserves) against doubtful and bad debts on microloans granted, as well as remuneration thereon, excluding assets extended to a related party or third parties under the obligations of a related party. The provisions of this paragraph with regard to the exclusion of assets granted to a related party or

third parties under the obligations of a related party shall not apply to microloans granted by credit partnerships to their members under the laws of the Republic of Kazakhstan on microfinance activities.

The procedure for classifying assets on provided microloans as doubtful and hopeless, as well as the procedure for creating provisions (reserves) against them, shall be determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in agreement with the authorized body.

Organisations engaged in microfinance activities (excluding pawnshops) shall reduce the amount of expenses on provisions (reserves) by the amount of the guarantee granted for the tax period by a special fund for the obligations of private entrepreneurs.

7. A national management holding and also legal entities, whose main activity is performance of loan operations or purchase of rights of claim and whose 100 percent of voting shares (participatory interests) belong to a national management holding, are entitled to deduct the amount of expenses for creating provisions (reserves) against doubtful and bad assets, contingent liabilities, except for assets and contingent liabilities granted to related parties or third parties for liabilities of related parties (except for assets and contingent liabilities of credit partnerships) such as:

deposits, including balances of correspondent accounts with banks;

loans (except for financial lease) granted to banks and clients;

receivables for documentary settlements and guarantees;

contingent liabilities for unsecured letters of credit, issued or confirmed guarantees.

The amount of expenses for creating provisions (reserves) is deducted up to the amount of provisions (reserves) created in the manner determined by the Government of the Republic of Kazakhstan.

Taxpayers referred to in this paragraph shall reduce the amount of expenses for provisions (reserves) by the amount of the guarantee granted for the tax period by a special fund for the obligations of private entrepreneurs.

The list of legal entities specified in this paragraph and the procedure for compiling such a list are approved by the Government of the Republic of Kazakhstan.

The provisions of this paragraph shall not apply to taxpayers specified in paragraphs 1, 5 and 6 of this article.

8. Remained in force before 01.01.2019 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

Footnote. Article 250 as amended by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (see Article 2 for the enactment procedure).

Article 251. Deduction of reduction in reinsurance assets

Insurance, reinsurance companies shall have the right to deduct the amount of reduction of reinsurance assets previously recognized as income in accordance with Article 231 of this Code for unearned premiums, avoided losses, reported but unsettled losses, incurred but undeclared losses in the amount determined as the negative difference between the amount of reinsurance assets calculated in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities on unearned premiums, avoided losses, reported but unsettled losses, incurred but unreported losses at the end of the reporting taxable period and the amount of such assets at the end of the previous taxable period.

Footnote. Article 251 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 252. Deduction of expenses for liquidation of consequences of field development and amounts of contributions to liquidation funds

1. A subsoil user operating on the basis of a subsoil use contract, concluded in the manner determined by the legislation of the Republic of Kazakhstan, deducts the amount of contributions to the liquidation fund from total annual income. The specified deduction is made up to the amount of actually paid contributions to a special deposit account with any second-tier bank in the territory of the Republic of Kazakhstan by the subsoil user for a taxable period.

The amount and procedure for deductions to the liquidation fund shall be established by the subsoil use contract or the field development project in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

If the authorized state body for subsoil use establishes the fact of the subsoil user's inappropriate use of the liquidation fund's resources, the inappropriately used amount shall be included in the subsoil user's total annual income for a taxable period in which it occurred, except for the fact of inappropriate use revealed in the taxable period exceeding the limitation period established by Article 48 of this Code, under which the amount of inappropriately used money shall be included in the subsoil user's total annual income for a taxable period for which the limitation period expires in a taxable period following current taxable period.

If the subsoil user receives, in accordance with the legislation of the Republic of Kazakhstan, the liquidation fund's resources from another subsoil user upon the transfer of subsoil use contract, the subsoil user that received such resources:

shall not be included in the total annual income, provided that they are placed on a special deposit account with any second-tier bank in the territory of the Republic of Kazakhstan for the formation of a liquidation fund in the year of their receipt or within thirty calendar days from the date of their receipt;

does not allocate them to deductibles.

2. The subsoil user's expenses actually incurred during a taxable period for the liquidation of consequences of field development are deductible in the taxable period in which they were

incurred, except for expenses covered by the liquidation fund'sresources placed into a special deposit account.

Footnote. Article 252 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 253. Deductions on expenses for liquidation of waste disposal sites and amounts of deductions to the liquidation fund of waste disposal sites

Footnote. The title of Article 253 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (effective from 01.01.2022).

1. A taxpayer shall deduct the amount of contributions to the waste disposal site liquidation fund, transferred to a special deposit account with any second-tier bank in the territory of the Republic of Kazakhstan.

2. The amount and procedure for deductions to the waste disposal site liquidation fund, and also the procedure for using the fund's resources, shall be established in accordance with the legislation of the Republic of Kazakhstan.

3. If the authorized environmental protection body establishes the fact of misuse by a taxpayer of the waste disposal site liquidation fund's resources, the misused amount shall be included in the total annual income of the taxpayer in the taxable period in which it happened.

4. Expenses of a taxpayer actually incurred during the taxable period for the liquidation of waste disposal sites are deductible in the taxable period in which they were incurred, with the exception of expenses covered by the liquidation fund's resources placed on a special deposit account.

Footnote. Article 253 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (effective from 01.01.2022).

Article 254. Deduction for expenses on scientific-research, scientific-technical and experimental-design works, acquisition of exclusive rights to intellectual property and creation of scientific centers

Footnote. The title of Article 254 is provided in the wording of the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII (effective from 01.01.2025).

1. Expenses on scientific-research, scientific-technical and experimental-design works, except for expenses on acquisition of fixed assets, their installation and other capital expenses , shall be deductible if there are notifications from the authorized body in the field of science on scientific-research, scientific-technical and (or) experimental-design works in accordance with the legislation of the Republic of Kazakhstan on science and technology policy.

The basis for classifying such expenses as deductions shall be:

for expenses on the implementation of scientific-research, scientific-technical and experimental-design works - a report on scientific and (or) scientific-technical activities, as well as documents confirming expenses related to such activities;

for expenses on the acquisition of scientific-research, scientific-technical and experimental-design works - the actually completed technical assignment and acts of acceptance for the completed stages of such works.

2. Expenses for the acquisition of exclusive rights to intellectual property items from higher education institutions, scientific organizations, start-up companies under a license agreement or contract of assignment of exclusive rights aimed at their further commercialization shall be deductible.

The basis for allocating such expenses to deductibles is a license agreement or a contract of assignment (partial assignment) registered by the authorized state body in the manner prescribed by the legislation of the Republic of Kazakhstan.

3. Unless otherwise provided for in Article 255 of this Code, financing the creation of research centers at research universities shall be deductible if there is a notification from the authorized body in the field of science on the creation of a research center in accordance with the legislation of the Republic of Kazakhstan on science and technology policy.

Footnote. Article 254 as amended by the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII (shall be enforced from 01.01.2025).

Article 255. Deduction of expenses of the subsoil user and cargo carrier in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use and on railway transport

Footnote. Title of Article 255 - as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

1. The subsoil user shall have the right to deduct the costs of financing (transferring money) of scientific research under contract activities in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use:

organizations operating in the field of science, accredited by the authorized body in the field of science;

an autonomous cluster fund for financing projects of the participants of the innovation cluster "Park of Innovative Technologies".

2. The deduction of expenses referred to in paragraph 1 of this article shall not exceed the amount of the positive difference determined in the following order:

amount equal to 1 percent of the total annual income from contract activities based on the results of the taxable period preceding the reporting tax period,

minus

deductible expenses in accordance with Article 254 of this Code in the reporting tax period.

3. shall be valid until 01.01.2022 in accordance with Law of the Republic of Kazakhstan № 295-VI dated 27.12.2019.

4. shall be valid until 01.01.2022 in accordance with Law of the Republic of Kazakhstan № 295-VI dated 27.12.2019.

5. Was in effect from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII.

6. Was in effect from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII.

7. The cargo carrier has the right to deduct expenses on a temporary balancing fee paid in accordance with the legislation of the Republic of Kazakhstan on railway transport to the operator of locomotive traction in passenger traffic.

8. The expenses specified in paragraph 7 of this article shall be deducted within the limits established by the state body exercising management in natural monopolies.

Footnote. Article 255 as amended by Law of the Republic of Kazakhstan № 295-VI dated December 27, 2019 (shall be enforced since January 1, 2020); dated 21.12.2022 № 165-VII (for the procedure of entry into force, see Article 4); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 256. Deduction of expenses for insurance premiums and contributions of participants in guarantee systems

1. Insurance premiums (to be) paid by an insurant under insurance contracts, except for insurance premiums under accumulative insurance agreements, shall be deductible.

2. The amount of mandatory calendar, additional and emergency contributions transferred in connection with the guarantee of deposits of individuals is subject to deduction by a bank participating in the mandatory deposit insurance system for individuals.

3. The amount of mandatory, emergency and additional contributions transferred in connection with the guarantee of insurance payments is subject to deduction by an insurance, reinsurance organization participating in the insurance payments guarantee system.

3-1. Banks, organisations engaged in microfinance activities (excluding pawnshops) and other legal entities participating in the system for guaranteeing the obligations of private entrepreneurs shall be entitled to deduct the amount of mandatory and additional contributions transferred due to the guaranteeing of the obligations of private entrepreneurs.

4. is excluded by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (effective from 01.01.2022).

5. The amount of annual mandatory contributions transferred to guarantee the fulfillment of obligations for grain receipts is subject to deduction by a grain receiving enterprise participating in the system guaranteeing the fulfillment of obligations for grain receipts.

Footnote. Article 256 as amended by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (effective from 01.01.2022); № 208-VIII of 15.07.2025 (shall come into force since 01.01.2025).

Article 257. Deduction of expenses for assessed income of employees and other payments to individuals

1. Subject to deduction are employer’s expenses for employees’ income subject to taxation specified in paragraph 1 of Article 322 of this Code (including the employer’s

expenses for the employee's income specified in subparagraphs 20), 22), 23) and 24) of paragraph 1 of Article 644 of this Code), except for:

1) those included in the initial value of:

fixed assets;

objects of preferences;

non-depreciable assets;

2) those included in the prime cost of inventories and deductible through the prime cost of such inventories, which is determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) those recognized as subsequent expenses in accordance with Paragraph 2 of Article 272 of this Code;

4) the taxpayer's expenses, provided for in paragraph 2 of this article.

Deductible are, among other things, the employer's actual expenses for training, advanced training and (or) retraining of the employee.

2. Taxpayer expenses, including payments to individuals, specified in sub-paragraphs 1), 5), 7), 8), 9), 9-1), 10), 10-1), 10-2) and 12) of paragraph 2 of Article 319, sub-paragraphs 46) and 48) of paragraph 1 of Article 341 of this Code shall be deductible.

3. Mandatory occupational pension contributions paid by the taxpayer according to the rules of the unified accumulative pension fund are subject to deduction within the limits established by the legislation of the Republic of Kazakhstan on social protection.

4. Voluntary pension contributions paid by a tax agent in favor of an employee are deductible.

Footnote. Article 257 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (enforcement, Article 2); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01.2024); № 208-VIII of 15.07.2025 (shall take effect since 01.01.2025).

Article 258. Deduction of expenses for geological study, exploration and preparatory works for the extraction of natural resources and other deductions of a subsoil user

1. Expenses actually incurred by a subsoil user, prior to the commencement of extraction after commercial discovery, for geological study, exploration, preparatory works for extraction of mineral resources, including expenses for appraisal, infrastructure development, general administrative expenses, the amount of paid signature bonus and commercial discovery bonus, expenses for acquisition and (or) creation of fixed assets and intangible assets, except for the assets specified in subparagraphs 2) - 6), 8) - 15) of paragraph 2 of Article 266 of this Code, and other expenses deductible in accordance with this Code, form a separate group of depreciable assets. It should be noted that the expenses indicated in this paragraph include:

1) expenses for acquiring and (or) creating fixed assets and intangible assets, except for the assets specified in subparagraphs 2) - 6), 8) - 15) of paragraph 2 of Article 266 of this Code. Such expenses comprise those to be included in the initial value of these assets in accordance with paragraph 2 of Article 268 of this Code, as well as subsequent expenses for such assets incurred in accordance with Article 272 of this Code;

2) other expenses.

In the cases provided for by this Code, the amount of expenses specified in this subparagraph that are included in a separate group of depreciable assets shall not exceed the established limits for classifying such expenses as deductibles for corporate income tax purposes.

2. Expenses referred to in paragraph 1 of this Article shall be deducted from the total annual income in the form of depreciation charges from the commencement of mining after the commercial discovery of minerals. The depreciation deductions amount is calculated by applying to the amount of accumulated expenses on the group of depreciable assets provided for by this paragraph, at the end of the taxable period, of the depreciation rate determined at the discretion of the subsoil user, but not higher than:

1) 37.5 percent - under a contract for exploration and production or production of hydrocarbons on complex offshore projects for the term provided for in paragraph 4 of Article 722-1 of this Code;

2) 25 percent - under other contracts for subsoil use, including under a contract for exploration and production or production of hydrocarbons on complex offshore projects after expiry of the term provided for in subparagraph 1) of this paragraph.

This procedure shall also apply in the following cases:

if the subsoil user operates under a production contract, concluded on the basis of the discovery and evaluation of a deposit under an exploration contract. The amount of accumulated expenses for a group of depreciable assets that has developed at the end of the last taxable period under such an exploration contract is deductible from the total annual income in the form of depreciation charges under the said mining contract;

allocation after January 1, 2018 in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use of a part of the exploration area by amending the exploration and production contract under which the allocation is made, and concluding a separate production contract for the allocated subsoil area. At the same time, the amount of accumulated expenses for the group of depreciable assets subject to transfer for the purpose of deductions under the production contract is determined by the share of direct expenses attributable to such allocated part of the exploration site in the total amount of direct expenses incurred by the subsoil user before the allocation under the relevant exploration contract.

In the event of subsoil use operations termination under a separate production contract or combined exploration and production contract, provided that the subsoil user terminated subsoil use operations after commencement of production after commercial discovery

established by this article, the value balance of depreciable assets group, formed at the end of the last tax period, in which the subsoil use contract terminated, is subject to deduction, except for the case of the subsoil use contract termination in connection with the re-registration of the subsoil use right to the subsoil use license regime.

For the purposes of this Article, Articles 260 and 722-1 of this Code, mining after commercial discovery shall mean:

1) commencement of mining operations after the approval of reserves by a state body authorized for this purpose – under exploration contracts, as well as combined exploration and extraction ones with unapproved mineral reserves;

2) commencement of extraction of minerals after the conclusion of these contracts if such works are provided for by the work program of a contract and agreed upon with the authorized body for the study and use of subsoil resources - under contracts for combined exploration and extraction with respect to which mineral reserves are on the state balance sheet and approved by an expert opinion of the authorized state body, including reserves requiring additional geological study and geological and economic reassessment.

3. If a well is abandoned because of no commercial inflow of hydrocarbons while testing (hereinafter, for the purposes of this paragraph, a non-productive well), in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsoil use, actual expenses incurred on the construction and abandonment of such a well, including VAT, are deductible in the following order:

1) expenses for construction and (or) abandonment of a non-productive well or part of such expenses incurred prior to the commencement of extraction after commercial discovery are subject to deduction in the manner specified in paragraph 1 of this article;

2) expenses for construction and (or) abandonment of a non-productive well or part of such expenses incurred after the commencement of extraction after commercial discovery are deductible in that taxable period in which such a well is abandoned.

In this case, expenses for construction and (or) abandonment of a non-productive well, incurred prior to the commencement of extraction after commercial discovery, are not excluded from a separate group of depreciable assets formed in accordance with paragraph 1 of this article.

4. Expenses specified in paragraph 1 of this article (except for accrued but unpaid interest on investment financing in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use) are reduced by the amount of:

1) income received during the period of geological study and preparatory works for extraction, except for income subject to exclusion from total annual income in accordance with Article 241 of this Code;

2) income received from the sale of minerals extracted prior to the commencement of extraction after commercial discovery;

3) income received from the realization of the subsoil use right or part thereof;

4) the value of assets accounted for in a separate group of depreciable assets formed in accordance with paragraph 1 of this article, when transferred as a contribution to the authorized capital. In this case, such a value is determined based on the value of the contribution specified in the constituent documents of a legal entity;

5) the value of assets transferred free of charge, accounted for in a separate group of depreciable assets formed in accordance with paragraph 1 of this article, specified in a certificate of transfer of the said assets, but not less than the book value of the said assets according to the accounting data as of the date of transfer.

At the same time, under contracts for the exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects), the amounts of expenses provided for in subparagraphs 4) and 5) of part one of this paragraph shall be determined taking into account the previously applied conditional coefficient established by paragraph 6 of this article .

5. The procedure specified in paragraph 1 of this article shall also apply to expenses for acquisition and (or) creation of intangible assets incurred by a taxpayer in connection with the acquisition of the subsoil use right.

6. Given the specifics provided for by paragraph 4 of Article 722-1 of this Code, the amount of expenses indicated in paragraph 1 of this Article in relation to a contract for the exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects) is determined by applying to such expenses the following conditional coefficient:

1.5 - under a contract for exploration and production or production of hydrocarbons on complex onshore projects;

2.0 - under a contract for exploration and production or production of hydrocarbons on complex offshore projects.

Footnote. Article 258 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 259. Features of deductions of expenses for geological study and preparatory works for the extraction of natural resources and other deductions of a subsoil user operating under a contract for exploration and (or) combined exploration and extraction of hydrocarbons

1. As to expenses specified in paragraph 1 of Article 258 of this Code, incurred by the subsoil user from January 1, 2018 under a contract for exploration and (or) combined exploration and extraction (during the exploration period), a subsoil user has the right to form a separate group of depreciable assets for the purposes of allocating them to deductibles under other contracts for extraction and (or) combined exploration and extraction (during the extraction period) of the subsoil user.

As to these expenses, the subsoil user calculates depreciation allowances by applying the depreciation rate determined at the discretion of the subsoil user, but not more than 25 percent

, to the amount of accrued expenses for the group of depreciable assets provided for by this paragraph at the end of each taxable period.

In this case, these depreciation allowances are allocated to deductibles under other contracts for extraction and (or) combined exploration and extraction (during the extraction period) of this subsoil user through their distribution by the share of direct income attributable to each specific contract for extraction and (or) combined exploration and extraction (received in the extraction period) in the total amount of direct income received by the subsoil user under such contracts for a taxable period.

2. The right to form a separate group established by this article shall be granted in the taxable period in which first expenses specified in paragraph 1 of this article are incurred. In this case, if at the time of formation of such a separate group,the subsoil user does not have another contract for extraction and (or) combined exploration and extraction (during the extraction period), the right to form such a separate group is granted in the taxable period in which the contract for extraction was concluded and (or) the period of extraction under the contract for combined exploration and extraction began.

However, such a right is not subject to revision until the end of an exploration contract or a contract for combined exploration and extraction (prior to the extraction period).

3. Prior to the calculation of depreciation allowances for a taxable period, a separate group of depreciable assets, formed in accordance with this article, shall be reduced by the amount of income specified in paragraph 4 of Article 258 of this Code received under the relevant contract.

If the amount of such income exceeds the size of a separate group of depreciable assets, formed in accordance with this article, the excess amount reduces a separate group of depreciable assets, formed in accordance with Article 258 of this Code, under a relevant exploration contract or a contract for combined exploration and extraction (prior to the extraction period). Without a separate group of depreciable assets formed in accordance with Article 258 of this Code, the amount of such excess is included in total annual income.

4. A subsoil user is obliged to maintain separate tax accounting for a separate group of depreciable assets, formed in accordance with this article, and a separate group of depreciable assets, formed in accordance with Article 258 of this Code, within the framework of a relevant contract for exploration and (or) combined exploration and extraction (during the exploration period).

5. From the taxable period in which the period of extraction under a combined exploration and extraction contract began or in which an extraction contract is concluded on the basis of discovery and appraisal of a field as part of the exploration contract, the value of a separate group of depreciable assets, formed in accordance with this article, not earlier allocated to deductibles, is subject to deduction in accordance with the procedure specified in Article 258 of this Code within the framework of such a contract for extraction or combined exploration and extraction.

6. In case of termination of an exploration and (or) combined exploration and extraction contract (during the exploration period), the value of a separate group of depreciable assets, formed in accordance with this article, not allocated to deductibles, at the time of such termination is not deductible, except for the case established by paragraph 5 of this article.

Article 260. Deduction of expenses for preparatory works for uranium mining using ISL method after commencement of extraction after commercial discovery

1. Costs of (expenses for) acquisition and (or) creation of depreciable assets actually incurred by a subsoil user in the preparation of processing facilities (well fields) for the extraction of uranium using ISL method in the period after commencement of extraction after commercial discovery form a separate group of depreciable assets under a relevant subsoil use contract.

The depreciable assets indicated in this paragraph include:

1) production, injection and monitor wells, semi-wildcats constructed at processing facilities (well fields), including expenses for their geophysical study;

2) process pipelines constructed from processing facilities (well fields) to a sand pond at an industrial site for processing pregnant solutions, including production and injection reservoirs at processing facilities (well fields);

3) process pipelines constructed between processing facilities (sections of well fields);

4) process pipelines constructed at processing facilities (well fields);

5) header houses built at processing facilities (well fields);

6) units for distribution of pregnant solutions built at processing facilities (well fields);

7) units for reception of technical solutions built at processing facilities (well fields);

8) units for acid reception and liquid reagent warehouses, as well as acid pipes built at processing facilities (well fields);

9) industrial pumping stations with equipment and instrumentation installed at processing facilities (well fields);

10) pumps for pumping solutions with equipment and instrumentation installed at processing facilities (well fields) at the stage of mining-and-preparatory works;

11) submersible pumps with control cabinets installed at processing facilities (well fields) at the stage of mining-and-preparatory works;

12) power supply facilities installed or built at processing facilities (well fields): transformer substations, compressor stations, air lines, cable lines;

13) control and process automation equipment installed at processing facilities (well fields);

14) air ducts at processing facilities (well fields);

15) access roads to processing facilities (well fields) and inside them;

16) sand ponds or tanks of pregnant solutions and leach solutions at processing facilities (well fields);

17) protection against sand blowout at processing facilities (well fields);

18) sulfuric acid for acidification.

The cost of depreciable assets referred to in this paragraph includes costs of (expenses for) the acquisition and (or) creation of assets, as well as other costs (expenses) that are subject to inclusion in the value of such assets in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements.

In addition to the above, in the cases provided for by this Code, the amount of expenses specified in this paragraph allocated to a separate group of depreciable assets shall not exceed the established norms for allocating such expenses to deductibles for corporate income tax purposes.

2. Costs (expenses) specified in paragraph 1 of this article shall be deducted from total annual income in the form of depreciation allowances from the commencement of extraction after commercial discovery of minerals.

In this case, the amount of depreciation allowances, calculated in accordance with this article, is deductible up to the amount of depreciation allowances of such a group of assets calculated on the basis of taxpayer's accounting records.

The amount of depreciation allowances is determined in accordance with the accounting method for a group of depreciable assets, formed in accordance with paragraph 1 of this article, for processing facilities or a field (well field) as a whole using the following formula:

$$S = \frac{C1 + C2 + C3}{V1 + V2 + V3} \times V4,$$ где:

S - the amount of depreciation allowances;

C1 - the value of a separate group of depreciable assets at the beginning of a taxable period;

C2 - costs of (expenses for) preparatory works for extraction specified in paragraph 1 of this article incurred in a current taxable period;

C3 - the cost of a separate group of depreciable assets specified in paragraph 3 of this article, acquired from third parties or received as a contribution to the authorized capital in connection with the acquisition of the subsoil use right;

V1 - physical quantity of ready-for-extraction uranium reserves at the beginning of a taxable period;

V2 - physical quantity of ready-for-extraction uranium reserves, for which extraction all the preparatory works were completed during a taxable period;

V3 - physical quantity of ready-for-extraction uranium reserves, purchased from third parties or received as a contribution to the authorized capital in connection with the acquisition of the subsoil use right;

V4 – physical volume of mined uranium for the tax period.

For a taxable period in 2009, the value of a separate group of depreciable assets at the beginning of the taxable period is the amount of accrued costs of (expenses for) preparing for uranium mining determined in accordance with paragraph 1 of this article as of January 1, 2009.

In subsequent taxable periods after 2009, the value of a separate group of depreciable assets at the beginning of a taxable period is the value of this group of assets as of the end of a previous taxable period, determined in the following order:

the value of a separate group of depreciable assets as of the beginning of the taxable period

plus

costs (expenses), specified in paragraph 1 of this article for preparatory works for extraction, incurred in current taxable period,

plus

the cost of acquiring a group of depreciable assets from third parties specified in paragraph 3 of this article,

plus

the value of a group of depreciable assets received as a contribution to the authorized capital specified in paragraph 3 of this article,

minus

the amount of depreciation allowances for the taxable period.

For a taxable period in 2009, the physical quantity of ready-for-extraction uranium reserves at the beginning of a taxable period is the physical quantity of ready-for-extraction uranium reserves as of January 1, 2009.

In subsequent taxable periods after 2009, the volume of ready-for-extraction uranium reserves at the beginning of a taxable period is the physical quantity of ready-for-extraction reserves at the end of a previous taxable period determined in the following order:

the physical quantity of ready-for-extraction uranium reserves at the beginning of the taxable period

plus

the physical quantity of uranium reserves, for which extraction all the preparatory works were completed during the taxable period,

plus

the physical quantity of ready-for-extraction uranium reserves, acquired from third parties or received as a contribution to the authorized capital in connection with the acquisition of the subsoil use right,

minus

the volume of uranium mined during the tax period.

If the amount of the actual volume of mined uranium for the entire period of development of an operational unit is less than the amount of the actual volume of ready-for-mining uranium reserves of this operational unit, the remaining part of the cost of the depreciable group of assets of this operational unit shall be deducted in the tax period in which it is written off in the taxpayer's accounting record for the production cost of mining and primary processing (enrichment).

If a subsoil use activity is completed under a separate extraction or combined exploration and extraction contract, provided that a subsoil user completed subsoil use activity after the commencement of extraction after commercial discovery, the value of a separate group of depreciable assets at the end of a taxable period is deductible in the taxable period in which such activity was completed.

3. The procedure established by this article shall also apply to a separate group of depreciable assets specified in paragraph 1 of this article acquired from third parties and (or) received as a contribution to the authorized capital in connection with the acquisition of the subsoil use right.

In case of receipt of a separate group of depreciable assets, specified in paragraph 1 of this article, in connection with its acquisition from third parties, the value of such a group of assets is the value of its acquisition, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting. When a separate group of depreciable assets, specified in paragraph 1 of this article, is received as a contribution to the authorized capital, the value of such a group of assets is the value of the contribution specified in constituent documents of a legal entity.

Footnote. Article 260 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 261. Deduction of subsoil user’s expenses for the training of Kazakhstani personnel and social development of regions

1. Expenses actually incurred by a subsoil user for the training of Kazakhstani personnel who are not subsoil user’s employees, as well as social development of regions, are deductible up to the amount stipulated ina subsoil use contract.

Subsoil user’s expenses for the training, advanced training or retraining of an employee in a speciality related to the production activity of a subsoil user are deductible in accordance with Article 257 of this Code.

2. Expenses specified in paragraph 1 of this article actually incurred by a subsoil user prior to the commencement of extraction after commercial discovery shall be deductible in the manner specified in Article 258 of this Code, up to the amount stipulated in a subsoil use contract.

3. For the purposes of this Article, expenses actually incurred by a subsoil user are recognized as:

1) those for the training of Kazakhstani personnel, including:

money for the training, advanced training and retraining of citizens of the Republic of Kazakhstan;

money transferred to the state budget for training, advanced training and retraining of citizens of the Republic of Kazakhstan;

actual expenses incurred by the taxpayer in order to perform the subsoil user's duty in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use with regard to the financing of training and retraining of citizens of the Republic of Kazakhstan in the form of acquisition of goods, works and services required for the improvement of material and technical base of educational establishments training personnel in specialities directly related to the subsoil use sphere that are located in a region, a city of national significance, the capital, according to the list provided by local executive bodies of a region, a city of national significance, the capital and approved by the competent authority;

2) those for social development of a region – expenses for the development and maintenance of social infrastructure of a region, as well as money transferred for these purposes to the state budget.

Article 262. Deduction of the amount of negative exchange rate difference in excess of the amount of positive exchange rate difference

If the amount of the negative exchange rate difference exceeds the amount of the positive exchange rate difference, the excess amount is subject to deduction.

Article 263. Deduction of taxes and payments to the budget

1. Unless otherwise established by this article, in a reporting taxable period, taxes and payments to the budget paid to the state budget of the Republic of Kazakhstan or another state are deductible:

1) in a reporting taxable period up to the amount of assessed and (or) calculated ones for the reporting taxable period and (or) taxable periods preceding the reporting taxable period;

2) in taxable periods preceding the reporting taxable period up to the amount of assessed and (or) calculated ones for the reporting taxable period.

In this case,paid amounts of taxes and payments to the budget are determined with account of offsets according to the procedure established by Articles 102 and 103 of this Code.

Taxes and payments to the budget are calculated and assessed in accordance with the tax legislation of the Republic of Kazakhstan or another state (for taxes and payments paid to the budget of another state).

2. As to a loan received from a non-resident bank with foreign participation in the authorized capital of such a bank at the time of conclusion of a loan agreement under which corporate income tax at the source of payment shall be paid from the borrower's own funds

from the amount of interest payable to the non-resident bank, the specified tax at the source of payment is deductible provided that the amount of such a loan exceeds 10,000,000 times the monthly calculated index established by the law of the Republic of Kazakhstan on the national budget and effective as of January 1 of a relevant taxable period.

3. Not subject to deduction:

1) are taxes excluded prior to determining total annual income;

2) is corporate income tax and taxes on income (profit), similar to corporate income tax of legal entities paid in the territory of the Republic of Kazakhstan and in other states;

3) are taxes paid in countries with preferential taxation;

4) is excess profits tax;

5) is an alternative tax on subsoil use.

Article 264. Non-deductible expenses

Not subject to deduction:

1) are expenses not related to profit-oriented activities;

1-1) excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

1-2) expenses of a person engaged in digital mining activities, for services provided by the digital mining pool;

2) are expenses for transactions without actual performance of works, rendering of services, shipment of goods that were carried out with a taxpayer, whose head and (or) founder (participant) is not involved in registration (reregistration) and (or) financial and economic activities of such a legal entity, established by a final and binding court judgment, except for transactions for goods, works, services actually received from such a taxpayer as established by court;

3) are expenses for transactions with a taxpayer recognized inactive in the manner specified in Article 91 of this Code, from the date of issuing an order to recognize it as inactive;

4) expenses for the amount indicated in the invoice and (or) other document, the extract of which is recognized by an enforced court ruling or resolution of criminal investigation body on terminating the pre-trial investigation on non-rehabilitating grounds, as committed by a private business entity without actually performing work, rendering of services, shipment of goods;

5) are expenses for a transaction declared invalid by a final and binding court judgment;

6) are forfeits (fines, penalties) (to be) paid to the budget, except for forfeits (fines, penalties) (to be) paid to the budget under public procurement contracts;

7) is the amount of expenses, for which this Code establishes rates to be allocated to deductibles, in excess over the maximum amount of deduction calculated using the specified rates;

8) is the amount of taxes and payments to the budget calculated (assessed) and paid in excess of the amounts established by the legislation of the Republic of Kazakhstan or another state (on taxes and payments paid to the budget of another state);

9) are costs of acquisition, production, construction, assembly, installation and other costs included in the value of social facilities provided for in Article 239 of this Code, as well as expenses for their operation;

10) is the value of property transferred by the taxpayer free of charge, unless otherwise provided for by this Code. The cost of works performed and services rendered free of charge is determined up to the amount of expenses incurred in connection with such performance of works, rendering of services;

11) is VAT amount in excess over VAT amount for a taxable period received by a taxpayer applying Article 411 of this Code;

12) are contributions to reserve funds, except for deductions provided for in Articles 250, 252 and 253 of this Code;

13) is the book value of inventories transferred under a contract of purchase and sale of an enterprise as a property complex;

14) is the amount of an additional payment paid by a subsoil user operating under a production sharing contract;

15) are expenses of a taxpayer included in accordance with Article 228 of this Code in the initial value of non-depreciable assets;

16) are expenses related to the sale of minerals transferred by a subsoil user to fulfill the tax obligation in kind;

17) is the value of volumes of minerals transferred by a subsoil user to fulfill the tax obligation in kind - from a recipient on behalf of the state;

18) is the book value of assets transferred into temporary possession and use under a contract of property lease (rent), except for a lease agreement;

19) is the value of volumes of minerals transferred by a subsoil user to fulfill the tax obligation in kind;

Subparagraph 20) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

20) are expenses of a bank’s subsidiary acquiring doubtful and bad assets of its parent bank:

in the form of money received by this subsidiary, in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity, and transferred to the parent bank;

not related to the implementation of activity provided for by the legislation of the Republic of Kazakhstan on banks and banking activity;

21) are expenses of a non-commercial organization for the income specified in paragraph 2 of Article 289 of this Code;

22) expenses of an individual entrepreneur registered as a value added tax payer, or a legal entity on the account of another individual entrepreneur registered as a value added tax payer, or a legal entity under a civil law transaction, which are paid in cash, inclusive of value added tax, regardless of the frequency of payment, in an amount exceeding 1000 times the monthly calculation index established by the law on the republican budget and effective as of the payment date.

23) costs of acquisition from a non-resident - a related party registered in a state with preferential taxation, of management, consulting, advisory, auditing, design, legal, accounting , attorney, advertising, marketing, franchising, financial (except for remuneration expenses), engineering , agency services, royalties, rights to use intellectual property objects.

For the purposes of part one of this subparagraph, the following shall be recognized as related entities:

individuals indicated in paragraph 2 of Article 1 of this Code;

a legal entity that, together with another legal entity, is part of the same group of companies;

individuals and (or) legal entities, when the relationship between such persons has signs of interconnectedness, regardless of the conditions specified in this part. In this case, if the taxpayer does not recognize the interconnectedness, such recognition shall be established by the court on the basis of the tax authority's claim.

For the purposes of part two of this subparagraph, a group of companies shall mean a structure of commercial and non-commercial organizations, including a parent company and companies whose shares, stakes and other equity instruments such a parent company directly or indirectly owns.

24) expenses incurred through subsidies, allocated from the reserve of the Government of the Republic of Kazakhstan and local executive bodies, receiving grants or other gratuitous assistance to energy producing organizations, one hundred percent shares (stakes in the authorized capital) of which are owned by the state, in communal property that simultaneously engage in the production of electricity, water (distillate), and thermal energy.

Footnote. Article 264 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); dated 06.02.2023 № 196-VII (shall be enforced from 01.04.2023) ; dated 12.12.2023 № 45-VIII (enforcement, see Art.2); dated 26.12.2025 № 244 (shall come into effect from 01.01.2024).

Subchapter 3. Deductions of fixed assets

Article 265. Deductions of fixed assets

Subject to deduction:

1) are depreciation allowances calculated in accordance with Article 271 of this Code;

2) is the value balance of a subgroup (group) as of the end of a taxable period in accordance with paragraphs 2 and 4 of Article 273 of this Code;

3) are subsequent expenses in accordance with Article 272 of this Code.

Article 266. Fixed assets

1. Unless otherwise provided for by this article, fixed assets include:

1) fixed assets, investments in real estate, intangible and biological assets, accounted for upon receipt in the taxpayer's accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and intended for the use in profit-oriented activities in the reporting and (or) upcoming periods, with the exception of the assets specified in subparagraph 2) of this paragraph;

2) assets with a service life of more than one year, transferred by a concession grantor into possession and use of a concessionaire (successor or legal entity specially set up by the concessionaire exclusively for the implementation of the concession agreement) under a concession agreement;

3) assets with a service life of more than one year, which are intended for use for more than one year in a profit-oriented activity, which are received into trust management by a trust manager;

4) subsequent expenses incurred in respect of property received under a contract of property lease (rent), except for a lease agreement, and recognized as a long-term asset in accounting records;

5) property transferred under a property lease (rent) agreement not accounted for as fixed assets, investments in real estate, intangible or biological assets after transfer under such an agreement, except for property transferred under a lease agreement – with regards to a lessor.

2. Fixed assets do not include:

1) fixed assets and intangible assets put into operation by a subsoil user before the commencement of extraction after commercial discovery and accounted for tax purposes in accordance with Article 258 of this Code;

2) assets for which depreciation costs are not calculated in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for:

assets specified in subparagraphs 2) and 4) of paragraph 1 of this article;

biological assets, investments in real estate, for which depreciation costs are not calculated due to accounting for such assets at fair value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) land;

4) museum valuables;

5) pieces of architecture and art;

6) public facilities: motor roads, except for roads that are concession objects built and (or) received by a concessionaire under a concession agreement, sidewalks, boulevards, squares;

7) capital construction in progress;

8) objects related to the film fund;

9) state standards of measurement units of the Republic of Kazakhstan;

10) fixed assets, the value of which was earlier fully allocated to deductibles in accordance with the tax legislation of the Republic of Kazakhstan that was effective before January 1, 2000;

11) intangible assets with an indefinite useful life, recognized as such and accounted for in the taxpayer's balance sheet in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

12) assets put into operation within an investment project under contracts granting the right of additional deductions from total annual income, concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan on investments;

13) assets put into operation within an investment project under contracts granting corporate income tax exemption, concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan on investments, to the extent of the value allocated to deductibles before January 1, 2009;

14) objects of preferences during three taxable periods following the taxable period in which such facilities were put into operation, except for cases provided for by paragraph 14 of Article 268 of this Code;

15) assets with a service life of more than one year, being social facilities provided for in Article 239 of this Code;

16) assets specified in Article 260 of this Code;

17) assets received into temporary possession and use under a property lease (rent) agreement accounted for as fixed assets, investment in real estate, intangible or biological assets after receipt under such an agreement, except for assets received under a lease agreement - with regards to a lessee;

18) assets for which taxable income was reduced in accordance with subparagraph 7) of part one of paragraph 1 of Article 288 of this Code.

Footnote. Article 266 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 24.06. 2021 № 53-VII (effective from 01.01.2022).

Article 267. Determination of the value balance

1. Fixed assets shall be accounted for by groups formed in accordance with the classification established by the authorized state body exercising state regulation in technical regulation area, in the following order:

Item №	Group №	Fixed assets

1	2	3
1.	I	Buildings, structures, except for oil, gas wells and transfer devices
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas production, as well as computers and information processing equipment
3.	III	Computers, software and information processing equipment
4.	IV	Fixed assets not included in other groups, including oil, gas wells, transfer devices, machinery and equipment for oil and gas production

Each group I item is equated to a subgroup.

2. With respect to each subgroup (of group I), group, final amounts are determined at the beginning and at the end of a taxable period, which are called the value balance of a subgroup (of group I), group.

The value balance of group I consists of value balances of subgroups for each item of fixed assets and the value balance of a subgroup formed in accordance with subparagraph 2) of paragraph 2 of Article 272 of this Code.

3. The residual value of group I fixed assets is the value balance of subgroups at the beginning of a taxable period with account of adjustments made in the taxable period in accordance with Article 272 of this Code.

4. Fixed assets are accounted for:

1) as broken down by fixed assets, each of which forms a separate subgroup of the group' s balance value – with regard to group I;

2) as broken down by groups' value balances – with regard to groups II, III and IV.

5. Received fixed assets increase relevant balances of subgroups (with regard to group I), groups (with regard to the rest groups) by the value determined in accordance with Article 268 of this Code in the manner specified in this article.

6. Disposed fixed assets reduce relevant balances of subgroups (with regard to group I), groups (with regard to the rest groups) by the value determined in accordance with Article 270 of this Code, in the manner specified in this article.

7. The value balance of a subgroup (of group I), a group at the beginning of a taxable period is determined as:

the value balance of a subgroup (of group I), a group at the end of a previous taxable period

minus

the amount of depreciation allowances calculated in a previous taxable period,

minus

adjustments made in accordance with Article 273 of this Code.

The valuebalance of a subgroup (of group I), a group at the beginning of a taxable period shall not be negative.

8. The value balance of a subgroup (of group I), a group at the end of a taxable period is determined as:

the balance value of a subgroup (of group I), a group at the beginning of a taxable period

plus

fixed assets received in a taxable period

minus

fixed assets disposedof in a taxable period

plus

adjustments made in accordance with paragraph 2 of Article 272 of this Code.

9. A trust manager shall form separate value balances of groups (subgroups) for fixed assets specified in subparagraph 3) of paragraph 1 of Article 266 of this Code and maintain separate tax accounting for such assets on the basis of Articles 194 and 195 of this Code.

10. A taxpayer is obliged to form separate value balances of groups (subgroups) in terms of the value, not deducted before January 1, 2009, of fixed assets put into operation before and (or) after January 1, 2009 as part of an investment project under contracts granting corporate income tax exemption, concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship.

Footnote. Article 267 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 268. Receipt of fixed assets

1. Fixed assets increase the value balance of groups (subgroups) by the initial value of the said assets at their receipt, including that under a lease agreement and also from their transfer from inventories.

Recognition of receipt of fixed assets for the purposes of taxation means the inclusion of received assets in fixed assets.

2. Unless otherwise provided by this article, the initial cost of fixed assets is defined as the sum of expenses incurred by the taxpayer as of the date of the fixed asset recognition in accordance with paragraph 1 of Article 266 of this Code. Such expenses include the costs of a fixed asset acquisition, production, construction, assembly and installation, as well as other expenses that increase its value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except:

costs (expenses) not subject to deduction in accordance with subparagraphs 2), 3), 4) and 5) of Article 264 of this Code;

depreciation allowances.

2-1. A subsoil user under a contract for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects) shall

determine the initial cost of assets in the manner prescribed by this article, using the appropriate coefficient provided for in paragraph 6 of Article 258 of this Code.

3. Unless otherwise provided by this paragraph, the initial cost of a fixed asset received by transfer from reserves or assets held for sale is its book value determined as of the date of such receipt in accordance with international financial reporting standards and (or) legal requirements Republic of Kazakhstan on accounting and financial reporting.

The initial cost of a fixed asset, earlier derecognized as a fixed asset, received by transfer from reserves or assets held for sale, is its book value determined as of the date of such receipt in accordance with International financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, not exceeding the cost indicated in paragraph 2 of Article 270 of this Code.

4. In the event of gratuitously received fixed assets, the initial value of fixed assets is their value included in the total annual income in accordance with Article 238 of this Code in the form of property received gratuitously, inclusive of the actual expenses that increase the value of such assets upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, with the exception of costs (expenses) not included in the initial value of fixed assets on the basis of paragraph 2 of this article.

5. When a state enterprise receives from a state institution fixed assets assigned on the basis of the right of economic management or operational management of such an enterprise, the initial value of the fixed assets is the book value of the received assets indicated in the deed of transfer of the said assets, inclusive of the actual costs increasing the value of such assets upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, with the exception of costs (expenses) not included in the initial value of fixed assets on the basis of paragraph 2 of this article.

6. When received as a contribution to the authorized capital, the initial value of a fixed asset is the value of the asset specified in the transfer certificate or, in the absence of such a certificate, in another document confirming the actual contribution and the value of the asset, inclusive of the actual costs increasing the value of such assets upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for costs (expenses) not included in the initial value of fixed assets on the basis of paragraph 2 of this article.

The value of assets received in payment for a contribution to the authorized capital is accounted for up to the amount of the contribution to the authorized capital, against which the asset was applied.

7. Upon receipt of a fixed asset in connection with reorganization by merger, accession, division or spin-off of a taxpayer, the initial cost of such an asset shall be its book value

indicated in the deed of transfer or separation balance sheet, except for the cases provided for in parts two and three of this paragraph, inclusive of actual costs that increase the value of such an asset upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for costs (expenses) not included in the initial cost of fixed assets on the basis of paragraph 2 of this article.

The value balance of a subgroup (group) of a newly emerged legal entity created by merger, or a legal entity to which another legal entity has joined, shall be increased by the value of the transferred fixed assets according to tax accounting data if such value is reflected in the transfer deed in accordance with part two of paragraph 6 of Article 270 of this Code.

The value balance of a subgroup (group) of a newly emerged legal entity created by separation in accordance with a decision of the Government of the Republic of Kazakhstan, or by separation from a legal entity that is monitored by large taxpayers at the date of reorganization, shall include the value of transferred fixed assets according to tax accounting data in the event reflection of such value in the deed of transfer in accordance with parts two and three of paragraph 6 of Article 270 of this Code.

8. When a trust manager receives fixed assets into trust management, the initial value of such fixed assets is:

1) that determined in accordance with paragraph 10 of Article 270 of this Code – if these assets were held as fixed ones by the transferor;

2) that determined based on the data in a transfer certificate of the said assets - in other cases.

9. Upon receipt of fixed assets from a trust manager in connection with the termination of obligations for trust management, the initial value of such fixed assets is:

1) that determined in accordance with paragraph 11 of Article 270 of this Code - if these assets were held as fixed ones by that trust manager;

2) that determined in accordance with paragraph 10 of Article 270 of this Code, reduced by the amount of depreciation allowances. In this case, depreciation allowances are calculated for each taxable period of trust management preceding areporting taxable period, proceeding from the maximum depreciation rate prescribed by this Code for a relevant group of fixed assets applied to the initial value reduced by the amount of depreciation allowances for previous periods - in other cases.

10. When fixed assets are received by a concessionaire (by a successor or a legal entity established by the concessionaire exclusively for implementation of a concession agreement) under a concession agreement, the initial value of such fixed assets is the value determined in accordance with paragraph 12 of Article 270 of this Code, and with no such value – the value in accordance with the procedure determined by the authorized body.

11. In case of receipt of fixed assets by a concession grantor upon termination of a concession agreement, the initial value of such fixed assets is that determined in accordance with paragraph 13 of Article 270 of this Code.

12. The initial value of fixed assets of an insurance, reinsurance company as of January 1, 2012 is the book value of fixed assets, investments in real estate, intangible assets, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting excluding revaluations and impairments as of that date.

13. Fixed assets earlier disposed of due to temporary cessation of use in profit-oriented activities are subject to inclusion at the disposal value in the value balance of the fixed assets' group in the taxable period in which such fixed assets are put into operation for use in profit-oriented activities, with account of expenses to be allocated to increase in the value of such assets in accordance with Article 272 of this Code.

14. Assets, for which preferences are canceled,shall be included in the value balance of a group (subgroup) in the cases specified in paragraph 4 of Article 276 of this Code at their initial value determined in accordance with this article.

15. An object of preferences, after expiration of three taxable periods following the taxable period in which this object was put into operation, in addition to the assets specified in paragraph 13 of this article, shall be included in the value balance of a group (subgroup) at zero value in the case specified in paragraph 6 of Article 276 of this Code.

16. The initial value of the fixed asset specified in subparagraph 4) of paragraph 1 of Article 266 of this Code shall be the expenses of repair, reconstruction, modernization, maintenance and other expenses incurred by the taxpayer in respect of the property received under a property lease (rent) agreement, except for a leasing agreement. In accordance with this paragraph, those expenses shall be accounted for which are incurred until the day of their recognition in accounting as a long-term asset, increasing its value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting standards.

17. The initial value of a fixed asset received under a lease agreement is that at which the leased asset is received.

18. When a lessee returns a leased asset to a lessor, the initial value of a fixed asset is positive difference between the value at which the leased asset is transferred under the lease agreement and the value of the leased asset included in the amount of lease payments for the period running from the date of transfer until the date of return of the leased asset.

Footnote. Article 268 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) .

Article 269. Compilation of the value balance of a group (subgroup) in individual cases

1. Unless otherwise provided for in this article, when a taxpayer switches from a special tax regime for small business entities or peasant or farm enterprises to a standard one, the initial value of fixed assets is the cost of their acquisition reduced by the estimated amount of depreciation.

Unless otherwise provided for in this article, the acquisition cost is the aggregate of costs of acquisition, production, construction, assembly, installation, reconstruction and modernization performed prior to the operation of an asset, except for costs (expenses) specified in subparagraphs 1) - 6) and 8) Article 264 of this Code.

If an asset was earlier received free of charge, for the purposes of this article, the cost of acquiring such an asset is its value included in a taxable item in accordance with paragraph 2 of Article 681 of this Code in the form of property received free of charge.

As to assets received in the form of charitable assistance, inheritance, except for the case provided for in part two of this paragraph, the cost of acquiring an asset is the market value of an asset as of the date of the right of ownership of the asset as determined in a report on appraisal conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activity.

The estimated amount of depreciation is determined as the product of the following values :

the cost of acquisition of an asset determined in accordance with this paragraph;

the maximum monthly depreciation rate provided for in paragraph 3 of this article;

the number of months after the daythe asset was first put into operation by such a taxpayer .

2. Unless otherwise established by this Article, expenses for reconstruction and modernization of a fixed asset made after the commencement of its operation are recognized as a separate fixed asset with an initial value equal to the amount of such expenses, except for costs (expenses) specified in subparagraphs 1) - 6) and 8) of Article 264 of this Code, reduced by the estimated amount of depreciation.

The estimated amount of depreciation is determined as the product of the following values :

the amount of expenses for reconstruction and modernization, determined in accordance with this paragraph;

the maximum monthly depreciation rate provided for in paragraph 3 of this article;

the number of months after the completion of reconstruction, modernization.

For the purposes of this paragraph, paragraph 3 of Article 334 and paragraph 6 of Article 520 of this Code, reconstruction and modernization are recognized as reconstruction and modernization, the results of which are altogether:

alteration, including renewal, of a fixed asset’s design;

increase in the fixed asset’s service life by more than three years;

improvement of technical characteristics of a fixed asset compared to those at the beginning of a calendar month in which the fixed asset is temporarily taken out of service for reconstruction and modernization.

3. Depending on a group in which a fixed asset is to be included in accordance with paragraph 1 of Article 267 of this Code, the following monthly depreciation rates apply:

Item №	Group №	Fixed assets	Monthly depreciation rate, %
1.	I	Buildings, structures, except for oil, gas wells and transfer devices	0,83
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas production, as well as computers and information processing equipment	2,08
3.	III	Computers, software and information processing equipment	3,33
4.	IV	Fixed assets not included in other groups, including oil, gas wells, transfer devices, machinery and equipment for oil and gas production	1,25

For the purposes of applying paragraph 2 of this article, a fixed asset created as a result of reconstruction and modernization is included in the group in which a fixed asset that underwent reconstruction and modernization is to be included.

4. The initial value of fixed assets is determined in accordance with this paragraph provided all of the following requirements are met:

a taxpayer applying special tax regime for small business entities or special tax regime for peasant or farm enterprises, shall switch to a standard procedure;

a taxpayer applied special tax regime for small business entities or special tax regime for peasant or farm enterprises less than 12 calendar months;

a taxpayer applied a standard procedure prior to switching to special tax regime for small business entities or special tax regime for peasant or farm enterprises.

The initial value of fixed assets is determined on the basis of the size of the value groups (subgroups) as of the day preceding the day of application of special tax regime for small businesses or special tax regime for peasant or farm enterprises and deductions for fixed assets determined in accordance with Articles 266-268 and 270 - 273 of this Code, during the application of special tax regime for small businesses or special tax regime for peasant or farm enterprises.

Article 270. Disposal of fixed assets

1. Unless otherwise established by this article, disposal of fixed assets is:

1) termination of recognition of these assets in accounting as fixed assets, investment in real estate, intangible and biological assets, except for cases of termination of recognition as a result of full depreciation and (or) impairment, transfer under a property lease (rent) agreement;

2) transfer of assets under a lease agreement;

3) allocation of these assets to assets held for sale, inventories;

4) with respect to fixed assets indicated in subparagraph 5) of paragraph 1 of Article 266 of this Code - termination of a property lease (rent) agreement, if the asset recognized in accounting after termination of the property lease (rent) agreement is not allocated to fixed assets.

For tax purposes, recognitionof disposal of fixed assets means the exclusion of disposed assets from fixed assets.

2. Unless otherwise established by this article, the cost balance of a subgroup (group) is reduced by the book value as of the date of disposal determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting:

1) of fixed assets being disposed of;

2) of an asset accounted for after the termination of a property lease (rent) agreement - in respect of fixed assets specified in subparagraph 5) of paragraph 1 of Article 266 of this Code

.

3. When selling fixed assets, except for transfer under a lease agreement, the value balance of a subgroup (group) is reduced by the selling price ex VAT.

If the sale and purchase agreement, including the sale and purchase agreement of an enterprise as a property complex, does not specify the sale price in terms of fixed assets, the cost balance of the subgroup (group) is reduced by the book value of the retired fixed assets, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, as of the date of sale.

When transferring fixed assets under a lease agreement, the value balance of a subgroup (group) is reduced by the value at which the leased asset is transferred in accordance with such an agreement.

4. In case of fixed assets' transfer free of charge, the value balance of a subgroup (group) is reduced by the value of transferred assets specified in a certificate of transfer of the said assets, but not less than the book value of the said assets according to accounting data as of the date of transfer.

5. When transferring fixed assets as a contribution to the authorized capital, the value balance of a subgroup (group) is reduced by the value determined in accordance with the civil legislation of the Republic of Kazakhstan.

6. Unless otherwise provided by this paragraph, upon disposal of fixed assets as a result of reorganization by merger, acquisition, separation or spin-off, the value balance of the subgroup (group) of the reorganized legal entity shall be reduced by the book value of the transferred assets indicated in the transfer deed or separation balance sheet.

In case of reorganization by separating a legal entity in accordance with the decision of the Government of the Republic of Kazakhstan or by separating from a legal entity that is on the monitoring of large taxpayers at the date of reorganization, as well as in case of reorganization by merger, accession, taxpayers shall have the right for tax accounting purposes to reflect in the transfer act the value of the transferred fixed assets according to tax accounting data of the reorganized legal entity:

1) for fixed assets of group I - the residual value of fixed assets calculated in the manner specified in paragraph 3 of Article 267 of this Code;

2) for fixed assets of II, III, IV groups, subject to the transfer of all fixed assets of the group - the value of the value balance of the group, calculated in the manner specified in paragraph 8 of Article 267 of this Code. The provisions of this sub-paragraph shall also apply to the value balances of groups formed in accordance with the rules for maintaining separate tax accounting provided for in Article 194 of this Code.

The value balance of a subgroup (group) of a legal entity reorganized by merger, acquisition, as well as spin-off in the cases specified in part two of this paragraph shall be reduced by the value of the transferred fixed assets according to tax accounting data, reflected in the transfer act in accordance with this paragraph.

7. In case of seizure of property by a founder or a participant, the value balance of a subgroup (group) is reduced by the value agreed by founders, participants.

8. In case of loss, damage to fixed assets, in connection with which the recognition of an asset in accounting is terminated:

1) in cases of insurance of fixed assets - the value balance of a subgroup (group) is reduced by a value equal to the amount of insurance payments to an insurant by an insurance organization under an insurance contract;

2) without insurance of fixed assets of group I - the value balance of relevant subgroups is reduced by the residual value of fixed assets calculated in accordance with the procedure specified in paragraph 3 of Article 267 of this Code;

3) without insurance of fixed assets, except for fixed assets of group I, disposal is not stated.

8-1. was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII.

9. When a lessee returns a leased asset to a lessor the value balance of a subgroup (group) is reduced by positive difference between the initial value at which the asset was recognized in tax accounting and the value of the leased asset included in the amount of lease payments for the period running from the date of receipt until the date of return of the leased asset.

10. When transferring fixed assets into trust management, the value balance of a group (subgroup) is reduced:

1) by the residual value of fixed assets – with respect to group I;

2) for II, III and IV groups – by the book value determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, as of the date of sale.

11. A trust manager terminating his/her obligations for trust management reduces the value balance of a group (subgroup):

1) by the residual value of fixed assets calculated in accordance with the procedure specified in paragraph 3 of Article 267 of this Code – with respect to group I;

2) with respect to groups II, III and IV:

when transferring all the assets of a group - by the value of the group's value balance, calculated in the manner specified in paragraph 8 of Article 267 of this Code;

in other cases - by the initial value of transferred assets, determined in accordance with Article 268 of this Code, reduced by the amount of depreciation allowances. In this case, depreciation allowances are calculated for each taxable period of trust management preceding a reporting taxable period, proceeding from the maximum depreciation rate, prescribed by this Code for a relevant group of fixed assets, applied to the initial value reduced by the amount of depreciation allowances for previous periods.

12. When transferring fixed assets to a concessionaire under a concession contract, the value balance of a group (subgroup) of a concession grantor is reduced:

1) by the residual value of fixed assets, calculated in accordance with the procedure specified in paragraph 3 of Article 267 of this Code – with respect to group I;

2) by the value in accordance with the procedure determined by the authorized body – with respect to groups II, III and IV.

13. When transferring fixed assets to a concession grantor upon termination of a concession contract, the value balance of a group (subgroup) of a concessionaire is reduced:

1) by the residual value of fixed assets, calculated in accordance with the procedure specified in paragraph 3 of Article 267 of this Code – with respect to group I;

2) by the value in accordance with the procedure determined by the authorized body – with respect to groups II, III and IV.

14. In case of temporary cessation of use of fixed assets in profit-oriented activities:

1) disposal of fixed assets of group I used in seasonal production is not stated;

2) with respect to other fixed assets of group I, the value balance of respective subgroups is reduced by the residual value of fixed assets calculated in the manner specified in paragraph 3 of Article 267 of this Code. The subgroup's value balance is decreased when taxable periods for temporary taking an asset out of serviceand its putting into operation after temporary cessation of use do not coincide;

3) the disposal is not stated with regard to groups II, III and IV.

Temporary cessation of use of fixed assets is their temporary taking out of servicewithout ceasing recognition of such assets in accounting as fixed assets, investment in real estate, intangible and biological assets.

For the purposes of this paragraph, fixed assets of group I used in seasonal production are fixed assets of group I that simultaneously meet the following requirements:

they cannot be used at the end of a reporting period due to the requirements specified in technical documentation concerning operation in certain temperature modes;

they participate in production process during a certain period of a calendar year, but not less than three months in connection with climatic, natural or technological conditions;

in a reporting taxable period, they were used in profit-oriented activities.

15. In case of disposal of a fixed asset from a subsoil user under a contract for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects), the cost balance of the subgroup (group) is reduced by the book value determined in accordance with international financial reporting standards and (or) legal requirements of the Republic of Kazakhstan on accounting and financial statements as of the date of disposal, taking into account the previously applied conditional coefficient, established by paragraph 2-1 of Article 268 of this Code.

Footnote. Article 270 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018); dated 11.07.2022 № 135-VII (enforcement, see art.3); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 271. Calculation of depreciation allowances

1. The value of fixed assets is allocated to deductibles by calculating depreciation allowances in the manner and under the conditions established by this Code.

2. Unless otherwise established by this article, depreciation allowances for each subgroup and group are determined by applying depreciation rates specified in a tax register to determine value balances of groups (subgroups) of fixed assets and subsequent expenses for fixed assets, which shall not exceed the limits established by this paragraph, to the value balance of a subgroup, a group at the end of a taxable period:

Item №	Group №	Fixed assets	Maximum rate of depreciation (%)
1	2	3	4
1.	I	Buildings, structures, except for oil, gas wells and transfer devices	10
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas production, as well as computers and information processing equipment	25

3.	III	Computers, software and information processing equipment	40
4.	IV	Fixed assets not included in other groups, including oil, gas wells, transfer devices, machinery and equipment for oil and gas production	15

3. Depreciation allowances for value balances of groups (subgroups) specified in paragraph 10 of Article 267 of this Code are determined by applying depreciation rates established by this Article to such value balances of groups (subgroups) at the end of a taxable period.

4. As to buildings and structures, except for oil, gas wells and transfer devices, depreciation allowances are determined for each facility separately.

5. In case of liquidation or reorganization of a taxpayer, switching of a legal entity from special tax regime on the basis of a simplified declaration to the calculation of corporate income tax in accordance with this Section, and also in case of termination of application of special tax regime for producers of agricultural products, aquaculture products and agricultural cooperatives, depreciation allowances are adjusted for the period of activity in a taxable period.

6. A taxpayer shall have the right to recognize buildings and facilities for production purposes put into operation in the territory of the Republic of Kazakhstan for the first time, machinery and equipment that comply with the provisions of paragraph 2 of Article 274 of this Code:

as fixed assets and deduct their value in the manner specified in paragraph 3 of this section, or

as objects of preferences and allocate their value to deductibles under the conditions and in the manner specified in paragraph 4 of this Section.

7. As to fixed assets put into operation in the Republic of Kazakhstan for the first time, a subsoil user is entitled to calculate depreciation allowances at double depreciation rates in the first taxable period of operation provided that these fixed assets are used to obtain total annual income for at least three years. These fixed assets in the first taxable period of operation are accounted for separately from the group's value balance. In a subsequent taxable period, these fixed assets are subject to inclusion in the value balance of a relevant group.

In case of disposal of a fixed asset for which depreciation allowances were calculated in accordance with this paragraph, prior to the expiration of a three-year period, the amount of deduction of the fixed asset in excess over the amount of depreciation allowances determined by maximum depreciation rates provided for in this Article shall be included in total annual income of the taxable period in which the double depreciation rate was applied.

The provisions of this paragraph apply only to fixed assets that simultaneously meet the following requirements:

1) they are assets that, due to the specific nature of their use, have a direct causal link to the implementation of activities under a subsoil use contract (contracts);

2) in tax accounting, subsequent expenses incurred by the subsoil user on these assets are not subject to distribution between activities under a subsoil use contract (contracts) and non-contract activities.

For the purposes of this paragraph, a contract for extraction of groundwater shall not be recognized as a subsoil use contract, provided that the subsoil user engaged in the extraction of groundwater is a subsoil user solely because of possessing such a right to extract groundwater and uses the extracted groundwater for soft drinks production, as well as a contract for exploration and production or production of hydrocarbons on complex projects (excluding onshore gas projects).

7-1. Given the specifics provided for in paragraph 4 of Article 722-1 of this Code, depreciation charges for each subgroup, group shall be determined by the subsoil user under a contract for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects) by applying fixed assets indicated in the tax register for determination of the cost balances of groups (subgroups) and subsequent expenses on fixed assets of depreciation rates, which should not exceed the marginal rates established by this paragraph, to the cost balance of the subgroup, group at the end of the tax period:

№	Group №	Name of fixed assets	Marginal depreciation rate (%)
1	2	3	4
1.	I	Buildings, structures, except oil and gas wells and transfer devices	15
2.	II	Machinery and equipment, except oil and gas machines and equipment, as well as computers and information processing equipment	37,5
3.	III	Computers, software and information processing equipment	60
4.	IV	Fixed assets not included in other groups, including oil and gas wells, transfer devices, machinery and equipment for oil and gas production,	22,5

8. With regard to activities providing for 100 percent reduction of corporate income tax calculated in accordance with Article 302 of this Code, taxpayers calculate depreciation allowances at the following depreciation rates:

at least 50 percent of maximum depreciation rates established by this article - regarding an organization implementing a priority investment project and not applying special tax regime;

within maximum depreciation rates established by this article - regarding other taxpayers.

Footnote. Article 271 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 272. Deduction of subsequent expenses

1. Expenses shall be recognized as subsequent if these are expenses for operation, repair, reconstruction, modernization, maintenance, liquidation and other costs incurred on the following assets, after their recognition in accounting,:

1) fixed assets, including in the period of temporary cessation of their use;

2) not related to intangible assets of fixed assets, investments in real estate, intangible and biological assets recorded in the accounting of the taxpayer in accordance with international financial statements and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements and intended for use in activities aimed at receiving income, with the exception of assets indicated:

in subparagraph 1) of paragraph 2 of Article 266 of this Code - in the period before the commencement of extraction after commercial discovery;

in subparagraphs 7) and 15) of paragraph 2 of Article 266 of this Code;

3) the assets specified in Article 260 of this Code.

Subsequent expenses include, in particular, expenses paid by the taxpayer's reserve funds, except for subsoil users' expenses paid by the liquidation fund, contributions to which are allocated to deductibles in accordance with Article 252 of this Code.

Subsequent expenses also include the costs of operation, repair, reconstruction, modernization, maintenance and others incurred on property received under a property lease (rent) agreement.

2. Unless otherwise provided for in paragraphs 3 and 4 of this article, the amount of subsequent expenses to be accounted for as an increase in the book value of assets attributable to fixed assets, assets specified in subparagraph 14) of paragraph 2 of Article 266 of this Code , as well as subsequent expenses specified in paragraph 5 of Article 276 of this Code:

1) increases the value balance of a group (subgroup) corresponding to the type of an asset;

2) with no value balance of a group (subgroup) corresponding to the type of an asset, it forms the value balance of a group (subgroup) corresponding to the asset type at the end of a current taxable period.

Subsequent expenses provided for in this paragraph are recognized, for tax purposes, in the taxable period in which they are allocated to increase the book value of assets in accounting records, except for the case provided for in paragraph13 of Article 268 of this Code.

The amount of subsequent expenses incurred on property received under a property lease (rent) agreement, except for a lease agreement, and recognized in accounting as a long-term asset shall be accounted for in accordance with Subparagraph 4) of Paragraph 1 of Article 266 of this Code as a fixed asset.

3. A taxpayer entitled to apply investment tax preferences, at his/her/its choice, may deduct subsequent expenses for the reconstruction, modernization of buildings and production facilities, as well as machinery and equipment in accordance with paragraph 2 of this article or Articles 274 - 276 of this Code.

4. As to the assets specified in subparagraph 1) of paragraph 2 of Article 266 of this Code, the amount of subsequent expenses, incurred from the commencement of extraction after commercial discovery of minerals to be accounted for as an increase in the book value of such assets, increases the amount of accrued expenses for the group of depreciable assets provided for by paragraph 1 of Article 258 of this Code at the end of a taxable period, also in case when such an amount at the end of the taxable period is zero.

For tax purposes, subsequent expenses provided for in this paragraph are recognized in the taxable period in which they are accounted for as an increase in the book value of assets.

5. Subsequent expenses, including those incurred by a lessee in respect of leased property, except for those specified in paragraphs 2 and 4 of this article, as well as subsequent expenses increasing, in accordance with paragraph 6 of Article 228 of this Code, the initial value of non-depreciable assets shall be allocated to deductibles in the taxable period in which they are incurred.

Footnote. Article 272 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018).

Article 273. Other deductions of fixed assets

1. After their disposal, except for transfer of a fixed asset of a subgroup (of group I) free of charge, the amount equal to that of the subgroup’s value balance at the end of a taxable period is recognized as a loss from the disposal of fixed assets of group I.

The value balance of this subgroup is equal to zero and is not deductible.

2. After the disposal of all fixed assets of a group (with regard to groups II, III and IV), the value balance of the relevant group at the end of a taxable period is subject to deduction, unless otherwise provided for by this article.

3. When transferring all the fixed assets of a subgroup (with regard to group I) or group (with regard to groups II, III and IV) free of charge, the value balance of the corresponding subgroup or group at the end of a taxable period is equal to zero and is not deductible.

4. A taxpayer has the right to deduct the amount of the value balance of a subgroup (group) at the end of a taxable period, which is less than 300 times the monthly calculation index established by the law on the republican budget and effective as of the last date of the taxable period.

5. A subsoil user engaged in extraction of solid minerals shall be entitled to deduct the amount of the subgroup's (group's) value balance at the end of a taxable period. The deduction is made in the taxable period in which works on the liquidation of consequences of the development of all fields under an extraction contract were completed.

With no total annual income or given a loss under the specified extraction contract, the deduction is made under another extraction contract of such a subsoil user.

In this case, the amount of deduction shall not exceed 150 000 times the monthly calculated index established by the law on the republican budget and effective as of the last date of the taxable period.

Subchapter 4. Investment tax preferences

Article 274. Investment tax preferences

1. Investment tax preferences (hereinafter referred to as preferences) shall be applied at the choice of a taxpayer in accordance with this article and Articles 275 and 276 of this Code and consist in allocating values of objects of preferences and (or) subsequent expenses for reconstruction and modernization to deductibles.

The right to apply preferences is granted to legal entities of the Republic of Kazakhstan, except for those specified in paragraph 6 of this article.

2. Objects of preferences include buildings and production structures put into operation in the Republic of Kazakhstan for the first time, machinery and equipment that, for at least three taxable periods following the taxable period of their putting into operation, simultaneously meet the following requirements:

1) they are assets with a service life of more than one year, transferred by a concession grantor into possession and use of a concessionaire (successor or a legal entity set up by the concessionaire exclusively for implementation of a concession agreement) under a concession agreement, or fixed assets;

2) they are used by a taxpayer who applied preferences to profit-oriented activities;

3) they are not assets that, due to specific nature of their use, have a direct causal link to implementation of activities under a subsoil use contract (contracts);

4) in tax accounting, subsequent expenses incurred by a subsoil user for these assets are not subject to distribution between activity under a subsoil use contract (contracts) and non-contract activity;

5) they are not assets put into operation within an investment project under contracts concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship;

6) they are not assets put into operation as part of a priority investment project under an investment contract concluded after December 31, 2014 in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship;

7) are not assets for which taxable income was reduced in accordance with subparagraph 7) of part one of paragraph 1 of Article 288 of this Code.

For the purposes of this paragraph, a contract for groundwater extraction is not recognized as a subsurface use contract, provided that the subsurface user engaged in the groundwater extraction is a subsurface user solely because of the possession of such a right to extract groundwater and uses the extracted groundwater for soft drinks production.

3. Subsequent expenses for reconstruction, modernization of buildings and structures for production purposes, machinery and equipment shall be deductible in the taxable period in which they are actually incurred, provided that such buildings and structures, machinery and equipment meet all of the following requirements:

1) are recorded in the taxpayer's accounting as fixed assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) they are intended for use in profit-oriented activities for at least three taxable periods following the taxable period of their putting into operation after reconstruction, modernization ;

3) temporarily taken out of service for the period of reconstruction and modernization;

4) they are not assets that, due to specific nature of their use, have a direct causal link to implementation of activities under a subsoil use contract (contracts);

5) in tax accounting, subsequent expenses incurred by a subsoil user on these assets are not subject to distribution between activity under a subsoil use contract (contracts) and non-contract activity.

For the purposes of applying preferences, the reconstruction, modernization of a fixed asset is a type of subsequent expense, simultaneously resulting in:

alteration, and also renewal, of the design of a fixed asset;

increase in the service life of the fixed asset by more than three years;

improvement of technical characteristics of the fixed asset compared to its technical characteristics at the beginning of a calendar month, in which the fixed asset is temporarily taken out of service for reconstruction and modernization.

4. For the purposes of this article, industrial buildings include non-residential buildings (parts of non-residential buildings), except:

commercial buildings (parts of such buildings);

buildings for cultural and entertainment purposes (parts of such buildings);

buildings of hotels, restaurants and other buildings for short-term accommodation, catering (parts of such buildings);

office buildings (parts of such buildings);

garages for cars (parts of such buildings);

parking lots (parts of such buildings).

For the purposes of this article, industrial buildings include structures, except facilities for sports and recreation, cultural and entertainment facilities, hotel, restaurant facilities, facilities for administrative purposes, for car parking.

5. For the purposes of applying preferences, a newbuilding (part of a building) constructed in the territory of the Republic of Kazakhstan is deemed as one put into operation for the first time:

1) when a construction object is transferred by a developer to a customer after signing the certificate of commissioning of a building (part of a building) in accordance with the legislation of the Republic of Kazakhstan on architectural, town-planning and construction activities - during construction by concluding a construction contract;

2) when acertificate of commissioning of a building (part of a building) is signed in accordance with the legislation of the Republic of Kazakhstan on architectural, town-planning and construction activities- in other cases.

6. Taxpayers meeting one or more of the following conditions are not eligible to apply preferences:

1) taxation of the taxpayer is carried out in accordance with Section 21 of this Code;

2) the taxpayer produces and (or) sells all types of spirit, alcohol products, tobacco products;

3) the taxpayer applies special tax regime provided for by Chapter 78 of this Code.

Footnote. Article 274 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020 № 382-VI (enforcement, Article 2); dated 24.06. 2021 № 53-VII (effective from 01.01.2022).

Article 275. Application of preferences

1. Preferences are applied using one of the following methods:

1) the method of deduction after putting a facility into operation;

2) the method of deduction before putting a facility into operation.

2. To apply the method of deduction after putting a facility into operation means to deduct the initial value of tax preference items, which is determined in accordance with paragraphs 2 and 3 of Article 276 of this Code, either in equal parts during the first three taxable periods of operation or in a lump sum in the taxable period, in which an item is put into operation.

3. To apply the method of deduction before putting a facility into operation means to deduct costs of construction, production, purchase, assembly and installation of tax preference items, as well as subsequent expenses for reconstruction, modernization of industrial buildings and structures, machinery and equipment before putting them into operation in the taxable period, in which such costs are actually incurred.

4. Unless otherwise provided for in paragraph 5 of this article, preferences are abolished from the date of their application and a taxpayer is obliged to reduce deductions by the amount of preferences for each taxable period, in which they were applied, if, within three taxable periods following the taxable period, in which industrial buildings and structures,

machinery and equipment, with respect to which preferences are applied, were put into operation:

1) the taxpayer failed to observe the provisions of paragraphs 2 - 4 of Article 274 of this Code;

2) the taxpayer, who applied preferences or his/her/its successor, in case of reorganization of such a taxpayer, meets any of the provisions of paragraph 6 of Article 274 of this Code.

5. If a legal entity is reorganized through separation by the decision of the Government of the Republic of Kazakhstan, the reorganized entity is not deprived of preferences if it failed to meet the requirement established by paragraph 2 of Article 274 of this Code to use tax preference items in a profit-oriented activity for at least three taxable periods following the taxable period, in which the items were put into operation due to such reorganization.

This paragraph applies provided all of the following requirements are met:

1) as of the date of reorganization, the controlling interest in the reorganized legal entity belongs to the national management holding;

2) a legal entity under reorganization transfers items, to which preferences were applied, to new legal entities emerged as a result of reorganization;

3) preference items were transferred within three years from the date of state registration with registering authority of new legal entities emerged as a result of reorganization.

Footnote. Article 275 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019 г.)

Article 276. Features of tax accounting for tax preference items

1. A taxpayer accounts for tax preference items, and also for subsequent expenses for reconstruction, modernization of industrial buildings and structures, machinery and equipment, separately from fixed assets during three taxable periods following the taxable period in which industrial buildings and structures, machinery and equipment, to which preferences were applied were put into operation, unless otherwise provided for by this article .

The accounting for tax preference items and subsequent expenses for reconstruction, modernization of industrial buildings and structures, machinery and equipment is maintained separately for each item to which preference was applied.

2. The initial cost of a tax preference item, which is a fixed asset, shall include the costs incurred by a taxpayer before the day of putting this item into operation. Such costs include expenses for the acquisition of an item, its production, construction, assembly and installation , as well as other costs increasing its value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for:

costs (expenses) not subject to allocation to deductibles in accordance with subparagraphs 2), 3), 4) and 5) of Article 264 of this Code;

depreciation allowances;

costs (expenses) emerging in book records and not considered as an expense for tax purposes in accordance with paragraph 5 of Article 242 of this Code.

3. The initial value of assets with a service life of more than one year, transferred by concession grantors into the ownership of and use by a concessionaire (successor or a legal entity set up by the concessionaire exclusively for the execution of a concession agreement), shall be determined in accordance with paragraph 10 of Article 268 of this Code.

4. Assets, in respect of which preferences were abolished, are recognized as fixed assets from the day they are put into operation in case of observance of the provisions of paragraph 1 of Article 266 of this Code and are included in the value balance of a group (subgroup), which is relevant for the type of such an asset, in accordance with the procedure specified in Articles 267 and 268 of this Code.

5. If preferences for subsequent expenses for reconstruction, modernization of industrial buildings and structures, machinery and equipment are abolished, such expenses shall be accounted for in accordance with the procedure specified in paragraph 2 of Article 272 of this Code.

6. Upon expiration of three taxable periods following the taxable period in which a tax preference item is put into operation, except for the items specified in paragraph 4 of this article, this tax preference item is recognized as a fixed asset if it complies with the provisions of paragraph 1 of Article 266 of this Code and is included in the value balance of a group (subgroup), which is relevant for the type of such an asset, in accordance with the procedure specified in Articles 267 and 268 of this Code.

Footnote. Article 276 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Clause 5. Derivative financial instruments

Article 277. General provisions

1. For tax purposes, derivative financial instruments are divided into those used:

1) for the purpose of hedging;

2) for the delivery of an underlying asset;

3) for other purposes.

2. Income or loss with respect to each derivative financial instrument is determined in accordance with Articles 278, 279 and paragraph 3 of Article 299 of this Code.

3. If a derivative financial instrument is used to hedge or deliver an underlying asset, its tax accounting is maintained in accordance with Articles 280 and 281 of this Code.

4. Income from derivative financial instruments is formed out of income from derivative financial instruments used for purposes other than those for hedging or delivery of an underlying asset and is determined as follows:

the total amount of income from derivative financial instruments used for purposes other than those for hedging or delivery of an underlying asset determined in accordance with Articles 278 and 279 of this Code

minus

the total amount of losses from derivative financial instruments used for purposes other than those for hedging or delivery of an underlying asset for a reporting taxable period

minus

losses from derivative financial instruments carried forward from previous taxable periods

.

Article 278. Income from a derivative financial instrument, except for a long-maturity derivative financial instrument

1. Income from a derivative financial instrument, except for a long-maturity derivative financial instrument, the income from which is determined in accordance with Article 279 of this Code, is determined as excess of proceeds over expenses for a derivative financial instrument.

For tax accounting purposes, such income is recognized on the day of maturity, early or other termination of the taxpayer's rights to or obligations for a derivative financial instrument, and also on the day of settlement of a transaction with a derivative financial instrument, the claims under which, in whole or in part, compensate the obligations under an earlier transaction with the derivative financial instrument.

2. Proceeds from a derivative financial instrument are payments (to be) received in connection with this derivative financial instrument in interim settlements during the term of a transaction, and also on the day of maturity or early termination.

3. Expenses for a derivative financial instrument are payments (to be) made in connection with this derivative financial instrument for interim settlements during the term of a transaction, and also on the day of maturity or early termination.

Article 279. Income from a long-maturity derivative financial instrument

1. Income from a swap, and also from another derivative financial instrument, the validity of which exceeds twelve months from the day of its conclusion and the settlement of which provides for payments, the amount of which depends on changes in price, exchange rate, interest rates, indices and another indicator established by such a derivative financial instrument, before the expiry of the financial instrument is determined as excess of proceeds over expenses with account of the provisions established by this article.

For tax accounting purposes, income from a derivative financial instrument specified in this paragraph is recognized in each taxable period in which the excess specified in this paragraph emerges.

2. Proceeds from a derivative financial instrument specified in paragraph 1 of this article are payments (to be) received with respect to this derivative financial instrument during a reporting taxable period.

3. Expenses for a derivative financial instrument specified in paragraph 1 of this article shall be payments (to be) made during a reporting taxable period with respect to this derivative financial instrument.

Article 280. Features of tax accounting for hedging transactions

1. Hedging is transactions with derivative financial instruments purposed to reduce possible losses resulting from adverse changes in the price, exchange rate, interest rate or other indicator of a hedged item and recognized as hedging instruments in the taxpayer's accounting records in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting. Hedged items are assets and (or) liabilities, as well as cash flows associated with these assets and (or) liabilities or with forecasted transactions.

2. To substantiate the allocating of transactions for derivative financial instruments to hedging transactions, a taxpayer makes a calculation to confirm that the performance of these transactions leads (may lead) to a reduction in the amount of possible losses (lost profit) with respect to transactions for a hedged item.

3. Income or loss from a derivative financial instrument, where the hedged item is a particular transaction, is accounted for in accordance with the provisions of this Code, established for the hedged item, as of the day of recognition of the result of the hedging transaction in tax accounting.

4. Income or loss from a derivative financial instrument, where the hedged item is not a particular transaction, is included, accordingly, in total annual income or is deductible in that taxable period in which such income or loss is recognized in accordance with Articles 278 and 279 of this Code.

Footnote. Article 280 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2018).

Article 281. Features of tax accounting in case of execution by delivering an underlying asset

1. If a derivative financial instrument is used for the acquisition or sale of an underlying asset, the expenses payable (incurred) and payments (to be) received as a result of the acquisition or sale of the underlying asset are not attributed to expenses for and proceeds from derivative financial instruments.

2. Proceeds from and expenses for transactions specified in paragraph 1 of this article shall be accounted for tax purposes in accordance with the provisions of this Code established for the underlying asset.

Clause 6. Long-term contracts

Article 282. General provisions

1. A long-term contract is a contract (agreement) for production, installation, construction, which is not performed within the taxable period in which the production, installation, construction under the contract began.

2. Tax accounting for each long-term contract is maintained separately.

3. Income under a long-term contract is determined using either the actual method or completion method, at the choice of a taxpayer, separately for each long-term contract.

A method chosen for income determination is indicated in a tax register, intended for reflecting methods applied to each long-term contract, and may not be changed during the period of validity of the long-term contract.

Without such a tax register or information in it on the method chosen, the actual method is recognized as the chosen one.

4. The amount of expenses incurred for a taxable period under a long-term contract shall be allocated to deductibles in accordance with paragraphs 2, 3 and 4 of this Section.

Article 283. The order for determining income under a long-term contract using the actual method

1. According to the actual method, income received under a long-term contract for a reporting taxable period is recognized as income (to be) received for the reporting taxable period, but not less than the amount of expenses incurred for such a period under the long-term contract.

2. If, during the period of validity of a long-term contract, income under such a contract, determined in accordance with paragraph 1 of this article, exceeds the total amount of income under the long-term contract, determined for the entire period of its validity, the income under this long-term contract is recognized as:

1) that in the amount of positive difference between the total amount of income under the long-term contract, determined for the entire period of its validity, and the amount of income under such a contract included in total annual income in previous taxable periods of the validity of the long-term contract - in the taxable period in which the excess occurred;

2) equal to zero - in subsequent taxable periods of the validity of the long-term contract.

Article 284. The order for determining income under a long-term contract using the completion method

1. When applying the completion method, for tax purposes, income under a long-term contract for a reporting taxable period is determined as follows:

the product of the total amount of income under a long-term contract to be received under this contract for the entire period of its validity and the portion of performance of such a contract for current taxable period

minus

income under such a long-term contract for tax purposes for previous taxable periods.

2. Unless otherwise established by this article, the portion of performance of a long-term contract is calculated using the following formula:

A/(A+B), where:

A - expenses under a long-term contract allocated to deductibles in accordance with this Code for previous and reporting taxable periods;

B - expenses under a long-term contract to be incurred in accordance with design estimates in subsequent taxable periods for the completion of works under the long-term contract that shall be allocated to deductibles in subsequent taxable periods of the validity of the long-term contract.

3. In the taxable period in which a long-term contract expires, the portion of performance of such a long-term contract is equal to one.

Article 285. Features of determining the amount of total annual income and deductions for corporate income tax purposes in the transfer of hydrocarbons in case of fulfillment of a tax obligation in kind

If a subsoil user fulfills a tax obligation to pay taxes in kind, as of the date of transfer of minerals to a recipient on behalf of the state:

1) the amount of the fulfilled tax obligation to pay taxes that was executed in kind is to be included in total annual income;

2) the production cost of minerals transferred to pay taxes in kind is allocated to deductibles;

3) the amount of the fulfilled tax obligation to pay taxes in kind is allocated to deductibles in the manner specified in Article 263 of this Code.

Clause 7. Adjustment of income and deductions

Article 286. General provisions

An adjustment is an increase or decrease in the amount of income or deduction of a reporting taxable period within the amount of earlier recognized income or deduction in cases established by Article 287 of this Code.

Article 287. Adjustment of income and deductions

1. Income or deductions shall be subject to adjustment in the following cases:

1) full or partial return of goods;

2) changes in the terms of the transaction;

3) changes in prices, compensation for sold or purchased goods, works, services. The provision of this sub-paragraph also applies when changing the amount payable in national currency for goods sold or purchased, work performed, services rendered based on the terms of the contract;

4) price discounts, sales discounts;

5) writing off the claim for which the income adjustment is made in accordance with paragraph 2 of this article.

2. A creditor-taxpayer adjusts income when writing off a claim to:

a legal entity;

an individual entrepreneur;

a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment with regard to claims related to the activity of such a permanent establishment.

Income is adjusted as provided for by this paragraph in case of:

1) a creditor-taxpayer's failure to claim, in case of liquidation of a debtor-taxpayer, by the day of approval of the latter's liquidation balance;

2) writing off a claim by a final and binding court judgment.

Adjustment shall be made provided all of the following requirements are met:

1) there are source documents confirming the rise of a claim;

2) a claim is stated in accounting records on the day of income adjustment or is accounted for as expenses (write-offs) in previous periods. Income is adjusted within the amount of the written-off claim and income earlier recognized from such a claim.

The provisions of this paragraph shall not apply to claims recognized as doubtful in accordance with this Code.

3. Income is not adjusted when the amount of claims is reduced in connection with their transfer under a contract of sale of an enterprise as a property complex.

4. Incomes and deductions shall be adjusted in the taxable period in which the cases specified in paragraph 1 of this article occurred.

Chapter 29. REDUCTION OR INCREASE OF TAXABLE INCOME (REDUCTION OF LOSS) AND EXEMPTION FROM TAXATION OF SOME CATEGORIES OF TAXPAYERS

Article 288. Reduction of taxable income

1. A taxpayer has the right to reduce taxable income with regard to the following types of expenses:

1) taxpayers who were monitored as large taxpayers in a taxable period – to the extent of total amount not exceeding 3 percent of taxable income:

the amount of excess of actually incurred expenses over income (to be) received from the operation of social facilities provided for by Article 239 of this Code;

the value of property transferred free of charge, the recipient of which is:

a non-commercial organization;

an organization carrying out activity in the social sphere;

charitable assistance given a taxpayer's decision based on an application from a recipient of assistance.

The provisions of this subparagraph shall also apply to taxable income from contract activity of a subsoil user;

2) taxpayers, except for taxpayers specified in subparagraph 1) of this paragraph - to the extent of total amount not exceeding 4 percent of taxable income:

the amount of excess of actually incurred expenses over income (to be) received from the operation of social facilities provided for in Article 239 of this Code;

the value of property transferred free of charge, the recipient of which is:

a non-commercial organization;

an organization carrying out activity in the social sphere;

charitable assistance given a taxpayer's decision based on an application from a recipient of assistance.

The provisions of this subparagraph shall also apply to taxable income from contract activity of a subsoil user;

3) twice the amount of expenses incurred for labor remuneration of persons with disabilities and 50 percent of the amount of the calculated social tax from wages and other payments to persons with disabilities;

3-1) social businesses included in the register of social business entities - in the amount of expenses incurred for training in a profession, vocational training, retraining or advanced training of employees who are persons with disabilities; parents and other legal representatives raising a child with a disability; pensioners and citizens of pre-retirement age (within five years before the age of entitlement to pension payments by age); fosterlings of children's villages and leavers of orphanages, boarding schools for orphans and children left without parental care, under the age of twenty-nine; by persons released from serving sentences from penitentiary (penal) institutions, within twelve months after their release; kandases, but no more than 120 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of the corresponding financial year, per employee for the tax period.

At the change of an employee's status, provided for in part one of this subparagraph, the reduction in the amount of taxable income shall be based on the proportion of months in the tax period when the employee was a person with a disability; a parent and other legal representative raising a child with a disability; a pensioner and a citizen of pre-retirement age (within five years before reaching the age of entitlement to pension payments by age); a fosterling of children's villages and a leaver of orphanages, boarding schools for orphans and children left without parental care, under the age of twenty-nine; by a person released from serving a sentence from penitentiary (penal) institutions, within twelve months after release; kandases.

When applying a reduction in taxable income in a tax period to an employee in subsequent tax periods, such reduction is not applied;

3-2) costs of acquiring from a non-resident - a related party registered in a state with preferential taxation, of management, consulting, advisory, auditing, design, legal, accounting , lawyer's, advertising, marketing, franchising, financial (except for remuneration costs) , engineering, agency services, royalties, rights to use intellectual property objects - in the size of a total amount not exceeding 3 percent of taxable income.

For the purposes of this subparagraph, related entities are interconnected parties recognized as such in accordance with subparagraph 23) of Article 264 of this Code;

4) expenses for the training of an individual having no labor relations with a taxpayer given an agreement concluded with the individual on the latter's obligation to work for the taxpayer for at least three years.

For the purposes of this subparagraph, the costs of training include:

actually incurred training expenses;

actually incurred living expenses within the limits established by the authorized body;

expenses for the payment of the amount of money fixed by the taxpayer for a trainee, but not exceeding the limits established by the authorized body;

actually incurred expenses for travel to the place of study in case of admission and back after graduation;

actually incurred expenses for insurance in case of illness of the student during the temporary stay outside the Republic of Kazakhstan in the period of study.

The provisions of this subparagraph do not apply in case of:

non-conclusion of an employment agreement with an individual, to whose training expenses the provisions of this subparagraph were applied, within three months from the day of his/her graduation, except for the case of the individual's compensation for training expenses, in whole or in part, during a period of time that includes the taxable period in which the individual graduated and also a subsequent taxable period. In case of such compensation, the provisions of this subparagraph do not apply to the extent of training expenses not reimbursed by the individual;

termination of an employment agreement with an individual, to whose training expenses the provisions of this subparagraph were applied, before expiration of a three-year period from the date of concluding the employment agreement with such a person, except for the case of the individual's compensation for training expenses, in whole or in part, during a period of time that includes the taxable period in which the employment agreement was terminated and also a subsequent taxable period. In case of such compensation, the provisions of this subparagraph do not apply to the extent of training expenses not reimbursed by an individual;

subsoil user's application of the provisions of Article 261 of this Code to such training expenses;

5) the value of property transferred free of charge, the recipient of which is an autonomous educational organization provided for in paragraph 1 of Article 291 of this Code;

5-1) in the amount of 50 percent of the sum of expenses (costs) attributed to deductions in accordance with Article 254 of this Code for:

scientific-research, scientific-technical and (or) experimental-design works in connection with the creation of an industrial property object, including works for which there is a title of protection;

acquisition of exclusive rights to intellectual property from higher and (or) postgraduate education organizations, scientific organizations and start-up companies under a license agreement or a contract on the assignment of exclusive rights for the purpose of commercializing the results of scientific and (or) scientific-technical activities.

The provisions of this subparagraph shall apply in the event of performance of the specified works and (or) the implementation (use) of the results of scientific and (or) scientific-technical activities on the territory of the Republic of Kazakhstan.

Confirmation of the performance of scientific-research, scientific-technical and experimental-design works and (or) the implementation (use) of the result of the specified works and (or) the results of scientific and (or) scientific-technical activities is the act of implementation (use) of the results of scientific and (or) scientific-technical activities, drawn up in the form and agreed upon in the manner determined by the authorized body in the field of science in agreement with the authorized bodies of the relevant industry.

6) was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI;

7) acquisition or construction of industrial buildings and structures that meet the requirements of paragraph 4 of Article 274 of this Code.

The provisions of this subparagraph shall be applied by a small business entity in accordance with the Entrepreneur Code of the Republic of Kazakhstan, operating in the manufacturing industry, applying the generally established taxation procedure, in an amount not exceeding the amount of taxable income for the reporting tax period.

The assets provided for by part one of this subparagraph are not recognized as fixed assets in accordance with paragraph 3 of section 7 of this Code and are not preference items for the purposes of applying paragraph 4 of section 7 of this Code.

For the purposes of this paragraph, the value of property transferred free of charge is determined:

in the amount of money transferred - when transferring money;

in the amount of expenses incurred to perform such works, render such services - when performing works, rendering services;

in the amount of the book value of the transferred property specified in the certificate of transfer of the said property – with regard to other property.

2. A taxpayer has the right to reduce the following types of taxable income:

1) remuneration under a lease agreement, except for forfeits (fines, penalties);

2) interest on debt securities that, as of the date of such interest's accrual, are in the official list of a stock exchange operating in the territory of the Republic of Kazakhstan;

Note!

Subparagraph 3) is provided for in the wording of the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2030).

3) remuneration for government-issued securities, agency bonds;

Subparagraph 4) is provided to be deleted by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2030).

4) income from increase in value in case of sale of government-issued securities, reduced by losses from the sale of government-issued securities;

5) income from increase in value in case of sale of agency bonds, reduced by losses incurred from the sale of agency bonds;

6) the value of property received in the form of humanitarian assistance in the event of natural and man-made emergencies and used for its intended purpose;

7) the value of fixed assets received by a state-owned enterprise on a non-repayable basis from a state body or a state-owned enterprise on the basis of a decision of the Government of the Republic of Kazakhstan;

The amendment made to the first paragraph of subparagraph 8) shall be valid until 01.01.2029 in accordance with Law of the Republic of Kazakhstan № 203-VI dated 26.12.2018.

8) capital gains in the sale of shares issued by a resident legal entity or participatory interest in a resident legal entity or a consortium established in the Republic of Kazakhstan, reduced by losses incurred from the sale of shares issued by a resident legal entity or participatory interest in a resident legal entity or a consortium established in the Republic of Kazakhstan, unless otherwise provided by subparagraphs 9) and 11) of this paragraph, while the following conditions shall be met:

on the day the shares or participation interests are sold, the taxpayer has owned these shares or participation interests for more than three years;

such a legal entity-issuer or such a legal entity, the share of participation in which is being sold, or a member of such a consortium that sells a share of participation in such a consortium , is not a subsoil user;

property of persons (person) who are (are) subsoil users (subsoil user), in the value of the assets of such a legal entity-issuer or such legal entity, the participation interest in which is being sold, or the total value of the assets of the participants of such consortium, the participation interest in which is being sold, as of the day such implementation is no more than 50 percent.

The term specified in this subparagraph by the taxpayer of shares or participatory interests shall be determined cumulatively, taking into account the terms of holding the shares or participatory interests by the previous owners, if such shares or participatory interests were received by the taxpayer as a result of the reorganization of the previous owners.

For the purposes of this sub-paragraph, a subsoil user is not recognized as a subsoil user who is such solely because of the possession of the right to extract groundwater and (or) widespread minerals for their own needs, as well as a subsoil user exercising during the twelve month period preceding the first day of the month in which shares or participatory interest, subsequent processing (after primary processing) of at least 50 percent of the mineral

raw materials mined for the specified period, including coal, at its own and (or) owned by a resident legal entity that is a related party, production facilities located in the Republic of Kazakhstan ...

When determining the volume of mineral raw materials, including coal, sent for further processing, raw materials are taken into account:

aimed directly at the production of products obtained as a result of any processing following the primary processing;

used in the manufacture of primary processing products for the purpose of their further use in subsequent processing.

In this case, the share of the property of persons (person) who are (are) subsoil users (subsoil users) in the value of the assets of a legal entity or consortium, whose shares or participation interests are being sold, is determined in accordance with Article 650 of this Code;

9) income from increase in value in case of sale through open bids at a stock exchange in the territory of the Republic of Kazakhstan of securities, which are in the official lists of this stock exchange as of the day of sale, reduced by losses arising from the sale through open bids at the stock exchange in the territory of the Republic of Kazakhstan of securities, which are in the official lists of this stock exchange as of the day of sale;

Subparagraph 10) is in effect until 01.01.2027 in accordance with Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

10) remuneration under a bank deposit contract received by a sustainability organization, whose 100 percent of voting shares belong to the National Bank of the Republic of Kazakhstan, within the Mortgage (Home Loan) Refinancing Program, transferred by an organization for improving the quality of second-tier loan portfolios, the sole shareholder of which is the Government of the Republic of Kazakhstan.

Subparagraph 11) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

11) income from increase in value in sale of shares issued by legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code, participatory interests in legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code, reduced by losses incurred from the sale of shares issued by legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code, participatory interests in legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code.

Paragraph 2 is provided to be supplemented with Part two in accordance with the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2030).

Footnote. Article 288 as amended by the Law of the Republic of Kazakhstan dated 20.06.2018 № 161-VI (shall be enforced upon expiry of ten calendar days after its first official publication; dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated December 10, 2020 № 382-VI (enforcement, Article 2); dated 24.06. 2021 № 53-VII (

effective from 01.01.2022); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023) ; dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2023); dated 01.07.2024 № 105-VIII (shall be enforced from 01.01.2025).

Article 289. Taxation of non-commercial organizations

1. For the purposes of this Code, a non-profit organisation shall be recognised as an organisation registered in the form established by the civil legislation of the Republic of Kazakhstan for non-profit organisations, excluding joint-stock companies, institutions and consumer cooperatives, apart from associations of owners of multi-apartment residential buildings, cooperatives of owners of flats (non-residential premises) that operate in the public interest and meet the following conditions:

1) has no purpose of generating income as such;

2) does not distribute the received net income or property between the participants.

2. Subject to the conditions specified in paragraph 1 of this article, the following income of a non-profit organization shall be excluded from the gross annual income:

income under the contract for the implementation of the state social order;

deposit rewards;

entrance and membership fees;

contributions from owners of apartments, non-residential premises of an apartment building;

excess of the amount of positive exchange rate difference over the amount of negative exchange rate difference arising from the money placed on the deposit, including the remuneration thereon;

income in the form of property received free of charge, including charitable assistance, a grant, including the one specified in subparagraph 13) of paragraph 1 of Article 1 of this Code , sponsorship, money and other property received free of charge.

For the purposes of this paragraph, the contributions of the owners of apartments, non-residential premises of an apartment building shall be:

mandatory expenses of the owners of apartments, non-residential premises of a multi-apartment residential building, aimed at accumulating money for the overhaul of the common property of the condominium object;

expenses of owners of apartments, non-residential premises of an apartment building for payment of targeted contributions;

penalty in the amount established by the legislation of the Republic of Kazakhstan, accrued in case of delay in payment by owners of apartments, non-residential premises of an apartment building for the costs of managing the condominium facility and maintaining the common property of the condominium facility.

The size and procedure for paying the costs of managing the condominium facility and maintaining the common property of the condominium facility by the owners of apartments, non-residential premises of an apartment building shall be approved by the meeting of owners

of apartments, non-residential premises of an apartment building in the manner prescribed by the Law of the Republic of Kazakhstan "On Housing Relations".

In case of non-compliance with the conditions specified in paragraph 1 of this article, the exclusion from the total annual income provided for in this paragraph shall not be made.

3. Income of a non-profit organization not specified in paragraph 2 of this article shall be taxed in accordance with the generally established procedure.

In this case, the amount of expenses of a non-profit organization subject to deduction shall be determined in one of the following ways:

proceeding from the proportion of income not specified in paragraph 2 of this article in the total amount of income of a non-profit organization;

on the basis of tax accounting data, providing for the separate accounting of expenses incurred from the income specified in paragraph 2 of this article and expenses incurred from other income.

4. The provisions of this article shall not apply to non-profit organizations that are recognized:

1) autonomous educational organizations in accordance with Article 291 of this Code;

2) by organizations carrying out activities in the social sphere in accordance with Article 290 of this Code.

Footnote. Article 289 as amended by Law of the Republic of Kazakhstan № 284-VI dated December 26, 2019 (refer to Art. 2 for the enactment procedure); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall be brought into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 290. Taxation of organizations operating in the social sphere

1. When determining the amount of corporate income tax payable to the budget, taxpayers , that are organizations operating in the social sphere in accordance with this article, reduce the amount of corporate income tax calculated in accordance with Article 302 of this Code by 100 percent.

2. For the purposes of this Code, organizations operating in the social sphere include organizations that carry out the types of activities specified in part two of this Paragraph, the income from which, with account of income in the form of property received free of charge and interest on deposits,and also the excess of amount of positive exchange rate difference over the amount of negative exchange rate difference that arose on such income shall not be less than 90 percent of total annual income of such organizations.

Activities in the social sphere are as follows:

1) rendering of services in the form of medical assistance in accordance with the legislation of the Republic of Kazakhstan (including medical activities not subject to licensing) by a healthcare entity licensed to carry out medical activity;

2) rendering of services for primary, secondary, general secondary education, technical and professional, post-secondary, higher and postgraduate education under appropriate

licenses entitling to carry out educational activities, as well as additional education, pre-school education and training.

The income specified in this Subparagraph also includes the income of a non-profit organization created in the form of a public fund, in the form of:

dividends received from an organization operating in social sphere, the founder of which is such a non-profit organization created in the form of a public fund, carrying out activity in social sphere specified in this Subparagraph;

income from increase in value in sale of shares and (or) participatory interests in organizations carrying out the activity in social sphere, the founder of which is such a non-profit organization created in the form of a public fund, carrying out activity in social sphere specified in this Subparagraph;

The income of a non-profit organization created in the form of a public fund carrying out the activity in social sphere specified in Subparagraph 2) of part two of this Paragraph shall also not be taxable when it is directed to create an organization carrying out the activity in social sphere and provide it with interest-free repayable financial assistance (loan).

3) activities in science (including scientific research, the use, including sale, by the author of scientific intellectual property), pursued by scientific and (or) research and development entities accredited by the authorized body in the field of science, sports (except for commercial sports and leisure activities), culture (except for entrepreneurial activities, with the exception of entrepreneurial activities of organizations with 100% interest of the state in the authorized capital), provision of conservation services (except for dissemination of information and propaganda) historical and cultural heritage sites and cultural values included in the State List of history and culture monuments in accordance with the legislation of the Republic of Kazakhstan, also in the field of social protection and social security of children, the elderly and persons with disabilities;

The income specified in this subparagraph also includes the income of subjects of scientific and (or) scientific-technical activity accredited by the authorized body in the field of science, in the form of funding for the creation of scientific centers at research universities.

4) library services.

The income of the organizations indicated in this paragraph is not subject to taxation if it goes to carry out the specified types of activities.

The income of a non-profit organization created in the form of a public fund carrying out the activity in social sphere specified in Subparagraph 2) of part two of this Paragraph shall also not be taxable when it is directed to create an organization carrying out the activity in social sphere and provide it with interest-free repayable financial assistance (loan).

3. For the purposes of this Code, organizations operating in the social sphere shall also include public associations of persons with disabilities of the Republic of Kazakhstan and

organizations created by public associations of persons with disabilities of the Republic of Kazakhstan, which over the reporting tax period, as well as the tax period preceding the reporting tax period meet one of the following conditions:

1) the average number of persons with disabilities who are employees is at least 51 percent of the total number of employees;

2) expenses for remuneration of persons with disabilities who are employees is at least 51 percent (in specialized organizations that employ people with disabilities with hearing, speech , and vision loss - at least 35 percent) of the total labor remuneration expenses.

In this case, compliance with the condition referred to in part one of this paragraph shall be determined by:

newly created (emerged) organizations – over the reporting tax period in which they were registered with the justice authority;

organizations operating under a long-term contract - during the entire period of such a contract.

The income of the organizations provided for by this paragraph shall be exempt from taxation if 90 percent of the income is received (receivable) from the sale of produced (manufactured) goods, performance of work, provision of services, carried out with participation of persons with disabilities who are employees of such an organization, and the received income goes for such an organization's operation.

4. Organizations operating in the social sphere do not include those receiving income from activities related to the production and sale of excisable goods.

5. In case of violation of the conditions stipulated by this article, the income received is subject to taxation in the manner determined by this Code.

6. The provisions of this article shall not apply to organizations recognized autonomous educational organizations in accordance with Article 291 of this Code.

Footnote. Article 290 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated December 10, 2020 № 382-VI (enforcement, Article 2); dated 01.07.2024 № 105-VIII (shall be enforced from 01.01.2025).

Article 291. Taxation of autonomous educational organizations

1. For the purposes of this Code, an autonomous educational organization is recognized as :

1) a non-profit organization established to provide financing for autonomous educational organizations, defined in subparagraphs 2), 3), 4) and 5) of this paragraph, the supreme governing body of which is the Supreme Board of Trustees;

2) a non-commercial educational organization provided all of the following requirements are met:

it is established by the Government of the Republic of Kazakhstan;

its supreme governing body is the Supreme Board of Trustees set up in accordance with the laws of the Republic of Kazakhstan;

it carries out one or more of the following activities:

additional education;

educational activity on the following levels of education established by the laws of the Republic of Kazakhstan:

primary school, including pre-school education and training;

middle school;

senior school;

post-secondary education;

higher education;

postgraduate education;

3) a legal entity meeting all of the following requirements:

it is a joint-stock company established by a decision of the Government of the Republic of Kazakhstan;

50 and more percent of the voting shares of such a company belong to the person specified in subparagraph 2) of this paragraph;

it carries out activities in the field of healthcare in accordance with the laws of the Republic of Kazakhstan;

4) an organization, except for that indicated in subparagraph 3) of this paragraph, meeting all of the following requirements:

50 and more percent of voting shares (participatory interests) of such an organization belong to the persons specified in subparagraphs 2) and 3) of this paragraph or it is a non-commercial organization established exclusively by the persons specified in subparagraph 2) of this paragraph;

at least 90 percent of total annual income is income in the form of property received free of charge, interest on deposits of such an organization, as well as income generated as a result of one or more of the following activities:

rendering of medical services (except for cosmetology, sanatorium and resort treatment);

additional education;

educational activity on the following levels of education established by the laws of the Republic of Kazakhstan:

primary school, including pre-school education and training;

middle school;

senior school;

post-secondary education;

higher education;

postgraduate education;

it carries out activities in the field of science, namely:

scientific and technical, innovative activities, scientific research, including basic and applied scientific research;

rendering of consulting services for the types of activities specified in this subparagraph.

For the purposes of this subparagraph, income from a founder (participant) received and invested in the types of activities specified in this subparagraph is also recognized as income received from the above activities;

5) an organization, except for that indicated in subparagraph 3) of this paragraph, meeting all of the following requirements:

50 and more percent of voting shares (participatory interests) of such an organization belong to the persons specified in subparagraphs 2) and 3) of this paragraph or it is a non-commercial organization established exclusively by the persons specified in subparagraph 2) of this paragraph;

it carries out one or more of the following activities in the field of science:

scientific and technical ones;

innovative ones;

research, including basic and applied scientific research.

The authorized body in the field of science shall confirm that the types of activities performed belong to those in the field of science specified in this subparagraph.

This subparagraph does not apply to organizations if they carry out one or more of the following activities:

rendering of medical services (except for cosmetology, sanatorium and resort treatment);

additional education;

educational activity on the following levels of education established by the laws of the Republic of Kazakhstan:

primary school, including pre-school education and training;

middle school;

senior school;

post-secondary education;

higher education;

postgraduate education;

rendering of consulting services for these types of activities;

6) an organization meeting all of the following requirements:

it is a non-commercial organization established exclusively by the persons specified in subparagraph 2) of this paragraph;

it performs and renders exclusively such works and services as:

temporary use of a library fund, also in electronic form;

temporary use of computers, software and information processing equipment;

works, services are rendered exclusively to the following organizations:

autonomous educational organizations specified in subparagraphs 1) - 5) of this paragraph ;

a non-commercial organization established before January 1, 2012 by the person specified in subparagraph 2) of this paragraph, in order to provide it with works and services for the provision and maintenance of administrative and economic activities.

2. When determining the amount of corporate income tax payable to the budget by an autonomous educational organization, the amount of corporate income tax calculated in accordance with Article 302 of this Code is reduced by 100 percent.

The provisions of this paragraph are not applied to taxable periods in which the net income or property received by an autonomous educational organization, indicated in subparagraphs 3), 4) and 5) of paragraph 1 of this article, was distributed among its participants.

Footnote. Article 291 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 292 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

Article 292. Taxation of the organization improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan

1. When determining the amount of corporate income tax payable to the budget, the organization improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, reduces by 100 percent the amount of corporate income tax calculated in accordance with Article 302 of this Code on income from the following activities:

1) issue of shares for the formation of the authorized capital, as well as bonds to finance the activities specified in this paragraph;

2) repurchase of own placed shares and bonds;

3) evaluation of assets' quality, rights of claims of banks and (or) legal entities that used to be banks, with a view to deciding on their acquisition;

4) purchase from banks of doubtful and bad assets, other rights of claims and assets, their management, also by transfer into trust management, ownership and (or) their sale;

5) evaluation of the quality of shares and (or) bonds issued by banks and (or) placed by banks, legal entities that used to be banks;

6) acquisition of shares and (or) participatory interests in the authorized capital of legal entities, including those the rights of claims to which were acquired from banks, and (or) legal entities that used to be banks, also by transfer into trust management, ownership and (or) their sale;

7) purchase of shares and (or) bonds issued and placed by banks, their management, also by transfer into trust, ownership and (or) their sale;

8) property rent (lease) of property acquired and (or) obtained from banks and (or) legal entities that used to be banks, or another form of temporary use of such property on a fee basis, its transfer into trust management;

9) securitization of rights of claims and other assets purchased from banks and (or) legal entities that used to be banks;

10) acquisition of rights of claims and assets from legal entities that used to be banks, including shares and (or) participatory interests in the authorized capital of legal entities, their ownership, maintenance, security, management, also by transfer into trust management, and (or) their sale;

11) placement of money in securities and other financial instruments, as well as in banks, the National Bank of the Republic of Kazakhstan under the terms of bank account and bank deposit agreements;

12) financing of banks and (or) legal entities that used to be banks on convictions of serviceability, maturity and refundability;

13) creation, independently or jointly with banks, of an organization acquiring doubtful and bad assets by transferring its own assets to the authorized capital, managing them, including by transfer to trust management, possession and (or) their sale;

14) sale of property accepted as repayment of rights of claim acquired and (or) received from banks and (or) legal entities that were previously banks and accounted for as assets in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

15) partial or full write-off of liabilities for which the claim was terminated.

2. Income from activities not specified in paragraph 1 of this article shall be taxed in accordance with the generally established procedure. In this case, the organization improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, is required to keep separate records for income exempt from taxation in accordance with this article and for income subject to taxation in accordance with the generally established procedure.

3. When receiving income subject to taxation in accordance with the generally established procedure, the deductible amount of expenses of the organization improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, is determined using a proportional or separate method, at the choice of this organization.

4. Using the proportional method, the amount of expenses to be allocated to deductibles in the total amount of expenses is determined on the basis of the portion of income received from activities not specified in paragraph 1 of this article in the total amount of income.

5. Using the separate method, the organization improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, maintains separate accounting for expenses related to income received from the activities

specified in paragraph 1 of this article and for expenses relating to income subject to taxation in accordance with the generally established procedure.

Footnote. Article 292 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020).

Article 293. Taxation of other categories of taxpayers

1. The provisions of this article shall be applied by taxpayers:

1) carrying out cargo transportation and (or) providing services under bareboat charter, time charter agreements by a sea vessel registered with the international ship register of the Republic of Kazakhstan;

2) was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

3) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

4) engaged in demonstration of a film recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography;

5) being the copyright holders of a film recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography;

Subparagraph 6) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

6) being the participants of the Astana Hub international technology park;

7) subsoil users developing gas projects on land in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

2. For the purposes of calculating corporate income tax the taxpayer specified in subparagraph 1) of paragraph 1 of this article shall keep separate tax records of taxable and (or) tax-related items for cargo transportation activity and (or) providing services under bareboat charter, time charter agreements by a sea vessel registered in the international ship register of the Republic of Kazakhstan, and other activity types.

Corporate income tax, calculated in accordance with Article 302 of this Code, for cargo transportation and (or) provision of services under bareboat charter, time charter agreements by a sea vessel registered in the international ship register of the Republic of Kazakhstan, shall be reduced by 100 percent.

3. was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

4. Was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

4-1. The taxpayer specified in Subparagraph 4) of Paragraph 1 of this Article, for the purposes of calculating corporate income tax, shall keep separate tax records of taxable

objects and (or) objects related to taxation on income from screenings of a film in cinemas on the territory of the Republic of Kazakhstan recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography, and other income.

Corporate income tax calculated in accordance with Article 302 of this Code for income from the screening of a film in cinemas on the territory of the Republic of Kazakhstan recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography shall be reduced by 100 percent.

4-2. The taxpayer specified in Subparagraph 5) of Paragraph 1 of this Article, in order to calculate corporate income tax, shall keep separate tax records of taxable objects and (or) objects related to taxation on income from rental and screening of a film in cinemas on the territory of the Republic of Kazakhstan recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography, the exclusive right to use of which it possesses, and other income.

The taxpayer specified in Subparagraph 5) of Paragraph 1 of this Article shall reduce corporate income tax calculated in accordance with Article 302 of this Code for income from rental and screening of a film in cinemas on the territory of the Republic of Kazakhstan recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography, the exclusive right to use of which it possesses for 100 percent.

For the purposes of this Code, the legal holder of a national film shall be a legal entity that has the exclusive right to use a national film under an agreement or other basis in accordance with the Law of the Republic of Kazakhstan "On Copyright and Related Rights".

Paragraph 4-3 shall be valid until 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

4-3 When determining the amount of corporate income tax payable to the budget, the participants of the Astana Hub International Technology Park, shall reduce the amount of corporate income tax calculated in accordance with Article 302 of this Code by 100 percent, unless otherwise provided by this paragraph.

For the purposes of this Code, the participants of the Astana Hub international technology park shall include legal entities that simultaneously meet the following conditions:

1) registered in the Astana Hub international technology park as the participants in accordance with the legislation of the Republic of Kazakhstan on informatization;

2) receive income exclusively from the implementation of priority activities in the field of information and communication technologies.

Note!

The amendment to part three of paragraph 4-3 shall be valid until 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Reduction in the amount of calculated corporate income tax provided for in this paragraph shall also apply to income in the form of remuneration on deposits, excess of the amount of

positive exchange rate difference over the amount of negative exchange rate difference, property received gratuitously for the implementation of activities corresponding to priority activities in the information and communication technologies, in the event that a participant of the Astana Hub International Technology Park receives the income solely from the implementation of priority activities in the information and communication technologies, as well as income on doubtful pledges, penalties and fines amount.

In the case of production and sale of goods by participants of Astana Hub international technology park, such goods must meet the criteria for their own production.

The list of priority types of activities in information and communication technologies and criteria for own production shall be approved by the authorized body in the informatization area in coordination with the central authorized body for state planning, the authorized state body exercising state regulation in the field of technical regulation, and the relevant authorized body.

In case of breaching the conditions provided for in this paragraph, the participants of the Astana Hub International Technology Park shall apply the generally established taxation procedure from the start date of the taxable period in which the breach occurred.

The procedure for determining income from intellectual property objects and provision of informatization services, to which a 100 percent reduction in the amount of calculated corporate income tax is applied, shall be established by the authorized body in agreement with the authorized body in the informatization area.

4-4. Given the specifics provided for by paragraph 4 of Article 722-1 of this Code, subsoil users developing gas projects onshore in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, when determining the corporate income tax amount under such a contract payable to the budget, shall reduce the amount calculated in accordance with Article 302 of this Code of corporate income tax by 100 percent.

5. Taxpayers applying the provisions of this article are not entitled to apply other provisions of this Code providing for the reduction of corporate income tax calculated in accordance with Article 302 of this Code.

Footnote. Article 293 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 03.01.2019 № 213-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (effective from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2023); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) .

Chapter 30. TAXATION OF INCOME OF A CONTROLLED FOREIGN COMPANY

Article 294. Basic definitions used in this chapter

1. A controlled foreign company is a person meeting all of the following requirements:

1) such a person is one of the following:

a non-resident legal entity;

another foreign form of entrepreneurial activity organization without forming a legal entity (hereinafter referred to as another form of organization);

excepting a non-resident legal entity and (or) another form of organization registered or incorporated or otherwise established in a foreign state with which an international treaty is in effect regulating issues of avoiding double taxation and preventing tax evasion, provided that the nominal income tax rate in such a foreign state is more than 75 percent of the corporate income tax rate in the Republic of Kazakhstan, provided for in paragraph 1 of Article 313 of this Code.

For the purpose of applying this subparagraph, the list of countries with which an international treaty is in effect regulating avoidance of double taxation and tax evasion prevention, the nominal income tax rate of which is more than 75 percent of the corporate income tax rate in the Republic of Kazakhstan, shall be approved by the authorized body no later than December 31 of the year following the reporting period;

2) as of December 31 of the reporting period, such person shall meet one of the following conditions:

25 or more percent of participatory interest (voting shares) in the person directly or indirectly, or constructively belong to a legal entity or an individual who is a resident of the Republic of Kazakhstan (hereinafter referred to as the resident, for the purposes of this chapter);

a person is connected with a resident through control (in case the resident has direct or indirect, or constructive control over the person);

3) such a person meets one of the following requirements:

the effective income tax rate of a non-resident legal entity or another form of administration, determined in accordance with subparagraph 2) of paragraph 4 of this article, is less than 10 percent;

a non-resident legal entity or another form of organization or whose constituent document (document on the establishment) or a participant responsible for keeping records of income and expenses or managing assets for this other form of organization is registered in a state with preferential taxation.

For the purposes of defining a controlled foreign company, the term “control” is defined in accordance with subparagraph 3) of paragraph 4 of this article.

2. A permanent establishment of a controlled foreign company is a structural unit or permanent establishment that meets one of the following requirements:

1) it is registered in a state with preferential taxation;

2) it is registered in a foreign state and for which the effective income tax rate, determined in accordance with subparagraph 2) of paragraph 4 of this article, is less than 10 percent.

In this case, such a structural unit or permanent establishment must be created by a person meeting all the eligibility criteria of subparagraphs 1) and 2) of part one of paragraph 1 of this article.

The eligibility criteria referred to in paragraph 1 of this article and parts one and two of this paragraph shall not apply to controlled foreign companies and permanent establishments of controlled foreign companies that meet the following requirements:

1) the controlled foreign company or the permanent establishment of the controlled foreign company is not registered in countries with preferential taxation;

2) the total income amount of each controlled foreign company or permanent establishment of a controlled foreign company is less than 150,495 times the monthly calculation index established by the law on the republican budget and effective on the first day of the tax period.

If a person that meets the requirements specified in paragraph 1 of this article or parts one and two of this paragraph, at the end of the relevant period in the approved separate non-consolidated financial statements, has a financial loss, then such a person shall not be recognized as a controlled foreign company and (or) a permanent establishment of a controlled foreign company.

2. A permanent establishment of a controlled foreign company is a structural unit or permanent establishment that meets one of the following requirements:

1) it is registered in a state with preferential taxation;

2) it is registered in a foreign state and for which the effective income tax rate, determined in accordance with subparagraph 2) of paragraph 4 of this article, is less than 10 percent.

In this case, such a structural unit or permanent establishment must be created by a person meeting all the eligibility criteria of subparagraphs 1) and 2) of part one of paragraph 1 of this article.

The eligibility criteria referred to in paragraph 1 of this article and parts one and two of this paragraph shall not apply to controlled foreign companies and permanent establishments of controlled foreign companies that meet the following requirements:

1) the controlled foreign company or the permanent establishment of the controlled foreign company is not registered in countries with preferential taxation;

2) the total income amount of each controlled foreign company or permanent establishment of a controlled foreign company is less than 150,495 times the monthly calculation index established by the law on the republican budget and effective on the first day of the tax period.

If a person that meets the requirements specified in paragraph 1 of this article or parts one and two of this paragraph, at the end of the relevant period in the approved separate non-consolidated financial statements, has a financial loss, then such a person shall not be recognized as a controlled foreign company and (or) a permanent establishment of a controlled foreign company.

For the purposes of this chapter, the total income amount shall be converted into tenge at the market exchange rate determined as of the last business day of the tax period established by Article 314 of this Code.

If the currency in which the total income amount is expressed is not included in the list of foreign currencies, to which official exchange rate of the national currency is set by the National Bank of the Republic of Kazakhstan, which was effective in the reporting tax period, then the total income amount shall be converted into tenge applying the latest exchange rate in relation to EUR as determined by the central bank of the country of residence of the controlled foreign company or by the permanent establishment of the controlled foreign company as of the last business day of the tax period in the country of residence.

3. A state with preferential taxation is recognized as a foreign state or territory that meets one of the following conditions:

1) income tax rate in such a state or territory is less than 10 percent;

2) such a state or territory has laws on non-disclosure of financial information or laws allowing to keep a secret about the real owner of property, income or real owners, participants , founders, shareholders of a legal entity (company).

The provisions of subparagraph 2) of part one of this paragraph shall not apply to a foreign state or territory with which the Republic of Kazakhstan has concluded an international treaty providing for the exchange of information between competent tax authorities, except for a foreign state or territory that does not ensure the exchange of information with the authorized body for tax purposes.

A foreign state or territory is recognized as not ensuring the exchange of information with the authorized body for tax purposes provided one of the following requirements is met:

1) the authorized body received a written refusal to provide information, the exchange of which is set forth by an international treaty, from a competent or authorized body of a foreign state or territory;

2) the competent or authorized body of a foreign state or territory failed to provide the requested information within more than two years from the authorized body's request.

The list of states with preferential taxation, determined in accordance with this paragraph, is approved by the authorized body.

4. Other definitions used for the purposes of this chapter and Chapter 32 of this Code are as follows:

1) audited financial statements - financial statements resulting from an audit conducted by a person entitled to conduct it;

1-1) controlled person that meets one of the following conditions:

the person is connected with the resident through control (if the resident has direct or indirect or constructive control over the person);

a person in which the participation share of a resident is directly or indirectly, or constructively, more than 50 percent;

a person connected with a resident as the next of kin (in relation to a resident individual);

2) the effective tax rate of a controlled foreign company or the effective tax rate of a permanent establishment of a controlled foreign company is the arithmetic-mean of effective tax rates for a controlled foreign company or effective income tax rates for a permanent establishment of a controlled foreign company determined in accordance with subparagraph 12) for a reporting period and two previous consecutive periods, preceding the reporting period.

If at the end of a relevant period (periods), financial profit before tax of a controlled foreign company or a permanent establishment of a controlled foreign company is zero or it has a financial loss, relevant rates for such period (periods) are not taken into account when calculating the effective rate. In this case, the effective income tax rate of a controlled foreign company or the effective income tax rate of a permanent establishment of a controlled foreign company is determined on the basis of relevant indicators of the remaining number of periods in which the financial profit was obtained.

If the legislation of the state of a controlled foreign company's incorporation sets forth an obligation to compile consolidated financial statements disclosing the data of subsidiaries (associates, joint ventures) without drawing up separate unconsolidated financial statements, then, in order to calculate the effective tax rate of a controlled foreign company, financial profit indicators before tax and income tax are recalculated as follows:

subject to exclusion from financial profit before tax are amounts of subsidiaries' financial profit (loss) before tax reduced by the amount of profit (loss) from intercompany transactions, the share in the income of associates (joint ventures) recognized in consolidated financial statements of a controlled foreign company, provided that consolidated financial profit before taxation of a controlled foreign company takes such amounts into account;

subject to exclusion from the profit tax are amounts of subsidiaries' income tax recognized in consolidated financial statements of a controlled foreign company as current tax expense, not including deferred taxes, provided that consolidated amount of the tax on profits of a controlled foreign company includes such amounts;

3) control - control determined in accordance with international financial reporting standards or other internationally recognized standards for the preparation of financial statements adopted by stock exchanges to admit securities to trading;

3-1) approved financial statements - a document of a controlled foreign company or a permanent establishment of a controlled foreign company that meets the requirements of paragraph 3 of Article 297 of this Code, certified by the signature of the chief executive officer (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of controlled foreign company and including a balance sheet, profit & loss statement, cash flow statement, statement of changes in equity, explanatory note (or other document);

4) reporting period - financial period in which financial profit is recognized;

5) immediate family members:
spouse;
children, including adopted ones;
children of the spouse, including adopted ones;
grandchildren;
grandchildren of the spouse;
dependents;
dependents of the spouse;
parents;
parents of the spouse;
full, half siblings;
full, half siblings of the spouse;

6) indirect control - control by a resident through a controlled person (controlled persons);

7) indirect ownership (indirect participation) - ownership by a resident of participatory interests in a controlled foreign company through a controlled person (controlled persons);

8) constructive control - direct and indirect control by a resident or direct and (or) indirect control by a resident and (together with) his/her immediate family member (immediate family members);

9) constructive ownership (constructive participation) - direct and indirect ownership of participatory interests in a controlled foreign company by a resident or direct and indirect ownership of participatory interests in a controlled foreign company by a resident and (together with) his/her immediate family member (immediate family members);

9-1) the total income amount - the sum of all income of a controlled foreign company or a permanent establishment of a controlled foreign company, reflected in the approved separate non-consolidated financial statements of such a controlled foreign company or such a permanent establishment of a controlled foreign company for the reporting period.

For the purposes of part one of this subparagraph, incomes similar to those specified in subparagraphs 2), 3), 9) and 11) of paragraph 2 of Article 225 of this Code are excluded from the total amount of income for the reporting period. For this paragraph to apply, a resident must have a document certified by the signature of the chief executive officer (or a person authorized to sign the financial statements) of the controlled foreign company and (or) a permanent establishment of the controlled foreign company, disclosing information about each excluded type of income and expense, in the context of amounts (with mandatory translation into Kazakh or Russian) or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on each excluded type of income, broken down by amounts (with obligatory translation into Kazakh or Russian);

10) participatory interest (participation) - participatory interest (participation) in the authorized capital, the participatory interest (participation) of voting shares in the authorized (share) capital or participatory interest (participation) in another form of administration;

11) income tax - a foreign income tax or another foreign tax similar to a corporate or individual income tax in the Republic of Kazakhstan, excluding the excess profits tax or special payments and taxes of subsoil users;

11-1) nominal income tax rate - a fixed income tax rate or other foreign tax similar to corporate income tax on the income received by a non-resident legal entity or other form of organization.

For the purposes of part one of this subparagraph, if a progressive scale of taxation rates is established in the tax legislation of a foreign state, then the upper level of the profit tax rate or other foreign tax similar to corporate income tax is taken as the nominal income tax rate, without regard to special tax regimes and other benefits provided by such a foreign state.

If the taxation system of a foreign country provides for several tax levels, including national, federal, cantonal, local, regional, municipal, communal, provincial, state, prefectural and other territorial income taxes, then the nominal income tax rate shall be calculated as the sum of the corresponding income tax rates;

11-2) passive income - the following types of income shall be recognized as passive income:

dividends;

remuneration income;

value appreciation income;

royalty income;

income from insurance activities, if such activity is not the main activity of a controlled foreign company or a permanent establishment of a controlled foreign company;

income from rendering of consulting, legal, accounting, auditing, engineering, advertising , marketing services, as well as from research and development work, if these activities are not the main activity of a controlled foreign company or a permanent establishment of a controlled foreign company.

For the purposes of part one of this subparagraph, the main activity of a controlled foreign company or a permanent establishment of a controlled foreign company shall be an activity for which the income received is more than 50 percent of the total amount of the total annual income of such a controlled foreign company or a permanent establishment of a controlled foreign company;

11-3) share of passive income - the ratio of passive income of a controlled foreign company or a permanent establishment of a controlled foreign company to the total amount of income of a controlled foreign company or a permanent establishment of a controlled foreign company.

The share of passive income is not determined for controlled foreign companies or permanent establishments of controlled foreign companies registered in states with preferential taxation;

12) effective rate - the income tax rate, determined as the lowest of the following rates:

calculated as the ratio of the income tax amount for the reporting period, considered according to the approved financial reporting as a current tax expense, not including deferred taxes, to a positive amount of financial profit before tax, determined in accordance with paragraph 3 of Article 297 of this Code, for the reporting period;

calculated as the ratio of the income tax amount paid for the reporting period to the positive value of financial profit before taxation, determined in accordance with paragraph 3 of Article 297 of this Code, for the reporting period.

For the purposes of part one of this subparagraph, the income tax amount includes income tax, including national, federal, cantonal, local, regional, municipal, communal, provincial, state, prefectural and other territorial income taxes and withholding tax at source, provided that the financial profit before tax includes (included) in the current or previous period the income with levied withholding tax at source;

13) person:

an individual;

a non-resident legal entity;

another form of administration;

14) direct control – control by a resident directly or through a trust manager or a nominee holder if such controlling interest, held by a nominee holder or trust manager, actually belongs to such a resident;

15) direct ownership (direct participation) - ownership of a participatory interest by a resident directly or through a trust manager or a nominee holder if such participatory interests , held by a nominee holder or trust manager, actually belong to such a resident;

16) a foreign company - a non-resident legal entity or other form of organization, with the exception of a person that meets the conditions specified in paragraph 1 of this article;

17) a single organizational structure of a consolidated group - persons other than individuals who are directly or indirectly and (or) constructively owned and (or) controlled by a resident.

For the purposes of part one of this subparagraph, the unified organizational structure of a consolidated group does not include persons other than individuals who are indirectly owned and (or) controlled through another resident. If a resident directly owns and (or) controls another resident, then this other resident is not included in the unified organizational structure of the consolidated group.

Footnote. Article 294 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (enforcement, Article 2).

Article 295. General provisions

Financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company is not subject to double taxation.

Double taxation is eliminated by applying the following provisions:

1) exemption from taxation in accordance with Article 296 of this Code;

2) adjustments to the financial profit before tax of a controlled foreign company, subject to the conditions specified in paragraph 3 of Article 297 of this Code;

3) reduction of financial profit before taxation of a controlled foreign company in accordance with paragraph 4 of Article 297 of this Code;

4) offset against the corporate income tax payment in the Republic of Kazakhstan in the manner prescribed by paragraph 4 of Article 303 of this Code.

Footnote. Article 295 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2020).

Article 296. Tax exemption

1. The financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company is exempt from taxation in the Republic of Kazakhstan if one of the requirements below is met:

1) in case of a resident's indirect participation in or indirect control of a controlled foreign company through another resident;

2) in case of a resident's indirect participation in or indirect control of a controlled foreign company through a person that is not a controlled person;

3) if the profits tax was levied on the financial profit of a permanent establishment of a controlled foreign company in the state of incorporation of the controlled foreign company that set up the permanent establishment, at an effective rate of 20 and more percent;

4) if the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company was taxed in the state of registration of a controlled person, through which the resident indirectly owns participatory interests or has indirect controlling interest in the controlled foreign company, at an effective rate of 20 and more percent;

5) if the share of passive income of a controlled foreign company or a permanent establishment of a controlled foreign company, except for those registered in states with preferential taxation, is less than 20 percent;

6) with direct and (or) indirect ownership and (or) control by an investment resident of the International financial centre "Astana" in a controlled foreign company.

2. For the purposes of applying paragraph 1 of this Article, a resident must have available (with a mandatory translation into Kazakh or Russian) the following documents:

1) in case of application of subparagraph 1) or 2) of paragraph 1 of this Article:

copies of documents confirming the indirect participation or indirect control of a resident in a controlled foreign company, specified in subparagraphs 1) or 2) of paragraph 1 of this Article, or a copy of a document certified by the signature of the first head (or a person

authorized to sign the financial statements) of the resident, disclosing the unified organizational structure of the consolidated group, of which the resident is a member (shareholder), reflecting the names of all participants in such a consolidated group and their geographical location (names of states (territories), where the participants of the consolidated group are created (founded), the size of participation shares and the numbers of state and tax registration of all participants in the consolidated group (if they have tax registration);

2) in case of application of subparagraph 3) of paragraph 1 of this Article:

a copy of the approved separate financial statements of the controlled foreign company that has created a permanent establishment;

a copy of the approved financial statements of the permanent establishment of the controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of the controlled foreign company, disclosing information on the inclusion in the financial profit of the controlled foreign company that has created a permanent establishment, the financial profit of such a permanent establishment, or an explanatory note to the audited financial statements, certified by a person who audited the financial statements of a controlled foreign company, disclosing information on the inclusion in the financial profit of a controlled foreign company that has created a permanent establishment, the financial profit of such a permanent establishment;

a copy of a document (documents) drawn up in a foreign language confirming the payment of income tax on the financial profit of a permanent establishment of a controlled foreign company in a foreign state in which a controlled foreign company that has created a permanent establishment is registered.

In case of inclusion of withholding tax, when determining the effective rate, the resident must have:

a copy of a document (documents) drawn up (compiled) in a foreign language confirming withholding and transfer to the budget of a foreign state (foreign states) of withholding tax from income (incomes) included in financial profit before taxation;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in financial profit before taxation of income (incomes) subject to withholding tax, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in financial profit before taxation of income (incomes) subject to withholding tax payments;

3) in case of application of subparagraph 4) of paragraph 1 of this Article:

a copy of the approved consolidated financial statements of a controlled person through whom indirect ownership or indirect control of the controlled foreign company is carried out;

a copy of the approved separate unconsolidated financial statements of the controlled foreign company or the financial statements of the permanent establishment of the controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in the consolidated financial profit of a controlled person through whom the resident indirectly owns participation interests or has indirect control in a controlled foreign company, financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company, or an explanatory note to the audited financial statements certified by the person who audited the financial statements of the controlled foreign company and (or) the permanent establishment of the controlled foreign company, disclosing information about included in the consolidated financial income of a controlled person through whom a resident indirectly owns participation interests or has indirect control in a controlled foreign company, financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company;

a copy of a document (documents) drawn up in a foreign language confirming the payment in a foreign state in which a controlled person is registered, through whom a resident indirectly owns participation interests or has indirect control in a controlled foreign company, income tax on financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company.

If the withholding tax is included in determining the effective rate, the resident must have:

a copy of a document (documents) drawn up (drawn up) in a foreign language confirming the withholding and transfer to the budget of a foreign state (foreign states) of withholding tax from income (incomes) included in financial profit before taxation;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in financial profit before taxation of income (incomes) subject to withholding tax, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in financial profit before taxation of income (incomes) subject to withholding tax payments;

4) in case of application of subparagraph 5) of paragraph 1 of this Article:

a copy of the approved separate non-consolidated financial statements of a controlled foreign company or permanent establishment of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information in the context of each type of passive

income, indicating the amount of income received by a controlled foreign company or a permanent establishment of a controlled foreign company company for the reporting period, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) the permanent establishment of a controlled foreign company, disclosing information by each type of passive income, indicating the amount of income received by a controlled foreign company or a permanent establishment of a controlled foreign company during the reporting period.

3. Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Footnote. Article 296 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force).

Article 297. Taxation of the profit of a controlled foreign company

1. The total profit of controlled foreign companies or permanent establishments of controlled foreign companies, with the exception of those registered in countries with preferential taxation, determined in accordance with paragraphs 2, 3, 3-1 and 4 of this Article, shall be recognized as taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, with the exception of those registered in states with preferential taxation, and shall be subject to corporate or individual income tax in the Republic of Kazakhstan.

The total profit of controlled foreign companies or permanent establishments of controlled foreign companies registered in countries with preferential taxation, determined in accordance with paragraphs 2 and 3 of this Article, shall be recognized as taxable income of controlled foreign companies and permanent establishments of controlled foreign companies registered in states with preferential taxation, and shall be subject to corporate or individual income tax in the Republic of Kazakhstan.

2. The total profit of CFCs (controlled foreign companies) or permanent establishments of CFCs shall be determined by the following formula:

$P = P1 \times S1 + P2 \times S2 + ... + Pn \times Sn,$

where:

P - the total profit of all controlled foreign companies or permanent establishments of controlled foreign companies, with the exception of controlled foreign companies or permanent establishments of controlled foreign companies, the financial profit of which is exempt from taxation in accordance with Article 296 of this Code;

S1, 2,..,n - the share of direct, indirect, constructive participation or direct, indirect, constructive control of a resident in each controlled foreign company;

P1, 2,..,n - the positive value of financial profit of each controlled foreign company or each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan, determined by a resident, according to one of the following formulas :

P1, P2,..., Pn = Pbt 1,2,…n – R1,2,…n – L1,2,…n

or

P1, P2,..., Pn= Pbt1,2,…n × SPI1,2,…n, where:

Pbt1,2,…n - the positive amount of financial profit before tax of each controlled foreign company or each permanent establishment of a controlled foreign company for the reporting period;

R1,2,…n - the amount of reductions made by a resident from financial profit before taxation of each controlled foreign company or financial profit before taxation of each permanent establishment of a controlled foreign company for the reporting period in accordance with paragraph 4 of this Article;

SPI1,2,…n - the share of passive income of each controlled foreign company or each permanent establishment of a controlled foreign company, determined in accordance with subparagraph 11-3) of paragraph 4 of Article 294 of this Code;

L1,2,…n – the amount of loss of each controlled foreign company or each permanent establishment of a controlled foreign company that arose in two consecutive periods preceding the reporting period. At the same time, reduced losses in subsequent periods shall not be taken into account.

For the purposes of part one of this paragraph, a loss is recognized as a loss reflected in the approved separate non-consolidated financial statements, which must be available to the resident applying the loss (with a mandatory translation into Kazakh or Russian).

The loss of a controlled foreign company or a permanent establishment of a controlled foreign company does not reduce:

1) the financial profit of this controlled foreign company and (or) this permanent establishment of a controlled foreign company, calculated in accordance with paragraph 3 of this Article;

2) financial profit before taxation of another controlled foreign company or other permanent establishment of a controlled foreign company;

3) taxable income of a resident.

A resident shall not be entitled to use the losses of a controlled foreign company and (or) a permanent establishment of a controlled foreign company registered in states with preferential taxation.

For the purposes of part one of this paragraph, if a resident uses a formula with a share of passive incomes when calculating the total profit of a controlled foreign company or a permanent establishment of a controlled foreign company, it shall be necessary to apply the same formula to all his other controlled foreign companies or permanent establishments of controlled foreign companies for the reporting tax period.

3. Determination of financial profit before taxation of a controlled foreign company or financial profit before taxation of a permanent establishment of a controlled foreign company for the reporting period shall be carried out on the basis of the approved separate

non-consolidated financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company prepared in accordance with the standard established by the legislation of the country in which a controlled foreign company is registered or a permanent establishment of a controlled foreign company is registered, or in accordance with International financial reporting standards. At the same time, a resident shall have the right to determine the financial profit before taxation of a controlled foreign company or a permanent establishment of a controlled foreign company on the basis of approved separate non-consolidated financial statements prepared in accordance with international financial reporting standards, only if audited financial statements are available.

If the legislative acts of the state in which a controlled foreign company is registered establish an obligation to prepare only consolidated financial statements with the consolidation of data of subsidiaries (associated, joint) organizations without drawing up separate non-consolidated financial statements and there are no separate non-consolidated financial statements, the resident shall make the following adjustments from the financial profit (loss) of a controlled foreign company for the reporting period, determined (defined) in the financial statements for the reporting period, by excluding the following amounts, confirmed by an auditor's report, which must be available to the resident:

the amount of financial profit (loss) for the reporting period of subsidiaries (associated, joint) organizations, collected in the consolidated financial profit (consolidated loss) according to the consolidated financial statements of a controlled foreign company;

the amount of financial profit (loss) of subsidiaries (associated, joint) organizations for the reporting period, when they are consolidated from the consolidated financial profit (consolidated loss) according to the consolidated financial statements of the parent company for the reporting period, which shall be subject to increase (decrease) by the amounts of financial profits (losses) from intra-group transactions when they are eliminated during consolidation.

When adjusting the data of the consolidated financial statements of a controlled foreign company for the reporting period in accordance with this paragraph, dividends received or receivable from a subsidiary (associated, joint) organization that are not reflected in the consolidated financial profit (consolidated loss) on the consolidated financial statements recognized in accounting in the reporting period, shall be subject to inclusion in the income of a controlled foreign company for the reporting period and confirmed by the auditor's report.

For the purposes of this paragraph, the financial profit before taxation of a controlled foreign company or a permanent establishment of a controlled foreign company for the reporting period shall exclude income similar to those specified in subparagraphs 2), 3), 9) and 11) of paragraph 2 of Article 225 of this Code, and expenses, similar to those specified in paragraphs 4 and 5 of Article 242 of this Code, provided that financial profit before taxation includes such income and (or) expenses. To apply this part, a resident must have a document certified by the signature of the cfirst head (or a person authorized to sign the financial

statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on each excluded type of income and expense, in the context of amounts (with mandatory translation into Kazakh or Russian), or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information about each excluded type of income and expense, in the context of amounts (with mandatory translation into Kazakh or Russian).

3-1. If a resident doesn't have an approved separate non-consolidated financial statements by March 31 of the second year following the reporting year, the amount of financial profit before taxation of a controlled foreign company or financial profit before taxation of a permanent establishment of a controlled foreign company for such a reporting period shall be determined by the resident at his choice in one of the following procedures:

1) in a manner similar to the procedure for determining taxable income in accordance with the provisions of this Code;

2) as the product of the income of a controlled foreign company or income of a permanent establishment of a controlled foreign company for the reporting period and a coefficient of 0.5. The amount of income shall be determined based on the receipt of money in the bank accounts of a controlled foreign company or bank accounts of a permanent establishment of a controlled foreign company during the reporting period.

For the purposes of part one of this subparagraph, the following types of receipts shall be subject to exclusion if supporting documents are available:

receipt of money to bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company during the reporting period, from other bank accounts of this controlled foreign company or its permanent establishment (internal and interbank money transfers);

receipt and (or) return of borrowed funds, with the exception of remuneration on loans and penalties, fines. For the application of this paragraph, the resident must have a copy of the loan agreement and payment order for the return and (or) receipt of borrowed funds;

receipt of erroneously credited amounts of money, subject to return in the current tax period;

receipt of money as a contribution to the authorized capital.

The resident upon receipt of a document that meets the conditions of paragraph 3 of this Article, after the period established by paragraph 4 of Article 315 of this Code shall be obliged to recalculate the amount of financial profit of a controlled foreign company and (or) a permanent establishment of a controlled foreign company.

If there is a document that meets the conditions of subparagraph 1) of paragraph 4 of Article 294 of this Code, the taxpayer shall be obliged to recalculate the amount of financial profit of a controlled foreign company or a permanent establishment of a controlled foreign company.

4. A resident shall have the right to reduce the financial profit before taxation of a controlled foreign company by the following amounts if supporting documents are available:

1) the amount of the reduction, determined by the following formula:

R = FP × (I(1)/TAI), where:

R - the amount of reduction;

FP - the positive value of financial profit before taxation of a controlled foreign company;

I(1) - income of a controlled foreign company from entrepreneurial activities in the Republic of Kazakhstan through a branch, representative office, permanent establishment, subject to corporate income tax in the Republic of Kazakhstan at a rate of 20 percent or more, within the taxable income of the branch, provided that the financial profit is up to taxation of a controlled foreign company takes into account the taxable income specified in this subparagraph;

TAI - the total amount of income;

2) the amount of reduction determined by the following formula:

R = FP × (I(2)/TAI), where:

R - the amount of reduction;

FP - the positive value of financial profit before taxation of a controlled foreign company;

I(2) - income from the provision of services (performance of works) in the Republic of Kazakhstan without the formation of a permanent establishment, received by a controlled foreign company from sources in the Republic of Kazakhstan, subject to corporate income tax in the Republic of Kazakhstan at the source of payment at a rate of 20 percent, provided that financial profit before taxation is determined taking into account the income specified in this subparagraph;

TAI - the total amount of income;

3) dividends received by a controlled foreign company from sources in the Republic of Kazakhstan, which are not subject to corporate income tax at the source of payment in accordance with subparagraph 3), paragraph 9 of Article 645 of this Code, provided that the financial profit before tax of the controlled foreign company includes such income;

4) the amount of dividends received by one controlled foreign company from another controlled foreign company, which are part of the unified organizational structure of the consolidated group.

At the same time, the financial profit of one controlled foreign company must include such dividends that were previously taxed (subject to taxation in the current period) with corporate income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced in accordance with subparagraphs 3), 5), 6), 7), 8) and 9) of this paragraph or part one of this subparagraph;

5) the amount of dividends received by a controlled foreign company from a foreign company included in the unified organizational structure of the consolidated group.

At the same time, the financial profit of such a controlled foreign company must include such dividends that were previously taxed (subject to taxation in the current period) with corporate income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced in accordance with subparagraphs 3), 4), 6), 7), 8) and 9) of this paragraph or part one of this subparagraph;

6) the amount of reduction determined by the following formula:

R = FP × (I(6)/TAI), where:

R - the amount of reduction;

FP - the positive value of financial profit before taxation of a controlled foreign company;

I (6) - income in the form of remuneration and (or) from capital gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan, previously subject to corporate income tax in the Republic of Kazakhstan at the source of payment, provided that the financial profit of a controlled foreign company before taxation includes such income;

TAI - the total amount of income;

7) the amount of reduction determined by the following formula:

R = FP × (I(7)/TAI), where:

R - the amount of reduction;

FP - the positive value of financial profit before taxation of a controlled foreign company;

I (7) - income from capital gains received by one controlled foreign company from the sale of another controlled foreign company, which is the founder of a resident of the Republic of Kazakhstan that meets the conditions of subparagraph 7) or 8) of paragraph 9 of Article 645 of this Code, provided that the financial profit of one controlled foreign company includes such income;

TAI - the total amount of income;

8) income in the form of remuneration and (or) from capital gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan, not subject to corporate income taxation at the source of payment in accordance with subparagraphs 6), 7), 8) and 9) paragraph 9 of Article 645 of this Code, provided that the financial profit of a controlled foreign company before taxation includes such income;

9) the amount of dividends received by a controlled foreign company from sources in the Republic of Kazakhstan, previously subject to corporate income tax in the Republic of Kazakhstan at the source of payment, provided that financial profit before taxation includes such dividends;

10) the amount of dividends received by a controlled foreign company from a foreign company included in the unified organizational structure of the consolidated group. At the same time, the financial profit of such a controlled foreign company must include such dividends received from the sources of the Republic of Kazakhstan, which were previously subject to corporate income tax at the source of payment in the Republic of Kazakhstan and (

or) were not subject to corporate income tax at the source of payment in accordance with subparagraph 3), paragraph 9 of Article 645 of this Code.

The provisions of part one of this paragraph shall not be applied to a controlled foreign company and (or) a permanent establishment of a controlled foreign company that is registered in states with preferential taxation.

5. If the duration or start and end dates of a reporting period in a foreign country and a reporting taxable period in the Republic of Kazakhstan, determined in accordance with Article 314 of this Code, do not coincide, a taxpayer is obliged to adjust the financial profit of each controlled foreign company or financial profit of each permanent establishment of the controlled foreign company subject to taxation in the Republic of Kazakhstan, by applying adjustment coefficients (C1, C2) as follows:

$P_1, P_2, \ldots, P_n = P_н \times C_1 + Pt_{+1} \times C_2$,

$C_1 = RP\ (CH)_1 / RP\ (CH)_3$,

$C_2 = RP\ (CH)_2 / RP\ (CH)_3$, where:

$P_1, P_2, \ldots, P_n$ - the positive amount of financial profit of each controlled foreign company or each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan;

P_t - the positive amount of the financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan for one reporting period within the frames of the reporting taxable period in the Republic of Kazakhstan;

P_{t+1} - the positive amount of the financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan for another reporting period within the frames of the reporting taxable period in the Republic of Kazakhstan;

$RP\ (CH)_1$ - the number of months of one reporting period in a foreign country within which a resident owns participatory interests or has control in a controlled foreign company within the frames of the reporting taxable period in the Republic of Kazakhstan;

$RP\ (CH)_2$ - the number of months of the next reporting period in a foreign country within which the resident owns participatory interests or has control in a controlled foreign company within the frames of the reporting taxable period in the Republic of Kazakhstan;

$RP\ (CH)_3$ - the total number of months of the reporting period in a foreign country.

If a resident owns participatory interests or has control in a controlled foreign company for an incomplete reporting period (less than twelve months), the resident has the right to

adjust the financial profit of each controlled foreign company or financial profit of each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan, as follows:

$P_1, P_2, \ldots, P_n = P \times RP\ (CH)_4 / RP\ (CH)_3$, where:

$P_1, P_2, \ldots, P_n$ - the positive amount of financial profit of each controlled foreign company or each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan;

P - the positive amount of the financial profit of a controlled foreign company or permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan for the reporting period;

$RP\ (CH)_3$ - the total number of months of the reporting period in a foreign country;

$RP\ (CH)_4$ - the number of months of the reporting period in a foreign country within which the resident owns participatory interests or has control in a controlled foreign company within the frames of the reporting taxable period in the Republic of Kazakhstan.

6. The amount of financial profit of each controlled foreign company or financial profit of each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan denominated in foreign currency shall be recalculated by the resident in tenge using the arithmetic-mean market exchange rate for the reporting period.

7. The coefficient of direct participation or direct control of a resident in each controlled foreign company is determined using the following formula:

$D_1, D_2, \ldots, D_n = X/100\ \%$, where:

$D_1, D_2, \ldots, D_n$ - coefficient of direct participation or direct control of the resident in each controlled foreign company;

X - the share of direct participation or direct control of the resident in each controlled foreign company, in percentage terms.

The coefficient of indirect participation or indirect control of a resident in each controlled foreign company is determined using the following formula:

$I_1, I_2, \ldots, I_n = X_1/100\ \% \times X_2/100\ \% \times \ldots \times X_n/100\ \%$, where:

$I_1, I_2, \ldots, I_n$ - coefficient of indirect participation or indirect control of the resident in each controlled foreign company;

X_1 - the share of direct participation or direct control of the resident in the person through which indirect participation or indirect control is exercised, in percentage terms;

X_2, ... - the share of direct participation or direct control of each previous person in each successive person in the appropriate sequence, through whom indirect participation or indirect control is exercised, in percentage terms;

X_n - the share of direct participation or direct control of a previous person in a controlled foreign company, in percentage terms.

The coefficient of constructive participation or constructive control of a resident in each controlled foreign company is calculated in one of the following orders:

1) coefficient of direct participation or direct control of a resident in a controlled foreign company

plus

coefficient of indirect participation or indirect control of a resident in a controlled foreign company;

2) coefficient of direct and (or) indirect participation or direct and (or) indirect control of a resident in a controlled foreign company

plus

coefficient of direct and (or) indirect participation or direct and (or) indirect control of a controlled person in a controlled foreign company provided that the controlled person is an immediate family member of the resident and is a resident of the Republic of Kazakhstan.

In case of constructive ownership by a resident individual of participatory interests or if a resident individual has constructive control in a controlled foreign company with the participation of resident immediate family members who have not reached the age of majority , the provisions of this article shall apply to such constructive ownership or such constructive control. In case of constructive ownership by a resident individual of participatory interests or if a resident individual has constructive control in a controlled foreign company with the participation of resident immediate family members who have reached the age of majority and (or) retirement, the provisions of this paragraph apply to such constructive ownership or such constructive control given written consent of such immediate family members. Without written consent of such an immediate family member (immediate family members), the tax obligation, in accordance with this chapter, shall be fulfilled by each person (the resident and such an immediate family member (members) of the resident) independently in proportion to the ownership interest or control in the controlled foreign company if the aggregate participatory interest of the resident and such an immediate family member (members) in a controlled foreign company exceeds 25 percent or the resident and such an immediate family member (members) have joint control in a controlled foreign company.

8. The provisions of this article apply to a permanent establishment of a controlled foreign company.

9. The provisions of this article shall apply irrespective of reliefs, investment tax preferences, the most favored nation treatment granted to a resident and (or) established by the legislation of the Republic of Kazakhstan for a resident, as well as other taxation conditions that are more favorable than those provided for by this Code.

10. For the purposes of this Article, confirming documents mean the following documents :

1) for the application of subparagraph 1) of part one of paragraph 3-1 of this Article, copies of documents allowing to determine the amount of financial profit before taxation for the reporting period of a controlled foreign company or a permanent establishment of a controlled foreign company. Such documents shall be the statements from bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company, primary documents confirming the transactions performed in accordance with the business practices of a controlled foreign company or a permanent establishment of a controlled foreign company;

2) for the application of subparagraph 2) of part one of paragraph 3-1 of this Article:

copies of monthly statements in paper and (or) electronic form from all bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company for the reporting period;

an official document issued by a bank and (or) a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing the information provided for in part two of subparagraph 2) of part one of paragraph 3-1 of this Article, and containing information about all bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company;

3) for the application of subparagraph 1) of part one of paragraph 4 of this Article:

a copy of the approved financial statements of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of a controlled foreign company, containing a breakdown of the income and expenses of each branch of a controlled foreign company included in the financial profit of a controlled foreign company, indicating the business identification numbers of such branches, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company, containing a breakdown of the income and expenses of each branch of a controlled foreign company included in the financial profit of a controlled foreign company, indicating the business identification numbers of such branches;

4) for the application of subparagraph 2) of part one of paragraph 4 of this Article:

a copy of the approved financial statements of a controlled foreign company or permanent establishment of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income from the provision of services (performance of works) in the Republic of Kazakhstan without the formation of a permanent establishment of a controlled foreign company, in breakdown by amounts and

customers, indicating business identification numbers and (or) individual identification numbers, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income from the provision of services (performance of works) in the Republic of Kazakhstan without the formation of a permanent establishment of a controlled foreign company, in the context of amounts and customers, indicating business identification numbers and (or) individual identification numbers;

5) for the application of subparagraphs 3), 4), 5), 9) and 10) of the first part of paragraph 4 of this Article:

copies of a document (documents) confirming the distribution of dividends of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, confirming the distribution and payment of dividends from sources in the Republic of Kazakhstan by a controlled foreign company and (or) foreign company to another controlled foreign company applying the reduction (in case of application of subparagraphs 3), 9) and 10) of part one of paragraph 4 of this Article), or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, confirming the distribution and payment of dividends from sources in the Republic of Kazakhstan by a controlled foreign company and (or) by a foreign company to another controlled foreign company applying the reduction (in case of application of subparagraphs 3), 9) and 10) of part one of paragraph 4 of this Article);

a copy of the approved financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing information on dividends received from subsidiaries (associated) of a controlled foreign company, broken down by amounts and names of companies, distributing dividends, indicating the registration number in the country of residence, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing information on dividends received from subsidiaries (associated) organizations of a controlled foreign company, broken down by amounts and names of companies distributing dividends, indicating the registration number in the country of residence;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a resident, containing information about the unified organizational

structure of the consolidated group, indicating the names, registration numbers in the country of residence, their geographical location (names of states (territories), sizes of participation shares (voting shares) of all participants in the unified organizational structure of the consolidated group;

6) for the application of subparagraphs 6), 7) and 8) of part one of paragraph 4 of this Article:

a copy of the approved financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of remuneration, royalties from sources in the Republic of Kazakhstan, broken down by amounts and names of residents of the Republic of Kazakhstan, who paid income, indicating business identification numbers and (or) individual identification numbers (in case of application of subparagraphs 6) and 8) of part one of paragraph 4 of this Article, in relation to income in the form of remuneration, royalties), or an explanatory note to the audited financial statements certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of remuneration, royalties from sources in the Republic of Kazakhstan, broken down by amounts and names of residents of the Republics and Kazakhstan, who paid income, indicating business identification numbers and (or) individual identification numbers (in case of application of subparagraphs 6) and 8) of part one of paragraph 4 of this Article, in relation to incomes in the form of remuneration, royalties);

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of value added, broken down by amounts, names and assets sold, including those located in Republic of Kazakhstan, indicating the registration numbers in the country of residence (in case of application of subparagraphs 6), 7) and 8) of part one of paragraph 4 of this Article, in relation to income in the form of value added), or an explanatory note to the audited financial statements, certified by a person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of value added, broken down by amounts, names and assets sold, including those located in the Republic of Kazakhstan, indicating registration numbers in the country of residence (in case of application of subparagraphs 6), 7) and 8) of part one of paragraph 4 of this Article, in relation to income in the form of value added);

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a resident, containing information about the unified organizational structure of a consolidated group, indicating the names, registration numbers in the country of

residence, their geographical location (names of states (territories), sizes of participation shares (voting shares) of all participants in the unified organizational structure of a consolidated group;

copies of title documents of a resident of the Republic of Kazakhstan that meets the conditions of subparagraph 7) or 8) of paragraph 9 of Article 645 of this Code;

7) for the application of paragraph 11) of part one of paragraph 2 of this Article:

a copy of the approved financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing the ratio of passive income to the total amount of income, by each type of passive income and the amounts included in the total amount of income, indicating the registration number of the customer in the country of residence, or an explanatory note to the audited financial statements certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing the ratio of passive income to the total amount of income, in the context of each type of passive income and the amounts included in the total amount of income, indicating the registration number of the customer in the country of residence.

The documents specified in this paragraph, or copies thereof, must be available to the resident (with mandatory translation into Kazakh or Russian, if necessary), applying the provisions of paragraphs 3-1 and 4 of this Article.

11. A resident must submit a transformation document to the authorised body no later than ten working days following the submission of a corporate income tax return or a return on income and property that includes the total profits of controlled foreign companies or permanent establishments of controlled foreign companies.

For the purposes of this section, a transformation document is a document certified by the signature and seal (if any) of a resident (or a person authorized to sign on the basis of a notarized power of attorney), containing the following information:

1) a unified organizational structure of a consolidated group, of which the resident is a participant (shareholder), reflecting the names of all participants of a consolidated group and their geographical location (names of the states (territories) where the participants of a consolidated group are created (established), the size of participation shares, numbers of the state and tax registration of all members of the consolidated group (if tax registration is available);

2) financial profit and the total amount of income of each controlled foreign company and (or) permanent establishment of a controlled foreign company;

3) the ratio of passive income to the total amount of income of each controlled foreign company or a permanent establishment of a controlled foreign company, in the context of

each type of passive income and the amounts included in the total amount of income, indicating the registration number of the customer in the country of residence (in case of application of passage eleven of part one of paragraph 2 of this Article);

4) the loss of each controlled foreign company or a permanent establishment of a controlled foreign company that arose in two periods consecutively preceding the reporting period, indicating the amounts and year of the loss (in case of application of passage twelve of part one of paragraph 2 of this Article);

5) each type of income and expense excluded from the total amount of income or financial profit before taxation of a controlled foreign company or a permanent establishment of a controlled foreign company, broken down by amounts (in case of application of subparagraph 9-1) of paragraph 4 of Article 294 of this Code or part two of paragraph 3 of this Article);

6) financial profit (loss) for the reporting period of each subsidiary (associated, joint) organization, consolidated in the consolidated financial profit (consolidated loss) according to the consolidated financial statements of a controlled foreign company, broken down by amounts, names and registration numbers in the country of residence of subsidiaries (associated, joint) organizations (in case of application of part three of paragraph 3 of this Article);

7) financial profit (loss) for the reporting period of each subsidiary (associated, joint) organization upon its consolidation from the consolidated financial profit (consolidated loss) according to the consolidated financial statements of the parent company for the reporting period, which is subject to increase (decrease) by the amount of financial profit (losses) from intra-group transactions when they are excluded during consolidation, broken down by amounts, names and registration numbers in the country of residence of subsidiaries (associated, joint) organizations (in case of application of part four of paragraph 3 of this Article);

8) bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company, indicating the total amount of money received for the reporting period, broken down by bank account numbers, the name of a financial organization and its geographical location (names of states (territories) (in case of application of paragraph 3- 1 of this Article);

9) receipt of money to the bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company during the reporting period from other bank accounts of this controlled foreign company or its permanent establishment (internal and interbank money transfers) indicating the numbers of bank accounts, amounts and dates of transactions (in case of application of paragraph 3-1 of this Article);

receipt and (or) return of borrowed funds, with the exception of interests on loans and penalties, fines, indicating the numbers of bank accounts, amounts and dates of transactions (in case of application of paragraph 3-1 of this Article);

receipt of erroneously credited money, subject to return in the current tax period (in case of application of paragraph 3-1 of this Article);

receipt of money as a contribution to the authorized capital, indicating the numbers of bank accounts, amounts and dates of transactions (in case of application of paragraph 3-1 of this Article);

10) incomes and expenses of each branch of a controlled foreign company, included in the financial profit of a controlled foreign company, indicating the business identification numbers of such branches (in case of application of subparagraph 1) of part one of paragraph 4 of this Article);

11) income from the provision of services (performance of works) in the Republic of Kazakhstan without the formation of a permanent establishment of a controlled foreign company in the context of amounts and customers, indicating business identification numbers and (or) individual identification numbers (in case of application of subparagraph 2) of part one of paragraph 4 of this Article);

12) the structure of receipt of dividends by a controlled foreign company, reflecting the distribution of such dividends from the original source (in case of application of subparagraphs 3), 4), 5), 9) and 10) of part one of paragraph 4 of this Article).

For the purposes of part one of this subparagraph, the structure must contain the name of persons other than individuals, and also contain the following information about each participant in the structure:

amounts and periods of distribution of dividends;

registration numbers in the country of residence;

the amount of financial profit for the periods in which dividends are distributed;

13) incomes in the form of remuneration, royalties from sources in the Republic of Kazakhstan in the context of amounts and names of residents of the Republic of Kazakhstan who paid incomes, indicating business identification numbers and (or) individual identification numbers (in case of application of subparagraphs 6) and 8) of part one paragraph 4 of this Article, in relation to incomes in the form of remuneration, royalties);

14) income in the form of value added in the context of amounts, names and assets sold, including those located in the Republic of Kazakhstan, indicating registration numbers in the country of residence (in case of application of subparagraphs 6), 7) and 8) of part one of paragraph 4 of this Article, in relation of income in form of value added);

15) in the case of application of paragraph 4 of Article 303, paragraph 2 of Article 638 and paragraph 2 of Article 638-1 of this Code:

the amount of payment in the foreign state in which a controlled foreign company and (or) a permanent establishment of a controlled foreign company is registered, foreign income tax on the financial profit of a controlled foreign company and (or) a permanent establishment of a controlled foreign company;

withholding and transfer to the budget of a foreign state (foreign states) of tax at the source of payment from income (incomes) included in financial profit before taxation of a controlled foreign company and (or) a permanent establishment of a controlled foreign company;

inclusion in financial profit before taxation of income (incomes) taxed at the source of payment.

12. Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

13. Failure to include in the taxable income of a resident legal entity or the annual income of a resident individual of the financial profit from a tax declaration of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company subject to taxation in the manner specified in this article or understatement of the amount of such financial profit of a controlled foreign company or a permanent establishment of a controlled foreign company in the resident's tax declaration is punishable by the laws of the Republic of Kazakhstan.

14. Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

15. The resident is not held liable and is exempt from the accrual of a penalty provided that all of the following requirements are met:

1) if pursuant to the exchange of information with the competent or authorized body of a foreign state in accordance with the international treaty, based on the data available to the authorized body in accordance with paragraph 16 of this article, the authorized body received the following information:

on a resident's ownership of participatory interests directly or indirectly, or constructively or if a resident has direct or indirect, or constructive control in a controlled foreign company;

on the effective income tax rate;

on financial profit before tax of a controlled foreign company or permanent establishment of a controlled foreign company;

2) if it is impossible for a resident to obtain the information specified in subparagraph 1) of part one of this paragraph on his/her own;

3) if a resident files an application with the relevant tax authority to participate in (control) a controlled foreign company and a corporate income tax return or a declaration of income and property for the previous (previous) and (or) reporting tax period (periods) with the inclusion in the taxable income of a resident legal entity or the annual income of a resident individual of the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company subject to taxation, within the time limits specified in the notification of the tax authority.

The impossibility to obtain information is understood to mean the combination of the following conditions:

1) sending requests by a resident more than once independently and (or) through a controlled person to a controlled foreign company and not receiving answers to their requests regarding the size of the participation share or control in a controlled foreign company and (or) submission of approved financial statements and (or) audited financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company for the relevant period(s);

2) the lack of information on financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company on Internet resources, in the media and other sources of information because of non-publicity of a controlled foreign company.

16. If it is impossible for a resident to obtain information on his own, the resident shall have the right to apply with a request to the authorized body to send a request to the competent or authorized body of a foreign state with which the Republic of Kazakhstan has an international treaty, in terms of obtaining from him the following information and (or) documents:

1) on the size of the resident's participatory interest or the resident's control in a controlled foreign company;

2) on the effective tax rate for the profits of a controlled foreign company or a permanent establishment of a controlled foreign company for the relevant period (periods) (if necessary);

3) on financial profit before tax of a controlled foreign company or permanent establishment of a controlled foreign company for the relevant period (periods) (if necessary);

4) on financial statements of an audited controlled foreign company or a permanent establishment of an audited controlled foreign company for the relevant period (periods).

To his/her/its application to the authorized body, a resident attaches information on a controlled foreign company disclosing all the involved controlled persons through which indirect or constructive participation or indirect or constructive control is exercised. The resident may also attach copies of requests sent to a controlled foreign company on his/her/its own or through a controlled person for the provision of information and (or) documents specified in this paragraph by a controlled foreign company.

17. When exercising tax control, a tax authority shall have the right to request the audited financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company from a resident.

The resident shall be obliged to submit audited financial statements (with mandatory translation into Kazakh or Russian) within two hundred and fifty calendar days from the date of sending the request.

Upon receipt of the audited financial statements, the tax authority shall have the right to recalculate the financial profit of a controlled foreign company or a permanent establishment of a controlled foreign company if there are discrepancies with the approved financial statements.

If audited financial statements are not submitted after the expiration of the period specified in part two of this paragraph, the tax authority shall have the right to recalculate the financial profit of a controlled foreign company or a permanent establishment of a controlled foreign company in the manner prescribed by paragraph 3-1 of this Article.

Footnote. Article 297 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall come into force since 01.01.2025).

Article 298. Statement of participation (control) in a controlled foreign company

1. A resident shall be obliged to submit an application for participation (control) in a controlled foreign company no later than March 31 of the year following the reporting tax period.

An application for participation (control) in a controlled foreign company shall be submitted as of December 31 of the reporting tax period to the tax authority in the form established by the authorized body.

The provisions of this paragraph shall not be applied to the residents who meet the requirements of subparagraph 1) of paragraph 1 of Article 296 of this Code.

2. A resident shall submit an application for participation (control) in a controlled foreign company to the tax authority at the place of residence or location.

3. In case of incomplete information, inaccuracies or errors in submitted statement of participation (control) in a controlled foreign company, a resident has the right to submit an amended statement with account of updated information.

4. If a tax authority has information, including that from the competent or authorized body of a foreign country received due to the exchange of information for tax purposes in accordance with an international treaty to which the Republic of Kazakhstan is a party, evidencing that the resident owns participatory interests directly or indirectly or constructively, or has direct or indirect or constructive controlling interest in a controlled foreign company, and if such a resident failed to submit a statement of participation (control) in a controlled foreign company within the established time limits in accordance with this article, the tax authority shall send to this resident taxpayer a notice of elimination of violations of the tax legislation of the Republic of Kazakhstan, containing the following information:

1) the name or the last name, first name, patronymic (if it is indicated in an identity document) of the resident to whom the notice is sent;

2) the name of a controlled foreign company or permanent establishment of a controlled foreign company concerning which the tax authority has information evidencing that the resident owns participatory interests directly or indirectly or constructively, or has direct, indirect or constructive controlling interest in a controlled foreign company;

3) the numbers of state and (or) tax registration of a controlled foreign company or permanent establishment of a controlled foreign company (if any tax registration);

4) description of grounds, available to the tax authorities, allowing to recognize a resident as owning a participating interest or controlling interest in a controlled foreign company;

5) the demand to submit a statement of participation (control) in a controlled foreign company;

6) requirement to file a corporate income tax return or a return on income and property reflecting tax liability under Article 297 of this Code.

5. If a resident admits violations indicated in the notice of elimination of violations of the tax legislation of the Republic of Kazakhstan, he/she/it shall submit to the relevant tax authority a statement of participation (control) in a controlled foreign company within thirty business days from the receipt of the notice of elimination of violations of the tax legislation of the Republic of Kazakhstan, a tax declaration regarding the inclusion of a tax obligation, arising in accordance with Article 297 of this Code, for the period of ownership of participating interests directly or indirectly or constructively or of direct or indirect or constructive controlling interest in a controlled foreign company.

6. In case of disagreement with the violations indicated in the notice, a resident submits one of the following documents:

1) written explanation of the revealed violations in hard or soft copy - to the tax authority that sent a notice of elimination of violations of the tax legislation of the Republic of Kazakhstan;

2) a complaint against actions (inaction) of tax officials that sent a notice of elimination of violations of the tax legislation of the Republic of Kazakhstan - to the authorized body or court.

In this case, the resident is obliged to submit, along with explanations, documents proving that he/she/it does not own participatory interests directly or indirectly or constructively or that he/she/it has no direct or indirect or constructive controlling interest in a controlled foreign company.

7. The tax authority is obliged to consider the explanations and supporting documents provided by the resident.

8. A resident taxpayer is recognized to own participatory interests directly or indirectly or constructively or have direct or indirect or constructive controlling interest in a controlled foreign company if one of the following conditions is observed:

in case of no complaint against actions (inaction) of tax officials that sent the notice, and in case of the taxpayer’s failure to execute the notice;

in case of no grounds denying the information, specified in paragraph 4 of this article, on the resident’s ownership of participatory interest directly or indirectly or constructively, or on

direct or indirect or constructive controlling interest in a controlled foreign company pursuant to the consideration of explanations and supporting documents of the resident taxpayer, which are and (or) were available to the tax authority.

If in accordance with this chapter, a resident is recognized as owning participatory interests directly or indirectly or constructively or as having direct or indirect or constructive controlling interest in a controlled foreign company, the provisions of this chapter shall apply to such a resident. In this case, a tax authority sends to such a resident taxpayer a decision to recognize him/her/it as directly or indirectly or constructively owning participatory interests or having direct or indirect or constructive controlling interest in a controlled foreign company within three business days from the decision on such recognition.

9. A resident taxpayer who is recognized as owning participatory interests directly or indirectly or constructively or having direct or indirect or constructive controlling interest in a controlled foreign company has the right to appeal against this decision to the authorized body within fifteen business days from the receipt of such a decision.

10. The provisions of paragraph 8 of this article also apply to cases that simultaneously meet the following requirements:

1) a resident is refused to satisfy the complaint by:

court;

a higher-level tax authority;

the authorized body;

2) if the taxpayer fails to execute the notice of elimination of violation of the tax legislation of the Republic of Kazakhstan or there is a tax authority's decision to recognize the resident taxpayer as owning participatory interests directly or indirectly or constructively or having direct or indirect or constructive control interest in a controlled foreign company.

11. The provisions of paragraphs 4 - 10 of this article shall also apply to cases when a resident submitted a statement of participation (control) in a controlled foreign company on time, but failed to provide information on one or more controlled foreign companies.

Footnote. Article 298 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); № 208-VIII of 15.07.2025 (shall come into force since 01.01.2025).

Chapter 31. LOSSES

Article 299. The definition of a loss

1. A loss from entrepreneurial activity is recognized as:

1) excess of deductions over total annual income with account of adjustments provided for in Article 241 of this Code;

2) loss from the sale of an enterprise as a property complex.

2. A loss from the sale of securities and participatory interests shall be:

1) a negative difference between the sales value and the original value – with regard to securities, except for debt securities;

2) a negative difference between the sales value and the purchase value with account of the discount and (or) premium amortization as of the date of sale – with regard to debt securities;

3) a negative difference between the sales value and original value of the participatory interests - with regard to participatory interests.

3. A loss from a derivative financial instrument is defined as excess of expenses over proceeds that are determined in accordance with Articles 278 and 279 of this Code.

Unless otherwise established by this paragraph, a loss from a derivative financial instrument is recognized as of the day of execution, early termination or other termination of rights, and also as of the day of settlement of a transaction for a derivative financial instrument, the requirements under which compensate, in whole or in part, the obligations under an earlier settled transaction for a derivative financial instrument.

A loss from a swap, and also from another derivative financial instrument, the validity of which exceeds twelve months from the date of its conclusion, the execution of which provides for payments before the expiry date of a financial instrument, the amount of which depends on the price, currency, interest rates, indices and another indicator established by such a derivative financial instrument, is recognized in each taxable period in which excess specified in part one of this paragraph occurs.

In this case, a loss from a derivative financial instrument used for purposes other than those for hedging or delivery of an underlying asset is carried forward in the manner specified in paragraph 12 of Article 300 of this Code.

A loss from a derivative financial instrument used for hedging purposes is accounted for in accordance with Article 280 of this Code.

4. A loss from the sale of land plots, construction in progress, uninstalled equipment, except for assets purchased for state needs in accordance with the laws of the Republic of Kazakhstan, is the negative difference between the sales value and the initial value of such assets.

4-1. The loss on the intellectual property object referred to in paragraph 4-3 of Article 293 and paragraph 4 of Article 709 of this Code is excess of the deductions provided for in this section over the total annual income, taking into account the adjustments specified in Article 241 of this Code. The loss shall be determined for each intellectual property object.

5. Losses specified in paragraphs 2, 3, 4 and 4-1 of this article are not the losses from entrepreneurial activity, nor are losses from the disposal of Group I fixed assets.

Footnote. Article 299 as amended by the Law of the Republic of Kazakhstan dated02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2023).

Article 300. Loss carryforward

1. Losses from entrepreneurial activity, as well as losses from the disposal of fixed assets of group I and losses from the sale of construction in progress, uninstalled equipment, except for assets purchased for state needs in accordance with the laws of the Republic of Kazakhstan, are carried forward to the coming ten years inclusively, to cover them from taxable income in these taxable periods.

The taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, with the exception of those registered in states with preferential taxation shall be reduced by the amount of losses from entrepreneurial activities in the Republic of Kazakhstan incurred during the reporting and two previous tax periods consecutively preceding the reporting tax period. Losses accounted for in the current and (or) previous periods at the expense of taxation objects determined by Article 223 of this Code shall not be taken into account

2. Losses from the sale of land plots, except for land plots purchased for state needs in accordance with the laws of the Republic of Kazakhstan, are offset by income from the increase in value obtained from the sale of such assets.

If these losses cannot be compensated in the period in which they occurred, then they can be carried forward to the coming ten years inclusively and offset by income from the increase in value obtained from the sale of land.

3. Unless otherwise established by this article, losses arising from the sale of securities are offset by income from the increase in value obtained in the sale of other securities, except for income from the increase in value obtained in the sale of securities specified in paragraphs 4, 5, 6 and 7 of this article.

If these losses cannot be offset in the period in which they occurred, then they can be carried forward to the coming ten years inclusively and offset by income from the increase in value obtained from the sale of other securities, unless otherwise established by this article.

4. Losses arising from the sale of shares, participatory interests in a resident legal entity or a consortium established in the Republic of Kazakhstan are offset by income from the increase in value in the sale of shares, participatory interests in a resident legal entity or consortium established in the Republic of Kazakhstan. This paragraph applies provided all of the following requirements are met:

the taxpayer has been holding shares or participatory interests for more than three years as of the day of sale of these shares or participatory interests;

such an issuing legal entity or such a legal entity, a participatory interest in which is being sold, or a participant in such a consortium, which sells a participatory interest in such a consortium, is not a subsoil user;

the property of persons (a person), who are (is) subsoil users (subsoil user), in the value of the assets of such an issuing legal entity or such a legal entity, a participatory interest in which is being sold, or in the total value of assets of consortium participants, a participatory interest in which is being sold, is not more than 50 percent as of the day of such a sale.

The period of the taxpayer's ownership of shares or participatory interests specified in this paragraph is determined cumulatively with account of the terms of ownership of shares or participatory interests by former owners if such shares or participatory interests are received by the taxpayer as a result of reorganization of former owners.

For the purposes of this sub-paragraph, a subsoil user shall not be recognized as a subsoil user who is such solely because of the possession of the right to extract groundwater and (or) widespread minerals for their own needs, as well as a subsoil user exercising during the twelve month period preceding the first day of the month in which shares or participatory interest, subsequent processing (after primary processing) of at least 50 percent of the mineral raw materials mined for the specified period, including coal, at its own and (or) owned by a resident legal entity that is a related party, production facilities located in the Republic of Kazakhstan.

When determining the volume of mineral raw materials, including coal, sent for further processing, it is necessary to take into account raw materials:

directly going to produce goods obtained as a result of any processing following primary processing;

used in the production of primary processing products for the purpose of its further after-treatment.

In this case, the share of property of persons (a person) that are (is) subsoil users (a subsoil user) in the value of assets of a legal entity or consortium whose shares or participatory interests are being sold, is determined in accordance with Article 650 of this Code.

Paragraph 4-1 shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

4-1.Losses arising from the sale of shares issued by legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code, participatory interests in legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code shall be compensated for account of increment of value in sale shares issued by legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code; participatory interests in legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code.

5. Losses arising from the sale through open bids at a stock exchange in the territory of the Republic of Kazakhstan of securities that are in official lists of this stock exchange as of the day of sale are offset by income from the increase in value of securities that are in official lists of a stock exchange in the territory of the Republic of Kazakhstan when sold through open bids at this stock exchange as of the day of sale.

6. Losses arising from the sale of government-issued securities are offset by income from the increase in value in the sale of government-issued securities.

7. Losses arising from the sale of agency bonds are offset by income from the increase in value in the sale of agency bonds.

8. If the losses specified in paragraphs 4, 5, 6 and 7 of this article cannot be offset in the period in which they occurred, they are not carried forward to subsequent taxable periods.

9. Losses of a special financing company from an activity carried out in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization may be carried forward in securitization transactions within the circulation period of bonds secured with allocated assets.

10. Losses arising from the application of a special tax regime for producers of agricultural products, aquaculture products (fish farming) and agricultural cooperatives are not carried forward to subsequent taxable periods.

Paragraph 11 is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

11. Losses of a bank's subsidiary acquiring doubtful and bad assets of its parent bank are not carried forward to subsequent taxable periods.

12. Losses from derivative financial instruments used for purposes other than those for hedging or delivery of an underlying asset are offset by income from derivative financial instruments used for purposes other than those for hedging or delivery of an underlying asset.

If such losses cannot be offset in the period in which they occurred, they may be carried forward to the coming ten years inclusively and offset by income from derivative financial instruments used for purposes other than those for hedging or delivery of an underlying asset.

13. Losses from entrepreneurial activity of a legal entity, except for that specified in paragraph 14 of this article, on an activity for which this Code provides for the reduction of corporate income tax calculated in accordance with Article 302 of this Code by 100 percent, are not carried forward to subsequent taxable periods.

14. Losses of an organization implementing a priority investment project within the framework of an investment contract concluded in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship shall not be carried forward to taxable periods following the taxable period in which such an investment contract is terminated.

15. Losses on the intellectual property object referred to in paragraph 4-3 of Article 293 and paragraph 4 of Article 709 of this Code shall be compensated in subsequent tax periods at the expense of taxable income on each intellectual property object within the statute of limitations.

Footnote. Article 300 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2023).

Article 301. Loss carryforward in the course of reorganization

1. Losses carried forward in connection with reorganization through division or separation are distributed among new taxpayers in proportion to the specific weight of the value of assets transferred on the basis of the separation balance sheet in the value of the assets of the legal

entity under reorganization as of the date preceding that of drawing up the separation balance sheet and are carried forward in the order determined by Article 300 of this Code.

2. In case of reorganization of a legal entity through merger or incorporation in accordance with the decision of the Government of the Republic of Kazakhstan, losses of the reorganized legal entity shall be transferred to the successor one time in each case of reorganization and carried forward by the legal successor in the order determined by Article 300 of this Code.

Chapter 32. THE ORDER FOR CALCULATION AND TIMING OF PAYMENT OF CORPORATE INCOME TAX

Article 302. Calculation of corporate income tax

1. Corporate income tax, except for corporate income tax on net income and corporate income tax withheld at the source of payment, is calculated for a taxable period as follows:

the product of the rate established by paragraphs 1 or 2 of Article 313 of this Code and taxable income reduced by the amount of income and expenses provided for in Article 288 of this Code, and also reduced by the amount of losses carried forward in accordance with Article 300 of this Code

plus

the product of rate established by paragraph 1-1 of Article 313 of this Code and the object of taxation determined by subparagraph 4) of Article 223 of this Code, reduced by the amount of losses carried forward in accordance with part two of paragraph 1 of Article 300 of this Code,

plus

the product of rate established by paragraph 1-1 of Article 313 of this Code and the object of taxation determined by subparagraph 5) of Article 223 of this Code,

minus

the amount of corporate income tax, which is offset against in accordance with Article 303 of this Code,

minus

the amount of corporate income tax withheld in the taxable period from the source of payment on income in the form of a winning, which is subject to reduction in accordance with paragraph 2 of this article

minus

the amount of corporate income tax withheld at the source of payment on income in the form of remuneration, dividends carried forward from previous taxable periods in accordance with paragraph 3 of this article

minus

the amount of corporate income tax withheld in the taxable period from the source of payment on income in the form of remuneration, dividends, which is subject to reduction in accordance with paragraph 2 of this article

2. The amount of corporate income tax payable to the state budget shall be reduced by the amount of corporate income tax withheld at the source of payment on income in the form of winnings, remuneration, dividends, given documents confirming the withholding of this tax by the source of payment.

The provisions of this paragraph do not apply to an organization operating in the social sphere, a non-commercial organization with respect to corporate income tax withheld at the source of payment on income in the form of interest on deposits.

3. If the amount of corporate income tax, withheld at the source of payment on income in the form of remuneration, dividends, is greater than calculated corporate income tax, the difference between the amount of corporate income tax withheld at the source of payment and the amount of calculated corporate income tax payable to the budget is carried forward to the coming ten taxable periods inclusively and sequentially reduces the amounts of corporate income tax payable to the budget in these taxable periods.

Footnote. Article 302 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 303. Offset of a foreign tax

1. Unless otherwise provided for by this article, the amounts of taxes, paid outside the Republic of Kazakhstan, on income or profit or another foreign tax similar to the corporate or individual income tax (hereinafter referred to as the foreign income tax, for the purposes of this article) on income received by a resident taxpayer from sources outside the Republic of Kazakhstan are subject to offset against corporate or individual income tax in the Republic of Kazakhstan given a document confirming the payment of such a foreign income tax.

Such a document is a statement of the amounts of income received from sources in a foreign country and taxes paid, which is issued and (or) certified by a tax authority of a foreign state.

If a statement of the amounts of income received from sources in a foreign country and taxes paid, which is issued and (or) certified by a tax authority of a foreign state, is drawn up in a foreign language, it is mandatory to provide its translation into Kazakh or Russian certified by a notary in accordance with the procedure established by the Republic of Kazakhstan.

When applying the amounts of foreign income tax paid in a foreign country against a corporate or individual income tax, a taxpayer may submit the statement specified in this paragraph at the request of a tax authority with a view to conducting an in-house audit.

2. Foreign income tax is not offset in the Republic of Kazakhstan, which is calculated on the income of a resident taxpayer from sources outside the Republic of Kazakhstan that are:

exempt from taxation in accordance with the provisions of this Code;

subject to adjustment in accordance with Article 241 of this Code;

taxable in the Republic of Kazakhstan in accordance with the provisions of an international treaty, regardless of the fact of payment and (or) withholding of a foreign income tax on such income in a foreign country within the amount of tax paid in excess in a foreign country. In this case, the tax amount paid in excess is defined as the difference between the actually paid amount of the foreign income tax and the amount of the foreign income tax payable in a foreign country in accordance with the provisions of the international treaty.

3. The size of offset amounts provided for by this article shall be determined for each foreign country separately.

In this case, the size of the offset amount of the foreign income tax is the smallest amount from the below ones:

1) the amount of foreign income tax actually paid in a foreign state on income received by a resident taxpayer from sources outside the Republic of Kazakhstan;

2) the amount of foreign income tax on income from sources outside the Republic of Kazakhstan that is payable in a foreign country in accordance with the provisions of an international treaty of the Republic of Kazakhstan;

3) the amount of a corporate or individual income tax on income from sources outside the Republic of Kazakhstan, calculated in the Republic of Kazakhstan at the rate established by this Code.

During the period of limitation of actions established by Article 48 of this Code, a taxpayer shall offset the foreign income tax on income from sources outside the Republic of Kazakhstan in the taxable period in which the specified income is (to be) received.

In case of income recognition in a foreign country in a taxable period, other than the taxable period in which the specified income is recognized in accordance with this Code, a resident taxpayer has the right to offset the foreign income tax on income from sources outside the Republic of Kazakhstan in the taxable period in which such income is assessed in accordance with the tax legislation of the Republic of Kazakhstan.

The provision of this paragraph does not apply to the provisions of paragraph 4 of this article.

4. The amount of income tax on the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company, calculated according to the following formula, shall be offset against the payment of corporate income tax in the Republic of Kazakhstan:

$To = P \times D \times Re / 100\%$, where:

To - the amount of income tax subject to offset;

P - positive amount of financial profit of a controlled foreign company or positive amount of financial profit of a permanent establishment of a controlled foreign company, included in the object of taxation of a resident in accordance with Article 223 of this Code;

D - coefficient of direct or indirect or constructive participation or direct or indirect or constructive control of a resident in a controlled foreign company, determined in accordance with Article 297 of this Code;

Re - effective rate determined in accordance with subparagraph 12) of paragraph 4 of Article 294 of this Code, excluding income tax, including withheld at the source of payment in the Republic of Kazakhstan from the income specified in subparagraphs 1) - 10) of part one of paragraph 4 of Article 297 of this Code.

The provisions of part one of this paragraph shall not be applied to a controlled foreign company and (or) a permanent establishment of a controlled foreign company that is registered in states with preferential taxation and (or) a resident, when calculating the total profit of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, uses the formula with the share of passive incomes in the current tax period .

If financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company was subject to foreign income tax in two or more foreign countries, then only that foreign income tax for which the effective rate is the maximum of the effective foreign income tax rates shall be taken into account, paid in such foreign countries. The provisions of this part shall be applied:

1) in case of indirect ownership of participation interests (voting shares) or indirect control in a controlled foreign company and payment of foreign income tax in two or more foreign states (in which the controlled person (controlled persons) is (are) registered, through which such indirect ownership or such indirect control is carried out from the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company, or

2) in case of direct ownership of participation interests (voting shares) or direct control in a controlled foreign company and payment of foreign income tax on the financial profit of a permanent establishment of a controlled foreign company in foreign states in which are registered:

a permanent establishment of a controlled foreign company;

a controlled foreign company that has created a permanent establishment.

In case of direct and indirect ownership of participation interests (voting shares) by a resident or if a resident has direct and indirect control in a controlled foreign company, the amount of foreign income tax on the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company, which is subject to offset in accordance with this paragraph shall be calculated separately for each direct and indirect ownership of participation interests (voting shares) or direct and indirect

control in a controlled foreign company. At the same time, the amount of such foreign income tax calculated separately for direct and indirect ownership of participation interests (voting shares) or direct and indirect control in a controlled foreign company shall be subject to offset in accordance with this paragraph.

For the application of this paragraph, the resident must have available (with mandatory translation into Kazakh or Russian) the following documents:

a copy of the approved separate financial statements of a controlled foreign company and/or a permanent establishment of a controlled foreign company;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of the resident, disclosing the unified organizational structure of a consolidated group, of which the resident is a participant (shareholder), reflecting the names of all participants in such a consolidated group and their geographical location (names of states (territories) where the participants of a consolidated group are created (established), the size of participation interests and the numbers of state and tax registration of all participants in the consolidated group (if there is a tax registration);

a copy of a document (documents) drawn up in a foreign language confirming the payment in a foreign state in which a controlled foreign company is registered or a permanent establishment of a controlled foreign company is registered, foreign income tax on the financial profit of a controlled foreign company and (or) permanent establishment of a controlled foreign company;

a copy of a document (documents) drawn up in a foreign language confirming the withholding and transfer to the budget of a foreign state (foreign states) of tax at the source of payment from income (incomes) included in financial profit before taxation;

a document certified by the signature of the first head (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in financial profit before taxation of income (incomes) subject to withholding tax, or an explanatory note to the audited financial statements, certified by the person who audited the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in financial profit before taxation of income (incomes) subject to withholding tax payments.

Footnote. Article 303 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 304. Features of calculation and payment of corporate income tax by certain categories of taxpayers

Taxpayers applying a special tax regime for producers of agricultural products shall calculate the corporate income tax (except for that calculated in accordance with the

procedure established by Chapter 33 of this Code) with account of the provisions of Chapter 78 of this Code.

Article 305. Calculation of the amount of advance payments

1. Taxpayers, except for those indicated in paragraph 2 of this article, in the manner specified in this article:

1) calculate and pay within the time frames established by paragraph 2 of Article 306 of this Code:

advance payments for corporate income tax payable in equal installments for each month of the first quarter of the reporting taxable period (hereinafter, for the purposes of this article, referred to as advance payments prior to the declaration);

advance payments for corporate income tax payable in equal installments for each month of the second, third, fourth quarters of the reporting taxable period (hereinafter, for the purposes of this article, referred to as advance payments after the declaration);

2) draw up and submit to the tax authority at the location of the taxpayer:

the calculation of the amount of advance payments for corporate income tax payable for the period prior to the declaration on the corporate income tax for the previous taxable period (hereinafter, for the purposes of this article, referred to as the calculation of advance payments prior to the declaration);

the calculation of the amount of advance payments for corporate income tax payable for the period after the declaration on the corporate income tax for the previous taxable period (hereinafter, for the purposes of this article, referred to as the calculation of advance payments after the declaration).

2. Tax obligations provided for by paragraph 1 of this article may not be fulfilled by:

1) taxpayers whose total annual income, with account of adjustments for the taxable period preceding the previous taxable period, does not exceed the amount equal to 325 000 times the monthly calculated index established by the law on the national budget and effective as of January 1 of a financial year preceding the previous financial year, unless otherwise provided for by this paragraph;

2) unless otherwise established by Paragraph 4 of this Article, newly established (emerged) taxpayers - during the taxable period of state registration with a registering authority and also during a subsequent taxable period;

3) non-resident legal entities registered with tax authorities as taxpayers operating in the Republic of Kazakhstan through a permanent establishment without setting up a structural unit of a legal entity - during the taxable period of registration with tax authorities and also during a subsequent taxable period;

4) taxpayers meeting the requirements of paragraph 1 of Article 289 of this Code;

5) taxpayers meeting the requirements of paragraph 1 of Article 291 of this Code;

6) taxpayers meeting the requirements of paragraphs 2 and 3 of Article 290 of this Code;

7) is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021);

Subparagraph 8) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

8) taxpayers meeting the requirements of Paragraphs 4-3 of Article 293 of this Code;.

9) was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI;

10) an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan;

11) taxpayers that meet the conditions of paragraph 2 of Article 6 of the Constitutional Law of the Republic of Kazakhstan On the Astana International Financial Center.

3. When determining the total annual income for the purposes of subparagraph 1) of paragraph 2 of this Article, the following shall not be taken into account:

incomes of the state Islamic special financial company received from the lease of property (rent) and (or) the sale of real estate specified in subparagraph 6) of paragraph 3 of Article 519 of this Code, and land plots occupied by such property;

incomes of organizations specified in subparagraph 4) of paragraph 1 of Article 293 of this Code from the screening in cinemas on the territory of the Republic of Kazakhstan of a film recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography;

incomes of organizations specified in subparagraph 5) of paragraph 1 of Article 293 of this Code from distribution and screening in cinemas on the territory of the Republic of Kazakhstan of a film recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography, for the use of which they have an exclusive right ;

incomes of a taxpayer carrying out cargo transportation by a sea vessel registered in the international ship register of the Republic of Kazakhstan, received from the activity specified in paragraph 2 of Article 293 of this Code;

incomes of taxpayers specified in paragraphs 1, 2 and 3 of Article 708 of this Code received from priority types of activities;

incomes of the taxpayer specified in Chapter 80-1 of this Code, by type of activity within the framework of the investment project, determined by the investment agreement.

4. A newly established legal entity as a result of reorganization through division or separation fulfills tax obligations provided for by paragraph 1 of this article in the taxable period in which such reorganization was carried out, and also within two subsequent taxable periods if a legal entity reorganized through division or separation calculated advance payments for corporate income tax in the taxable period of such reorganization.

5. The amount of advance payments:

1) prior to the declaration is calculated (assessed) for the first quarter of the reporting taxable period equal to one-fourth of the total amount of advance payments, calculated in the amounts of advance payments for the previous taxable period, except for cases specified in subparagraph 2) of this paragraph. If a taxpayer understates the amount of advance payments in the calculation of advance payments prior to the declaration, a tax authority is entitled to assess the amount of advance payments for the specified period equal to the positive difference between the amount of advance payments determined in accordance with this subparagraph and the amount of advance payments specified in such calculation, for the periods of payment established by paragraph 2 of Article 306 of this Code;

2) prior to the declaration is calculated on the basis of the estimated amount of corporate income tax for the current taxable period by taxpayers who:

did not calculate advance payments for corporate income tax in the previous taxable period;

specified in Paragraph 4 of this Article - in the taxable period of reorganization through division or separation, and also during two subsequent taxable periods;

3) after the declaration shall be calculated in the amount of three-fourths of the corporate income tax amount calculated for the previous taxable period in accordance with Paragraph 1 of Article 302 and Article 652 of this Code, except for cases provided by Subparagraph 4) of this Paragraph. For the purposes of calculating advance payments, the amount of corporate income tax calculated for the previous taxable period shall not include the amount of corporate income tax calculated from the total profit of controlled foreign companies or permanent establishments of controlled foreign companies in accordance with Article 297 of this Code;

4) after the declaration is calculated on the basis of the estimated amount of corporate income tax for the current taxable period in the case:

of the amount of corporate income tax calculated for the previous taxable period in accordance with paragraph 1 of Article 302 and Article 652 of this Code being equal to zero;

specified in Paragraph 4 of this Article - in the taxable period of reorganization through division or separation, and also during two subsequent taxable periods;

extension of the period for submitting a corporate income tax declaration for the previous taxable period.

6. The calculation of advance payments:

1) prior to the declaration is submitted on or before January 20 of a reporting taxable period;

2) after the declaration is submitted on or before April 20 of a reporting taxable period.

7. Taxpayers shall be entitled to submit an additional calculation of advance payments after the declaration no later than December 31 of the reporting taxable period based on the estimated amount of corporate income tax for the current taxable period.

The amounts of advance payments after the declaration, taking into account the adjustments specified in the additional calculations of advance payments after the declaration, cannot have a negative value.

8. The norms of paragraphs 2, 4 and 5 of this article shall not apply to taxpayers operating in the field of digital assets.

9. For taxpayers operating in the field of digital assets, the amount of advance payments before and after the declaration shall be calculated issuing from the estimated amount of corporate income tax for the current tax period.

Footnote. Article 305 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 03.01.2019 № 213-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) ; dated 06.02.2023 № 196-VII(shall be enforced from 01.01. 2024).

Article 306. Deadlines and order for the payment of corporate income tax

1. Taxpayers shall pay corporate income tax calculated in accordance with Article 302 of this Code at their location.

2. Taxpayers specified in paragraph 1 of Article 305 of this Code are obliged to make advance payments for corporate income tax to the budget for each month in a taxable period established by Article 314 of this Code, on or before the 25th day of each month in the amount determined in accordance with Article 305 of this Code.

3. The amount of advance payments made to the budget during the taxable period is applied against corporate income tax calculated on the basis of the corporate income tax declaration for the reporting taxable period.

The taxpayer shall pay the corporate income tax pursuant to the results of the taxable period within ten calendar days after the deadline for submitting the declaration.

4. The taxpayer shall pay the corporate income tax calculated in accordance with Chapter 30 of this Code based on the results of the tax period not later than ten calendar days after the last deadline established by paragraph 4 of Article 315 of this Code.

The provisions of this paragraph shall not be applied to corporate income tax calculated on the taxable income of controlled foreign companies and permanent establishments of controlled foreign companies incorporated in countries with preferential taxation.

Footnote. Article 306 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Chapter 33. CORPORATE INCOME TAX WITHHELD AT THE SOURCE OF PAYMENT

Article 307. Income subject to taxation at the source of payment

1. Income taxed at the source of payment, unless otherwise provided for by paragraph 2 of this article, includes:

1) winnings paid by a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment to a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

2) income of non-residents from sources in the Republic of Kazakhstan, determined in accordance with Article 644 of this Code, not related to the permanent establishment of such non-residents, except for those specified in subparagraph 3) of this paragraph;

3) income indicated in subparagraph 10) of paragraph 1 of Article 644 of this Code, paid to the structural unit of a legal entity or to a permanent establishment of a non-resident;

4) remuneration paid by a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment to a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

5) Excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2023).

2. Not subject to taxation at the source of payment is:

1) interest on government-issued securities and agency bonds;

2) interest, dividends on the placed pension assets paid to the single accumulative pension fund, as well as interest on the placed pension assets paid to a voluntary accumulative pension fund, to insurance organizations operating in the life insurance industry, mutual and joint-stock investment funds, the State Social Insurance Fund and the social health insurance fund;

3) remuneration paid to the organization ensuring mandatory insurance of deposits of individuals;

4) interest on debt securities that are in the official list of a stock exchange operating in the territory of the Republic of Kazakhstan as of the date of accrual of such interest;

5) interest on credits (loans) paid to organizations carrying out certain types of banking operations;

6) is excluded by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020);

7) interest on a credit (loan), deposit paid to a resident bank;

8) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

9) remuneration under a lease agreement paid to a resident lessor;

10) commission on repo transactions;

11) remuneration for microloans paid to organizations engaged in microfinance activities (except for pawnshops);

12) interest on debt securities payable to:

organizations engaged in professional activities in the securities market;

legal entities through organizations engaged in professional activities in the securities market;

13) remuneration on deposits paid:

non-profit organisations, save for those registered as joint stock companies, institutions and consumer cooperatives, save for associations of owners of multi-unit residential buildings , cooperatives of apartment owners (non-residential premises);

autonomous educational organizations specified in subparagraphs 1) and 2) of paragraph 1 of Article 291 of this Code;

14) remuneration paid on a loan (loan, microloan), the right of claim for which is assigned to a legal entity specified in the laws of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan" and "On Microfinance Activities";

Note!

Subparagraph 15) shall be valid until 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

15) remuneration paid to an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan;

Note!

Subparagraph 16) shall be valid until 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

16) remuneration under a bank deposit agreement paid to a sustainability organization, whose 100 percent of the voting shares are held by the National Bank of the Republic of Kazakhstan, under the Program for refinancing housing mortgage loans (mortgage loans), transferred by an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan.

Footnote. Article 307 as amended by Laws of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); № 284-VI dated 26.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2023); № 208-VIII of 15.07.2025 (shall become effective upon expiry of sixty calendar days after the date of its first official publication).

Article 308. The order for calculating the corporate income tax withheld at the source of payment

1. A tax agent shall determine the amount of corporate income tax withheld at the source of payment by applying the rate established by paragraph 3 of Article 313 of this Code to the amount of the paid income taxed at the source of payment.

2. A tax agent is obliged to withhold the tax withheld at the source of payment when paying the income specified in Article 307 of this Code, except for the income provided for by subparagraph 2) of paragraph 1 of Article 307 of this Code, irrespective of the form and place of payment of income.

3. A legal entity has the right to issue a decision to recognize its structural unit as its tax agent for the corporate income tax withheld at the source of payment on income taxed at the source of payment, which is (to be) paid by such a structural unit.

Unless otherwise established by this article, the decision of a legal entity or its cancellation shall take effect on January 1 of a year following the year of adoption of such a decision.

If a newly created structural unit of a legal entity is recognized as a tax agent, the decision of a legal entity on such recognition shall take effect on the day of establishment of this structural unit or on January 1 of a year following the year of the establishment of this structural unit.

The provisions of this paragraph shall not apply to corporate income tax withheld at the source of income (to be) paid to a non-resident legal entity operating in the Republic of Kazakhstan without setting up a permanent establishment.

Article 309. The order fortaxation of income of non-resident legal entities operating without setting up a permanent establishment in the Republic of Kazakhstan

Calculation, withholding and transfer of corporate income tax on the income of non-resident legal entities that operate without setting up a permanent establishment in the Republic of Kazakhstan, provided for by subparagraph 2) of paragraph 1 of Article 307 of this Code, as well as the filing of tax returns are carried out in accordance with the procedure established by Chapter 72 of this Code.

Article 310. The order for the fulfillment of a tax obligation by a tax agent for income paid to a resident in the form of dividends on shares that are an underlying asset of depositary receipts, as well as in the form of refund of income tax withheld at the source of payment

1. When paying income in the form of dividends on shares, which are the underlying asset of depository receipts, to the final (actual) recipient (owner) of income - a resident through a nominee holder of depositary receipts, the tax agent has the right not to impose income tax on such income at the source of payment in the cases and procedure provided for by this Code, or apply to the income of a resident individual the income tax rate provided for in paragraph 1 of Article 320 of this Code, while simultaneously fulfilling the following conditions:

1) there is a list of holders of depositary receipts or a document confirming the ownership of depositary receipts indicating:

last names, first names, patronymics (if they are indicated in identity document) of individuals or the names of legal entities holding depository receipts;

information on the number and type of depositary receipts;

names and details of identity documents of individuals, or the numbers and dates of state registration of legal entities holding depository receipts;

2) there is a document confirming the residency of the Republic of Kazakhstan of a person that is the final (actual) recipient (owner) of dividends on shares that are the underlying asset of depositary receipts.

In this case, a document confirming the residency of the Republic of Kazakhstan is submitted to a tax agent on one of the

dates specified in paragraph 4 of Article 666 of this Code, whichever comes first.

The list of holders of depositary receipts specified in subparagraph 1) of part one of this paragraph shall be drawn up by an organization entitled to carry out depository activity on the securities market of the Republic of Kazakhstan or a foreign country if an agreement on recording and confirming the ownership of depository receipts is concluded between a resident issuer of shares, which are the underlying asset of depositary receipts, and such an organization.

A document confirming the ownership of the depositary receipts specified in subparagraph 1) of part one of this paragraph shall be issued by one of the following persons rendering nominee services in accordance with the laws of the Republic of Kazakhstan:

an organization entitled to carry out depository activity on the securities market of the Republic of Kazakhstan or a foreign state;

a professional participant in the securities market of the Republic of Kazakhstan that keeps record ofclients' financial instruments and money and confirms the rights to them, holds clients' financial instruments in custody assuming an obligation to ensure their safety;

another organization providing services for nominee holding of securities, and also keeping recordof and confirming the rights to securities and registering such holders' transactions for securities.

2. When filing tax returns to a tax authority, a tax agent is obliged to indicate the amounts of assessed (paid) income and withheld taxes, taxes exempt from withholding in accordance with this Code, the income tax rates.

3. If a tax agent fails to apply the provisions of this Code when paying income in the form of dividends on shares that are the underlying asset of depositary receipts to a resident through a non-resident nominee holder of depositary receipts in accordance with the procedure specified in paragraph 1 of this article, the tax agent is obliged to withhold income tax at the source payment at the rate established by Article 646 of this Code.

The amount of withheld income tax shall be transferred within the period established by subparagraph 1) of paragraph 1 of Article 647 of this Code.

4. A resident final (actual) recipient of income has the right to claim refund of excess income tax withheld at the source of payment in accordance with this Code in case of the tax agent's transfer of income tax levied on the income of such a resident to the state budget.

In this case, for the period in which the resident received income in the form of dividends, he/she/it is obliged to submit to a tax agent notarized copies of:

1) a document confirming the ownership of depositary receipts;

2) a document confirming the residency of the Republic of Kazakhstan;

3) a document confirming the receipt of income in the form of dividends on shares that are the underlying asset of depositary receipts.

The resident submits documents specified in this paragraph prior to the expiration of the limitation period, established by Article 48 of this Code, from the day of the latest transfer of income tax withheld at the source of payment to the state budget.

In this case, the income tax withheld in excess is refunded to the resident by the tax agent.

5. A tax agent has the right to submit to the tax authority at the place of his/her/its location additional calculation of the income tax withheld at the source of payment for the amount of reduction when applying the tax rate for residents or exemption from taxation for the taxable period in which income tax on the resident's income in the form of dividends on shares that are the underlying asset of depositary receipts was withheld and transferred.

In this case, the overpaid amount of the income tax withheld at the source of payment is credited to the tax agent in the manner prescribed by Article 102 of this Code.

Footnote. Article 310 as amended by the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023);

Article 311. The order for transfer of corporate income tax withheld at the source of payment

1. A tax agent is obliged to transfer the amount of corporate income tax withheld at the source of payment within twenty-five calendar days after the end of the month in which income taxed at the source of payment was paid, unless otherwise provided for by this Code.

2. The amount of corporate income tax withheld at the source of payment is transferred at the location of the tax agent.

A non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment transfers the amount of corporate income tax withheld at the source of payment to the state budget at the location of the permanent establishment.

Article 312. Calculation of corporate income tax withheld at the source of payment

Tax agents are obliged to submit calculation of the amounts of corporate income tax withheld at the source of payment on or before the 15th day of the second month following the quarter in which income taxed at the source of payment was paid.

Chapter 34. TAX RATES, TAXABLE PERIOD AND TAX DECLARATION

Article 313. Tax rates

1. The taxable income of a taxpayer reduced by the amount of income and expenses provided for in Article 288 of this Code and by the amount of losses carried forward in accordance with the procedure established by Article 300 of this Code shall be taxed at the rate of 20 percent, unless otherwise established by paragraph 2 of this article.

1-1. The objects of taxation determined by subparagraphs 4) and 5) of Article 223 of this Code shall be subject to taxation at the rate of 20 percent.

2. The taxable income of legal entities producing agricultural products, aquaculture (fish farming) products, reduced by the amount of income and expenses provided for in Article 288 of this Code and by the amount of losses carried forward in accordance with the procedure established by Article 300 of this Code, shall be taxed at the rate of 10 percent if such income is generated by the production of agricultural products, aquaculture (fish farming) products, processing and sale of the said own-produced products and products of such processing.

For the purposes of this Code, budgetary subsidies granted to producers of agricultural products are recognized as income received from the activity specified in part one of this paragraph, if they aim to:

1) reduce interest rates on the leasing of agricultural machinery, process equipment, as well as on loans for process equipment for agribusiness entities;

2) preserve and develop gene resources of high-value varieties of plants and breeds of farm animals, birds and fish;

3) develop the seed industry;

4) enhance productivity and quality of livestock products;

5) enhance productivity and quality of aquaculture (fish farming) products;

6) enhanceproductivity and quality of crop products, reduce the cost of fuels and lubricants and other inventories required for spring-field and harvesting works, by subsidizing the production of priority crops;

7) reduce the cost of fertilizers (except for organic ones) for domestic agricultural producers;

8) reduce the cost of herbicides, bio agents (entomophages) and biological preparations for the treatment of crops for the plant protection for agricultural producers;

9) develop livestock breeding;

10) establish and grow (and also restore) perennial plantations of fruit and berry crops and grapes;

11) cultivate crops in protected areas;

12) reduce the cost of transportation when exporting agricultural products;

13) reimbursepart of expenses incurred by an agribusiness entity on investments aimed at creating new or expanding existing production facilities for the production of agricultural products.

3. Income taxed at the source of payment, except for non-residents' income from sources in the Republic of Kazakhstan, is subject to taxation at the source of payment at the rate of 15 percent.

4. Non-residents' income from sources in the Republic of Kazakhstan, defined in subparagraphs 1) - 9), 11) - 34) of paragraph 1 of Article 644 of this Code, not related to a permanent establishment of such non-residents, as well as income specified in subparagraph

10) of paragraph 1 of Article 644 of this Code, shall be taxed at the rates established by Article 646 of this Code.

5. Net income of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall be subject to corporate income tax at the rate and in accordance with the procedure established by Article 652 of this Code.

Footnote. Article 313 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 314. Taxable period

1. A taxable period for corporate income tax is a calendar year from January 1 through December 31.

2. If a legal entity was set up after the start of a calendar year, its first taxable period shall be a time period running from the day of its establishment until the end of the calendar year.

In this case, the day of establishment of a legal entity shall be considered to be the day of its state registration with a registering authority.

3. If a legal entity was liquidated, reorganized before the end of a calendar year, its last taxable period is a time period running from the beginning of the year until the day of completion of its liquidation or reorganization.

4. If a legal entity, established after the start of a calendar year, is liquidated, reorganized before the end of the same year, its taxable period is a time period running from the day of its establishment until the day of completion of its liquidation or reorganization.

5. If a legal entity carried out activities in special tax regimes for the subjects of small businesses, retail tax and in the generally established manner during the calendar year, the tax period shall not include the period of time during which it carried out activities in special tax regimes for the subjects of small businesses, retail tax.

Footnote. Article 314 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 315. Tax declaration

1. A corporate income taxpayer shall submit a corporate income tax declaration to the tax authority at the place of its location on or before March 31 of a year following a reporting taxable period, except for a non-resident receiving only income subject to taxation at the source of payment from sources in the Republic of Kazakhstan and not operating in the Republic of Kazakhstan through a permanent establishment, unless otherwise provided for by this article.

2. The corporate income tax declaration consists of a declaration and annexes thereto on disclosure of information on taxable and (or) tax-related items.

3. A legal entity applying a special tax regime on the basis of a simplified declaration shall not submit a corporate income tax declaration on incomes taxable in accordance with paragraphs 1, 2 and 2-1 of Article 681 of this Code.

4. If there are no approved financial statements as of the date of submission of the corporate income tax declaration, the calculation of the total profit of controlled foreign companies or permanent establishments of controlled foreign companies shall be made in an additional corporate income tax declaration submitted within sixty working days following the day of approval of financial statements, but no later than March 31 of the second year following the reporting tax period, taking into account the provisions of Article 211 of this Code.

Footnote. Article 315 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 06.02.2023 № 196-VII (shall be enforced from 01.04.2023).

SECTION 8. INDIVIDUAL INCOME TAX Chapter 35. GENERAL PROVISIONS

Article 316. Payers

1. Payers of individual income tax are individuals who have objects of taxation in the form of taxable income of an individual at the source of payment and in the case of independent taxation.

2. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2020).

Footnote. Article 316 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2020).

Article 317. Features of income taxation in certain cases

1. For income subject to taxation at the source of payment of a citizen of the Republic of Kazakhstan, a foreigner or a stateless person who is a resident of the Republic of Kazakhstan (hereinafter referred to as the Resident individual), the calculation, withholding and transfer of individual income tax, as well as the submission of tax reports shall be carried out by a tax agent in the manner and within the timeframes established by this chapter, paragraph 1 of chapter 36, chapter 38 and article 657 of this Code, at the rates provided for in article 320 of this Code.

1-1. For income subject to taxation at the source of payment, the payer of a single payment shall calculate, withhold and transfer individual income tax, as well as submit tax reports, by a tax agent in the manner established by Chapter 89-1 of this Code.

2. With regard to income subject to taxation by a resident individual independently, the calculation and payment of individual income tax, as well as the filing of tax returns, shall be made in the manner and within the time limits established by paragraph 2 of Chapter 36, Chapters 39, 40 and 71 of this Code, at the rates prescribed by Article 320 of this Code.

3. With regard to the income of a non-resident individual, the calculation, withholding and transfer of individual income tax, as well as filing of tax returns, shall be made in the manner

and within the time limits established by Chapters 71 and 74 of this Code, at the rates stipulated in Articles 320 and 646 of this Code.

4. For the income of an individual entrepreneur applying a special tax regime for small businesses, the calculation and payment of individual income tax, as well as the submission of tax reports, shall be carried out in the manner and within the timeframes established by Chapter 77 of this Code.

5. For the income of an individual entrepreneur who applies a special tax regime for producers of agricultural products, aquaculture products (fish farming) and agricultural cooperatives, the calculation of individual income tax shall be carried out taking into account the features established by Chapter 78 of this Code.

6. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall be brought into effect since 01.01.2025).

7. It was valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

Footnote. Article 317 as amended by the laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); dated 21.12.2022 № 165-VII (shall come into effect on 01.01.2023); № 208-VIII of 15.07.2025 (shall be brought into effect since 01.01.2025).

Article 318. Objects of taxation

The objects of taxation by individual income tax shall be the following:

1) taxable income of an individual at the source of payment;

2) taxable income of an individual in case of independent taxation.

Article 319. Annual income of an individual

1. The annual income of an individual consists of income to be received (obtained) by this individual in the Republic of Kazakhstan and outside of it during the tax period, in the form of income subject to taxation:

1) at the source of payment;

2) by an individual independently.

2. The following shall not be considered as income of an individual:

1) compensation payments to employees in cases where their work takes place on the road , is itinerant, or is associated with business trips within the serviced areas, within the limits of the standards established by collective, labor agreements and (or) the employer’s act;

2) compensation for business trips, including for training, advanced training or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan, unless otherwise established by this article:

established in subparagraphs 1), 2) and 4) of paragraph 1 of Article 244 of this Code;

for a business trip within the Republic of Kazakhstan - daily allowances of no more than 6 times the monthly calculation indicator established by the law on the republican budget and in

effect on January 1 of the relevant financial year, for each calendar day of being on a business trip for a period not exceeding forty calendar days of being on a business trip;

for a business trip outside the Republic of Kazakhstan - daily allowances of no more than 8 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each calendar day of being on a business trip for a period not exceeding forty calendar days of being on a business trip;

3) compensation for business trips, including for training, advanced training or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan, made by government agencies, except for government agencies maintained at the expense of the budget (expense estimate) of the National Bank of the Republic of Kazakhstan, in the amounts established by the legislation of the Republic of Kazakhstan;

4) compensation for business trips, including for training, advanced training or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan, made by state institutions maintained at the expense of the budget (expense estimate) of the National Bank of the Republic of Kazakhstan, in the amounts and the manner stipulated by the legislation of the Republic of Kazakhstan;

5) compensation for expenses, confirmed by documents, for travel, transportation of property, and rental of housing for a period of no more than thirty calendar days when an employee is transferred to work in another locality or moves to another locality together with the employer;

6) expenses of the employer that are not related to the implementation of activities aimed at generating income and are not subject to deductions, which are not distributed to specific individuals;

7) field allowances for workers engaged in geological exploration, topographic-geodetic and survey work in field conditions - for each calendar day of such work in the amount of 2 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the corresponding financial year;

8) expenses of the employer to ensure the life support of individuals working on a rotational basis during their stay at the production facility, with the provision of conditions for performing work and rest between shifts:

for the rental (lease) of housing;

for food within the daily allowance limits established in subparagraph 2) of this paragraph ;

9) expenses of the employer related to the delivery of employees from their place of residence (stay) in the Republic of Kazakhstan to the place of work and back;

9-1) professional payment at the expense of the employer in accordance with the Labor Code of the Republic of Kazakhstan;

10) the cost of issued special clothing, special footwear, including their repair, personal protective equipment, detergents and disinfectants, preventive treatment agents, first aid kits,

milk or other equivalent food products and (or) specialized products for dietary (therapeutic and preventive) nutrition according to the standards established by the legislation of the Republic of Kazakhstan;

10-1) the cost of the uniform issued to the employee in cases where the legislation of the Republic of Kazakhstan establishes the obligation to wear uniforms and (or) provide them;

10-2) expenses of the employer in favour of employees (including reimbursement of expenses of employees) aimed at laboratory testing, provision of personal protective equipment, medical examinations, preventive vaccinations, medical observation, treatment, isolation, and hospitalization in connection with the introduction of restrictive measures, including quarantine, due to the recognition of the disease as a pandemic by the decision of the emergency committee of the World Health Organization;

11) the amounts of pension savings of contributors to the unified accumulative pension fund and voluntary accumulative pension funds sent to life insurance organizations to pay insurance premiums under the concluded accumulative insurance agreement (pension annuity), the amount of money subject to return to the unified accumulative pension fund under the pension annuity agreement, as well as redemption amounts under pension annuity agreements sent to insurance organizations in the manner prescribed by the legislation of the Republic of Kazakhstan;

12) the amount of penalties accrued for the untimely calculation, withholding, and transfer of social payments in the amounts established by the legislation of the Republic of Kazakhstan;

13) the following expenses incurred by an individual tenant who is not an individual entrepreneur, or reimbursed by him to an individual landlord who is not an individual entrepreneur, in the case of property rental (lease) of housing, residential premises (apartments), - if the specified expenses are incurred separately from the rent:

for the maintenance of common property of the condominium facility in accordance with the housing legislation of the Republic of Kazakhstan;

for payment of utility services provided for by the Law of the Republic of Kazakhstan " On Housing Relations";

for the repair of a home, living space (apartment);

14) the excess of the market value of the underlying asset of the option at the time of the option exercise over the option exercise price (the option exercise price is the price at which the underlying asset of the option was fixed in the relevant document based on which the option was granted to an individual);

15) the cost of goods transferred free of charge for advertising purposes (including as a gift) if the price of one unit of such goods does not exceed 5 times the monthly calculation indicator established for the relevant financial year by the law on the republican budget and in effect on the date of such transfer;

16) entertainment expenses for the reception and servicing of individuals, incurred in accordance with Article 245 of this Code;

17) material benefit from savings on remuneration for using loans (credits, microloans) received from legal entities and individual entrepreneurs, including those obtained by an employee from his employer;

18) mandatory pension contributions by the employer to the unified accumulative pension fund in the amount established by the legislation of the Republic of Kazakhstan;

Subparagraph 19) is valid until 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VIII.

19) income received by an individual when rendering medical assistance within the compulsory social medical insurance system under the laws of the Republic of Kazakhstan on compulsory social medical insurance;

Subparagraph 20) is valid until 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VIII.

20) income generated from a mortgage housing loan (mortgage loan) received before January 1, 2016, which is subject to refinancing within the framework of the Mortgage Housing Loans (Mortgage Loans) Refinancing Program approved by the National Bank of the Republic of Kazakhstan, in the form of:

forgiveness of the principal debt in the amount of previously capitalized remuneration, commission, penalty (fines, forfeit);

forgiveness of debts on remuneration, commission, penalties (fines, forfeit);

reduction of the amount of the claim to the borrower for the amount of the principal debt of a mortgage housing loan (mortgage loan) received in foreign currency, as a result of recalculating such amount using the official exchange rate of the National Bank of the Republic of Kazakhstan as of August 18, 2015;

income received by a borrower who belongs to socially vulnerable groups of the population in accordance with the legislation of the Republic of Kazakhstan on housing relations, in the form of payment for such individual by a bank, an organization carrying out certain types of banking operations, as well as an organization that voluntarily returned the license of the authorized body to conduct banking operations, a state fee collected from a statement of claim filed with the court;

21) the value of property, including money, which is legalized in accordance with the Law of the Republic of Kazakhstan "On the amnesty of citizens of the Republic of Kazakhstan, oralmans and individuals holding a residence permit in the Republic of Kazakhstan, in connection with the legalization of their property";

22) mandatory professional pension contributions to the unified accumulative pension fund in the amount established by the legislation of the Republic of Kazakhstan;

23) income upon termination of obligations in accordance with the civil legislation of the Republic of Kazakhstan on a loan (credit, mortgage loan, mortgage housing loan, microcredit

), including on the principal debt, remuneration, commission and penalty (fine, forfeit), in the following cases that occurred after the issuance of a loan (loan, mortgage loan, mortgage housing loan, microcredit) to such person:

recognition of an individual - borrower, based on a court decision that has entered into legal force, as missing, incapacitated, of limited capacity, or declaring him deceased based on a court decision that has entered into legal force;

establishing a disability of the first or second group for an individual – a borrower, as well as in the event of the death of an individual - borrower;

absence of other income of an individual - a borrower receiving social payments in accordance with the Law of the Republic of Kazakhstan "On Compulsory Social Insurance" in cases of loss of a breadwinner, income in connection with pregnancy and childbirth, adoption of a newborn child (children), care of a child upon reaching the age of one year, in addition to the specified payments;

entry into effect of a ruling by a bailiff on the return of an enforcement document to a bank (microfinance organization, mortgage organization) if the individual - the borrower and third parties who bear joint or subsidiary liability with the individual - the borrower to the bank (microfinance organization, mortgage organization) do not have property, including money, securities, or income that can be subject to collection, and measures to identify his property or income, taken by the bailiff in accordance with the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs, have proven unsuccessful;

sale of the mortgaged property, which fully secured the principal obligation on the date of conclusion of the mortgage agreement, by auction out of court at a price lower than the amount of the principal obligation or transfer of such property to the ownership of the mortgagee in accordance with the Law of the Republic of Kazakhstan "On Mortgage of Real Estate" for the amount of the outstanding loan (mortgage loan, mortgage housing loan, microloan) after the sale of the mortgaged property.

The provisions of paragraphs five and six of part one of this subparagraph shall not apply to the termination of obligations under a credit (loan, mortgage loan, mortgage housing loan, microcredit):

issued to a bank employee (mortgage organization, microfinance organization), spouse, close relatives of a bank employee (mortgage organization, microfinance organization), related party of the bank (mortgage organization, microfinance organization);

under which the assignment of the right of claim and (or) transfer of debt has been made;

23-1) voluntary pension contributions transferred by a tax agent to a unified accumulative pension fund, a voluntary accumulative pension fund in favour of an employee;

24) income generated upon termination of obligations in accordance with the civil legislation of the Republic of Kazakhstan on a loan (credit, mortgage loan, mortgage housing loan, microcredit) issued by a bank (mortgage organization, microfinance organization), in the form of:

forgiveness of principal debt;

forgiveness of debts on remuneration, commission, penalties (fine, forfeit).

The provisions of this subparagraph shall also apply in the event of forgiveness of an obligation by an individual to whom the right to claim a loan (credit, microcredit) has been assigned, in accordance with the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities";

24-1) income received by the borrower as a result of payment for him by the bank, an organization carrying out certain types of banking operations, and also a collection agency of the state fee collected from the statement of claim filed with the court;

25) material benefit received from budget funds in accordance with the legislation of the Republic of Kazakhstan, including in the event of:

provision of a volume of services for preschool education and training, technical and vocational, post-secondary, higher, and postgraduate education, advanced training and retraining of workers and specialists, as well as training in preparatory departments of educational institutions, carried out in the form of a state educational order in accordance with the legislation of the Republic of Kazakhstan in the field of education;

provision of a guaranteed volume of free medical care;

payment of state contributions for compulsory social health insurance;

provision of rehabilitation treatment, health improvement and recreation at health resort facilities;

provision of medicines and medical products;

provision by local executive bodies of the region, city of republican significance, capital of goods, works, and services to a disabled person in accordance with the legislation of the Republic of Kazakhstan on social protection. In this case, the provision of this paragraph shall apply to an individual who is:

disabled person;

an individual assistant providing social services to a disabled person of the first group who has difficulty moving;

26) payments to individuals for personal property of an individual acquired from them.

In the event of a payment provided for in this subparagraph made by a tax agent, the provisions of this subparagraph shall apply concerning an individual who has submitted an application to the tax agent stating that the personal items being sold are not used in entrepreneurial activity and are not subject to taxation for the calculation of individual income tax on income subject to taxation by the individual independently;

27) actual expenses incurred by the employer for payment of training, advanced training or retraining in accordance with the legislation of the Republic of Kazakhstan when sending an employee for training, advanced training or retraining in a speciality related to the activities of the employer, which is made with the registration of a business trip to another locality;

28) material benefit from savings on remuneration received by the holder of a payment card on a bank loan in connection with the provision of an interest-free period under an agreement concluded between a second-tier bank and a client – during the period specified in the agreement;

29) material benefit actually made by the autonomous educational organisation mentioned in paragraph 1 of Article 291 of this Code in the form of payment (reimbursement) of living expenses, medical insurance, including payment of insurance premiums under voluntary insurance contracts in case of illness, air travel from the place of residence outside the Republic of Kazakhstan (country, settlement) to the place of activity in the Republic of Kazakhstan and back, received by a foreign resident:

who is an employee of such an autonomous educational organisation;

engaged in activities in the Republic of Kazakhstan to perform work or render services for such an autonomous educational organisation;

who is an employee of a non-resident legal entity performing work or providing services to such an autonomous educational organisation and who directly performs such work or provides such services;

30) income in the form of payment for travel and accommodation of civil servants, deputies of the Parliament of the Republic of Kazakhstan, judges by a tax agent who is not an employer, if the said individuals are sent on a business trip related to the implementation of state functions, subject to the following conditions:

an invitation to domestic and foreign trips at the expense of a tax agent who is not an employer, carried out with the consent of a superior official or body for participation in scientific, sports, creative, professional, and humanitarian events at the expense of the tax agent, including trips carried out within the framework of the statutory activities of such a tax agent;

the presence of an order (instruction) from an official of a state body in accordance with the legislation of the Republic of Kazakhstan;

31) the cost of technical auxiliary (compensatory) means and special means of transportation transferred free of charge by the employer to an employee recognized as disabled as a result of receiving an industrial injury or occupational disease due to the fault of the employer - according to the list approved by the Government of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on social protection;

32) the cost of services in the form of prosthetic and orthopaedic assistance provided free of charge by the employer to an employee recognized as disabled as a result of receiving an industrial injury or occupational disease due to the fault of the employer, in accordance with the legislation of the Republic of Kazakhstan on social protection;

33) payments to confidential assistants in accordance with the laws of the Republic of Kazakhstan "On operational-search activities" and "On counterintelligence activities";

34) expenses of the employer for sending an employee for training, advanced training or retraining in accordance with the legislation of the Republic of Kazakhstan, made without formalizing a business trip, in the case of training, advanced training or retraining in a specialty related to the activities of the employer:

actual expenses incurred to pay for training, advanced training or retraining of an employee;

the employee's actual expenses for accommodation within the limits of the standards established by the authorized body;

actual expenses incurred for travel to the place of study upon admission and back after completion of training, advanced training or retraining of the employee;

the amount of money designated by the employer for payment to the employee, within the limits of:

6 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each calendar day of training, advanced training or retraining of an employee - during the period of training, advanced training or retraining of an employee within the Republic of Kazakhstan;

8 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each calendar day of training, advanced training or retraining of an employee - during the period of training, advanced training or retraining of an employee outside the Republic of Kazakhstan;

35) the amount credited by the bank and/or the National Postal Operator from the funds of the bank and/or the National Postal Operator to the account of an individual for making non-cash payments;

36) expenses of an autonomous educational organization, as defined in subparagraphs 2) and 3) of paragraph 1 of Article 291 of this Code, when sending for training, advanced training or retraining an individual who is not in an employment relationship with this autonomous educational organization, but is in an employment relationship with another autonomous educational organization, as defined in subparagraphs 1) - 5) of paragraph 1 of Article 291 of this Code, by decision of the autonomous educational organization incurring such expenses, indicating the specialty:

actual expenses incurred to pay for training, advanced training or retraining of an individual;

actual living expenses incurred within the limits of the standards established by the authorized body;

actual expenses incurred for travel to the place of study upon admission and back after completion of training, advanced training or retraining of an individual;

the amount of money designated by an autonomous educational organization for payment to an individual, within the limits of:

6 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each calendar day of training, advanced training or retraining of an employee - during the period of training, advanced training or retraining of the trainee within the Republic of Kazakhstan;

8 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each calendar day of training, advanced training or retraining of an individual - during the period of training, advanced training or retraining of the trainee outside the Republic of Kazakhstan;

37) payments made by an autonomous educational organization, as defined in subparagraph 2) of paragraph 1 of Article 291 of this Code, in the form of:

actual expenses incurred for tuition and/or professional internship, which are provided for by the educational program for full-time education at the following levels of education:

post-secondary education;

higher education;

postgraduate education;

actual expenses incurred to pay for participation in an extracurricular activity;

actual expenses incurred for travel to the place of study and (or) professional practice, which are provided for in this subparagraph, as well as to the place where the extracurricular activity is held and back, including payment of expenses for the reservation, - based on documents confirming the travel expenses and for the reservation (including an electronic ticket, if there is a document confirming the fact of payment of its cost);

actual expenses incurred for accommodation within the limits of the standards established by the authorized body;

the amount of money designated for payment to an individual within the limits of:

6 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each day of training and (or) professional practice, participation in an extracurricular activity - during the period specified by the decision of the autonomous educational organization, determined by subparagraph 2) of paragraph 1 of Article 291 of this Code, when sending an individual within the Republic of Kazakhstan;

8 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each day of training and (or) professional practice, participation in an extracurricular activity - during the period specified by the decision of the autonomous educational organization, determined by subparagraph 2) of paragraph 1 of Article 291 of this Code, when sending an individual outside the Republic of Kazakhstan;

expenses incurred in obtaining entry and exit permits (visas) (cost of visas, consular services, compulsory medical insurance), based on supporting documents.

The provisions of this subparagraph shall apply to individuals who, on the date of the decision of the autonomous educational organization specified in subparagraph 2) of paragraph 1 of Article 291 of this Code, and during the period of training and (or) undergoing professional practice, participation in an extracurricular activity, are studying in such an autonomous educational organization:

at the preparatory department;

at the following levels of education:

primary school, including pre-school education and training;

primary school;

high school;

full-time education at the following levels of education:

post-secondary education;

higher education;

postgraduate education;

38) material benefit received by an individual who is studying in the preparatory department of an autonomous educational organization, as defined in subparagraph 2) of paragraph 1 of Article 291 of this Code, in the form of payment (reimbursement) of food expenses - within the limits of 2 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each day of the academic year, except for the vacation period;

39) material benefit received by an individual who is studying full-time in an autonomous educational organization, as defined in subparagraph 2) of paragraph 1 of Article 291 of this Code, in the form of payment (reimbursement) of expenses:

for medical insurance, including payment of insurance premiums under voluntary health insurance contracts;

to live in a dormitory of an autonomous educational organization, as defined in paragraph 1 of Article 291 of this Code;

39-1) the amount of remuneration received in accordance with the procedure provided for in paragraph 14 of Article 22 of this Code;

40) the amount credited by the communications operator from the funds of the communications operator to the subscriber’s mobile balance for the subscriber’s performance of non-cash transactions;

41) calculated amounts:

personal income tax on the income of a resident individual pursuant to the provisions of this Code and paid to the budget of the Republic of Kazakhstan by the tax agent from its own funds without withholding:

mandatory pension contributions from the income of a resident individual under the Social Code of the Republic of Kazakhstan and paid by the agent for the payment of mandatory pension contributions from its own funds without withholding them;

42) income generated upon termination of obligations under a loan (credit), the right to claim for which was acquired by an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, in the form of:

forgiveness of principal debt;

forgiveness of debts on remuneration, commission, penalties (fine, forfeit);

43) the cost of services received at the expense of budgetary funds in the form of state non-financial support for business entities in accordance with the state program in the field of development of the agro-industrial complex of the Republic of Kazakhstan, programs approved by the Government of the Republic of Kazakhstan, the operator of which is the National Chamber of Entrepreneurs of the Republic of Kazakhstan;

44) dividends arising from the acquisition by a resident legal entity of securities or participation interests from a non-resident legal entity, subject to the fulfillment of the conditions established by paragraph 7-1 of Article 228 of this Code;

45) targeted savings in accordance with the Law of the Republic of Kazakhstan "On the Rights of the Child in the Republic of Kazakhstan" in the form of payments from a unified accumulative pension fund, as well as directed to an individual pension account for recording voluntary pension contributions;

46) material benefit from savings on the cost of goods, works, and services when purchasing them at the expense of the amount accrued for previously made purchases or received works, and services;

51) writing off the obligations of a debtor in respect of whom bankruptcy or solvency restoration procedures have been applied in accordance with the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan".

Footnote. Article 319 as amended by the Laws of the Republic of Kazakhstan dated 02.04.2019 № 241- VI (shall come into effect on 01.01.2020); dated 03.07.2019 № 262- VI (shall come into effect on 01.01.2020); dated 10.12.2020 № 382- VI (for the procedure of entry into effect, refer to Article 2); dated 24.06. 2021 № 53- VII (shall come into effect on 01.01.2025); dated 21.12.2022 № 165- VII (shall come into effect on 01.01.2023); dated 20.03.2023 № 213-VII (shall come into effect on 01.01.2023); dated 12.12.2023 № 45- VIII (for the procedure for entry into effect, refer to Art. 2); № 208-VIII of 15.07.2025 (shall be put into effect since 01.01.2025).

Article 320. Tax rates

1. Income of a taxpayer shall be taxed at a rate of 10 percent.

2. Excluded by the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (shall come into effect on 01.01.2023).

Footnote. Article 320 as amended by the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (shall come into effect on 01.01.2023).

Article 321. Income included in the annual income of an individual

The annual income of an individual shall include all types of income:

1) the income of the worker, including the income of the domestic worker and the income of the resident immigrant worker;

2) income from the sale of goods, performance of work, or provision of services, except for property income, received by an individual who is not an individual entrepreneur, or an individual engaged in private practice;

3) income in the form of payment by a third party for the cost of goods, work performed, services rendered received by an individual;

4) income in the form of work and services performed (rendered) to pay off a debt to an individual;

5) income in the form of property received free of charge, including works and services;

6) income in the form of debt forgiveness;

7) income in the form of a reduction in the amount of the claim against the debtor, except for written-off fines, penalties and other types of sanctions;

8) income in the form of payment of interest on repo transactions;

9) income in the form of pension payments, lump sum pension payments;

10) income in the form of dividends, rewards, and winnings;

11) income in the form of a scholarship;

12) income from savings insurance contracts;

13) property income;

14) income of an individual entrepreneur;

15) income of an individual engaged in private practice;

16) income from a personal subsidiary farm, recorded in the book of household accounting in accordance with the legislation of the Republic of Kazakhstan, subject to taxation, including for which individual income tax was not withheld at the source of payment due to the submission of false information to the tax agent by the individual engaged in the personal subsidiary farm;

17) other income not mentioned in sub-paragraphs 1) – 16) of this article, received in the Republic of Kazakhstan or from sources outside the Republic of Kazakhstan;

18) the total profit of controlled foreign companies or permanent institutions of controlled foreign companies, determined in accordance with Article 340 of this Code.

Footnote. Article 321 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Chapter 36. INCOME Clause 1. Income subject to taxation at the source of payment

Article 322. Income of an employee

1. The income of an employee subject to taxation shall be the following income accrued by the employer, who is a tax agent, and recognized, including in the accounting records of the employer, as expenses (costs) in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting:

1) money in cash and/or non-cash form subject to transfer by the employer to the employee as property in connection with the presence of an employment relationship;

2) employee income in kind in accordance with Article 323 of this Code;

3) employee income in the form of material benefit in accordance with Article 324 of this Code.

The income of an employee subject to taxation shall also include income received (to be received) by a member of the board of directors or other governing body of the taxpayer that is not the highest governing body.

2. The employee's taxable income received (to be received) from individuals who are not tax agents is the income received (to be received) under an employment agreement (contract) concluded in accordance with the legislation of the Republic of Kazakhstan or a foreign state.

3. The following income shall not be considered taxable income of an employee:

1) income of an individual from a tax agent under civil law contracts;

2) income in the form of pension payments, lump sum pension payments;

3) income in the form of dividends, rewards, and winnings;

4) scholarships;

5) income from savings insurance contracts;

6) property income;

7) income of a resident labor immigrant;

8) income of an individual engaged in private practice;

9) income of an individual entrepreneur.

Footnote. Article 322 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 323. Income in kind of an employee

The income in kind of an employee subject to taxation shall be:

1) the value of goods, securities, participation shares and other property (except money) subject to transfer by the employer to the employee as property in connection with the presence of employment relations, as well as to a member of the board of directors or other management body of the taxpayer that is not the highest management body, in connection with the performance of the management duties assigned to him. The value of such property shall be determined in the following amount, taking into account the corresponding amount of value-added tax and excise taxes:

book value of property;

the value of the property determined by the agreement or other document based on which the property shall be transferred to the employee, in the absence of the book value of such property;

2) performance by the employer of work, provision of services for the benefit of the employee in connection with the presence of labor relations, as well as for the benefit of a member of the board of directors or other management body of the taxpayer that is not the highest management body, in connection with the performance of the management duties assigned to him/her. The cost of the work performed, and the services rendered shall be determined in the amount of the expenses of the employer incurred in connection with such performance of work, and provision of services, taking into account the corresponding amount of value-added tax;

3) the value of property received from the employer free of charge. The value of work performed, services rendered, received by the employee from the employer free of charge, shall be determined in the amount of the expenses of the employer incurred in connection with such performance of work, provision of services;

4) payment by the employer to the employee or third parties of the cost of goods, work performed, services rendered received by the employee from the employer or third parties. The cost of such goods, work performed, services rendered shall be determined in the amount of the expenses of the employer incurred in connection with such performance of work, and provision of services, taking into account the corresponding amount of value-added tax and excise taxes.

Footnote. Article 323 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 324. Income of an employee in the form of material benefit

An income of an employee in the form of material benefit subject to taxation shall include :

1) a negative difference between the cost of goods sold to an employee and their book value or purchase price – when selling goods to an employee;

a negative difference between the cost of work or services provided to an employee and the total amount of expenses incurred by the employer in connection with such performance of work or provision of services, taking into account the corresponding amount of value-added tax - when providing work or services to an employee.

To apply this subparagraph, the purchase price shall be used by taxpayers who, in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, do not maintain accounting records;

2) writing off, by decision of the employer, the amount of the employee’s debt or obligation to him/her – when writing off the amount of the debt to the employee;

3) expenses of the employer for the payment of insurance premiums under insurance contracts for its employees, including those concluded by employees, - when paying the amount of insurance premiums under insurance contracts;

4) expenses of the employer to reimburse the employee's expenses not related to the employer's activities – when reimbursing expenses to the employee.

Footnote. Article 324 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 325. Income in the form of property, works, services received free of charge

Footnote. The title of Article 325 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Income in the form of property received free of charge shall be determined in the following amount, taking into account the corresponding amount of value-added tax and excise taxes:

book value of property;

the value of the property determined by the agreement or other document based on which the property is transferred to an individual, in the absence of the book value of such property.

Income in the form of gratuitously received work and (or) services shall be determined as the cost of the work performed, services rendered in the amount of the tax agent's expenses incurred in connection with such performance of work, provision of services, taking into account the corresponding amount of value added tax.

Footnote. Article 325 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 326. Income in the form of pension payments

Income in the form of pension payments subject to taxation shall include payments made by a unified accumulative pension fund and/or voluntary accumulative pension funds:

1) from the pension savings of taxpayers formed through:

mandatory pension contributions in accordance with the legislation of the Republic of Kazakhstan;

mandatory professional pension contributions in accordance with the legislation of the Republic of Kazakhstan;

voluntary pension contributions in accordance with the terms of the agreement on pension provision through voluntary pension contributions;

2) individuals who are residents of the Republic of Kazakhstan and have reached retirement age and moved to a permanent place of residence outside the Republic of Kazakhstan in accordance with the Law of the Republic of Kazakhstan "On Pension Provision in the Republic of Kazakhstan";

3) individuals who are residents of the Republic of Kazakhstan and have not reached retirement age and have moved to a permanent place of residence outside the Republic of

Kazakhstan in accordance with the Law of the Republic of Kazakhstan "On Pension Provision in the Republic of Kazakhstan";

4) to individuals in the form of pension savings inherited in the manner determined by the legislation of the Republic of Kazakhstan;

5) to individuals in the form of a one-time payment for the burial of a deceased person who has pension savings, in the manner established by the legislation of the Republic of Kazakhstan.

Footnote. Article 326 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 327. Income in the form of dividends, remuneration, winnings

Income in the form of dividends, rewards, and winnings subject to taxation shall be:

1) dividends paid (to be paid), as defined in subparagraph 16) of paragraph 1 of Article 1 of this Code;

2) remuneration paid (to be paid);

3) winnings paid (to be paid).

For the purposes of this chapter, taxable income in the form of dividends shall also include net income from the trust management of the founder of the trust management received from a legal entity that is the trust manager.

Article 328. Income in the form of scholarships

Taxable income from scholarships shall be the amount of money designated for payment by the tax agent:

students in educational organizations in accordance with the legislation of the Republic of Kazakhstan in the field of education;

to cultural professionals, scientists, media workers and other individuals in accordance with the legislation of the Republic of Kazakhstan.

Article 329. Income from savings insurance contracts

Income from savings insurance contracts subject to taxation shall be:

1) insurance payments made by insurance organizations under savings insurance contracts , the insurance premiums for which were paid:

at the expense of pension savings in a unified accumulative pension fund and voluntary accumulative pension funds;

by an individual for his benefit;

by the employer in favor of the employee;

2) redemption amounts paid in cases of early termination of such agreements;

3) the excess of the amount of insurance payments made by the insurance organization over the amount of insurance premiums paid from funds not specified in subparagraph 1) of this article.

Footnote. Article 329 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Section 2. Income subject to taxation by an individual independently

Article 330. Property income

1. The property income of an individual subject to taxation shall include:

1) income from the increase in value upon the sale by an individual of property in the Republic of Kazakhstan specified in Article 331 of this Code;

2) income of an individual from the sale of property received from sources outside the Republic of Kazakhstan, specified in Article 332 of this Code;

3) income from the increase in value upon the transfer by an individual of property (other than money) as a contribution to the authorized capital specified in Article 333 of this Code;

4) income received by an individual who is not an individual entrepreneur and (or) a payer of a single aggregate payment, from the lease (rental) of property to individuals who are not tax agents;

5) income from the assignment of a claim, including a share in a residential building (house) under an agreement on shared participation in housing construction;

6) income from the increase in value from the sale of other assets specified in Article 334 of this Code of an individual entrepreneur who applies a special tax regime for small business entities or peasant or farming enterprises.

2. The provisions of subparagraphs 1), 2) and 3) of paragraph 1 of this article shall apply to individuals, including individual entrepreneurs, who apply a special tax regime for small business entities or peasant or farming enterprises.

3. Property income shall not be the income of an individual entrepreneur or the income of an individual engaged in private practice.

4. Property income received (to be received) by an individual in foreign currency shall be converted into the national currency of the Republic of Kazakhstan using the market exchange rate determined on the last working day preceding the date of the transaction for the sale of property.

Footnote. Article 330 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 331. Income from an increase in value upon sale of property in the Republic of Kazakhstan by an individual

1. Income from an increase in value upon the sale of property by an individual shall arise upon the sale of the following property:

1) housing, summer cottages, garages, parking spaces, personal subsidiary farm objects located on the territory of the Republic of Kazakhstan on the right of ownership for less than one year from the date of registration of the right of ownership;

2) land plots and (or) land shares, the intended purpose of which from the date of the emergence of the right of ownership until the date of sale is individual housing construction, summer cottage construction, personal subsidiary farming, or a garage, on which the objects

specified in subparagraph 1) of this paragraph are located, located on the territory of the Republic of Kazakhstan on the right of ownership for less than a year from the date of registration of the right of ownership;

3) land plots and (or) land shares, the intended purpose of which from the date of emergence of the right of ownership until the date of sale is individual housing construction, summer cottage construction, personal subsidiary farming, gardening, for a garage, on which the objects specified in subparagraph 1) of this paragraph are not located, located on the territory of the Republic of Kazakhstan on the right of ownership for less than one year from the date of registration of the right of ownership;

4) land plots and (or) land shares with a designated purpose not specified in subparagraphs 2) and 3) of this paragraph, located on the territory of the Republic of Kazakhstan;

5) investment gold located on the territory of the Republic of Kazakhstan;

6) real estate located on the territory of the Republic of Kazakhstan, except for that specified in subparagraphs 1), 2), 3) and 4) of this paragraph;

7) mechanical vehicles and trailers subject to state registration in the Republic of Kazakhstan, owned for less than a year;

8) digital assets, derivative financial instruments (excluding derivative financial instruments that are settled by acquiring or selling the underlying asset), whose issuers are registered in the Republic of Kazakhstan, shares in the authorised capital of a legal entity registered in the Republic of Kazakhstan;

9) securities.

To determine the increase in value upon inheritance by one of the spouses of the rights to real estate specified in subparagraphs 1), 2) and 3) of the first part of this paragraph, the period specified in these subparagraphs shall be determined from the date of registration of the right of common joint ownership of the spouses to such property.

2. Income from the increase in value upon the sale of the property specified in subparagraphs 1) – 7) of paragraph 1 of this article is the positive difference between the price (cost) of the sale of the property and the price (cost) of its acquisition.

The provisions of this paragraph shall not apply to income from the increase in value from the sale of property received free of charge, which shall be determined in accordance with paragraphs 5, 6 and 7 of this article.

3. In the case of the sale of real estate acquired through shared participation in housing construction, the income from the increase in value is the positive difference between the price (cost) of the sale of the property and the price of the agreement on shared participation in housing construction.

4. In the event of the sale of real estate acquired as a result of the assignment of the right to claim a share in a residential building under an agreement on shared participation in housing construction, the income from the increase in value is the positive difference between

the price (cost) of the sale of the property and the cost at which the taxpayer acquired the right to claim a share in the residential building under an agreement on shared participation in housing construction.

5. In the event of the sale by an individual of the property specified in paragraph 1 of this article, which was previously included in the object of taxation in accordance with paragraph 2 of Article 681 of this Code in the form of property received free of charge or for which income was previously determined in the form of property received free of charge in accordance with Article 238 of this Code, the income from the increase in value shall be the positive difference between the price (cost) of the sale of the property and the cost of the property received free of charge, previously included in the income.

6. In cases of sale of an individual residential building built by the individual selling it, as well as property specified in subparagraphs 1) - 7) of paragraph 1 of this article, received in the form of inheritance, charitable assistance (except for the case provided for in paragraph 5 of this article), income from increase in value is the positive difference between the price (cost) of sale of the property and the market value of the property being sold on the date of the emergence of the right of ownership.

In this case, such market value must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such property was sold. For the purposes of this paragraph, the market value is the value determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities.

7. In the case specified in paragraph 6 of this article, in the absence of a market value determined on the date of the emergence of the right of ownership of the sold property specified in subparagraphs 1) - 7) of paragraph 1 of this article, or in the event of failure to comply with the deadline for determining the market value established by paragraph 6 of this article, as well as in other cases of the absence of the price (cost) of acquisition of property not specified in paragraph 6 of this article, income from increase in value shall be:

1) for the property specified in subparagraph 1) of paragraph 1 of this article - the positive difference between the price (cost) of the sale of the property and the estimated value. In this case, the estimated value shall be the value determined for the calculation of the property tax by the State Corporation "Government for Citizens" on January 1 of the year in which the right of ownership of the sold property arose;

2) for the property specified in subparagraphs 2), 3) and 4) of paragraph 1 of this article - the positive difference between the price (cost) of the sale of the property and the cadastral (estimated) value of the land plot. In this case, the cadastral (estimated) value shall be the value determined by the State Corporation "Government for Citizens", which maintains the state land cadastre, on one of the most recent dates:

date of emergence of the right of ownership of the land plot;

the last date preceding the date of the emergence of the right of ownership of the land plot ;

3) for the property specified in subparagraphs 5), 6) and 7) of paragraph 1 of this article – the price (cost) of sale of such property.

When selling a building or part of a building constructed by an individual selling it who is not an individual entrepreneur, the income from the increase in value shall be the positive difference between the price (cost) of selling such property and the cost of the land acquired for the construction of such building or part of a building. When selling a part of a building, the cost of the land shall be determined proportionally to the part of the building being sold.

In the case of the sale of a building not used in business activities, which was previously reconstructed from an individual residential building, the income from the increase in value shall be the positive difference between the price (cost) of the sale of such property and the cost of its acquisition as an individual residential building.

8. In the event of the sale by an individual of property specified in subparagraph 7) of paragraph 1 of this article, which was previously imported into the territory of the Republic of Kazakhstan by such person, the price (cost) of its acquisition shall be:

1) for motor vehicles and (or) trailers imported from the territory of a state that is not a member of the Eurasian Economic Union - the price (cost) specified in the agreement (contract) or other document confirming the acquisition of a motor vehicle and (or) trailer in the territory of a state that is not a member of the Eurasian Economic Union, and customs and disposal payments, as well as the amounts of value added tax and excise tax specified in the goods declaration and paid upon import of such motor vehicles and (or) trailers;

2) for motor vehicles and (or) trailers imported from the territory of a member state of the Eurasian Economic Union - the price (cost) specified in the agreement (contract) or other document confirming the acquisition of a motor vehicle and (or) trailer in the territory of a member state of the Eurasian Economic Union, and the amounts of value added tax and excise tax specified in the application for the import of goods and payment of indirect taxes and paid in the manner determined by this Code.

9. Income from the increase in value upon the sale of property specified in subparagraph 8) of paragraph 1 of this article shall be:

1) the positive difference between the sale price (value) and the purchase price (value) (contribution) – if there is a purchase price (value) (contribution);

2) the price (cost) of the sale of the property – in the absence of the price (cost) of the acquisition of the property (contribution).

Note.

For the purposes of this article and article 333 of this Code, the value of a contribution to the authorized capital shall be the value specified in the constituent documents of a legal entity, but not more than the amount of the contribution made.

10. Income from capital gains on the sale of securities shall be composed of:

1) income from capital gains on the sale of securities, except for preferential securities;

2) income from capital gains on the sale of preferential securities.

11. The result from the sale of securities, including the redemption of debt securities, may be positive or negative and shall be calculated for each disposal transaction during the tax period as the difference between the sale price or redemption price of the security and its initial cost.

12. The total amount of results from all securities sales transactions, apart from preferential securities, for the tax period shall be recognised as:

income from capital gains, if such amount is positive;

zero, if such amount is zero or negative.

13. The total amount of results from all transactions involving the sale of preferential securities within a tax period shall be recognised as:

income from the increase in the value of preferential securities, if such amount is positive and is accounted for pursuant to sub-paragraphs 5), 6), 8-1), 15) and 16) of paragraph 1 of Article 341 of this Code;

equal to zero if such sum has a zero or negative value.

Preferential securities shall be securities mentioned in sub-paragraphs 5), 6), 8-1), 15) and 16) of paragraph 1 of Article 341 of this Code, sub-paragraphs 1) and 2) of part one of paragraph 7 of Article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre".

14. Income from the increase in value upon the sale of securities shall be recognised by sequentially writing off securities in chronological order based on their date of acquisition.

15. The initial cost of securities shall be:

1) the cost of their acquisition, commission fees for services related to the acquisition of securities to a person engaged in brokerage activities in accordance with the legislation of the Republic of Kazakhstan or another state. For securities acquired by an individual under an option, the acquisition cost is determined as the option exercise price and the option premium;

or

2) the cost at which the property was received by a shareholder, participant, or founder in the course of distribution of property, including in exchange for previously contributed property, as reflected in a document confirming the receipt and transfer of such asset and certified by the signatures of the parties, – if the assets were received by a shareholder (participant, founder) as a result of the distribution of property upon the liquidation of a legal entity or a reduction in authorised capital, as well as the repurchase by a legal entity from a founder, participant, share or part thereof in this legal entity, repurchase by a legal entity – issuer from a shareholder of shares issued by this issuer;

or

3) the amount of previously recognised income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and reflected in the individual

entrepreneur's declaration or in the declaration of income and property, in the case of receiving securities as payment for such income;

or

4) the amount of accounts receivable against which the security was received as repayment – in the case of receiving securities as repayment of accounts receivable that did not arise due to the receipt of income;

or

5) the value previously included in income as property received free of charge, in cases where the value of securities received free of charge was included in the taxable income of an individual entrepreneur or the taxable income of an individual;

or

6) market value of securities – in the case of the sale of securities received as inheritance or charitable assistance.

The initial value of securities must be confirmed by documentary evidence. In the absence of documents confirming the initial value of securities, such value shall be recognised as zero.

The initial cost of a unit of securities upon their sale or transfer as a contribution to the authorised capital shall be calculated based on the initial cost of the securities received first in time.

16. The initial value of securities, apart from debt securities, the rights to which or transactions involving which are registered with the competent authority of a state with preferential taxation, shall be equal to zero.

The initial value of debt securities, the issue thereof being registered in a state with preferential taxation, shall be equal to zero.

17. In cases where the provisions of paragraph 15 of this article are not applicable for defining the initial cost, the initial cost of securities shall be recognised as zero.

18. For the purposes of this article, the market value of securities shall be the market value of the securities being sold (transferred) on the date of acquisition of ownership rights thereto, as specified in the valuation report prepared under an agreement between the appraiser and the taxpayer pursuant to the legislation of the Republic of Kazakhstan on valuation activities, unless otherwise specified in this paragraph.

In addition, such market value must be established by the taxpayer no later than the deadline set for filing the income and property declaration for the tax period in which such property was sold (transferred).

Footnote. Article 331 as amended by the Laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); dated 21.12.2022 № 165-VII (for the procedure for entry into effect, refer to Article 4); dated 06.02.2023 № 196-VII (shall come into effect on 01.01.2024); № 208-VIII of 15.07.2025 (shall be put into effect since 01.01.2025).

Article 332. Income of an individual from the sale of property received from sources outside the Republic of Kazakhstan

1. Unless otherwise provided by this article and article 331 of this Code, the income of an individual from the sale of property received from sources outside the Republic of Kazakhstan shall be the cost of the sale of the property.

2. The income of an individual from the sale of property received from sources outside the Republic of Kazakhstan shall be defined as the positive difference between the cost of sale of the property and the cost of its acquisition from the sale of the following property:

1) located outside the Republic of Kazakhstan, for which rights and (or) transactions are subject to state or other registration with the competent authority of a foreign state in accordance with the legislation of a foreign state;

2) located outside the Republic of Kazakhstan, subject to state or other registration with the competent authority of a foreign state in accordance with the legislation of the foreign state.

3. In cases of sale of property legalized in the manner determined by the Law of the Republic of Kazakhstan "On the amnesty of citizens of the Republic of Kazakhstan, oralmans and individuals holding a residence permit in the Republic of Kazakhstan, in connection with the legalization of property by them", by the individual who legalized it, for which there is no purchase price (cost) and the obligation to pay the legalization fee has been fulfilled, the income from the increase in value is the positive difference between the price (cost) of the sale of the property and the estimated value determined in tenge for calculating the fee for the legalization of the property being sold.

4. The income of an individual from the sale of a digital asset obtained from sources outside the Republic of Kazakhstan shall be measured as the positive difference between the sale price and the acquisition cost.

5. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall take effect since 01.01.2025).

5-1. Income from capital gains on the sale of securities registered outside the Republic of Kazakhstan shall consist of:

1) income from capital gains on the sale of securities registered outside the Republic of Kazakhstan, excluding preferential securities registered outside the Republic of Kazakhstan;

2) income from capital gains on the sale of preferential securities registered outside the Republic of Kazakhstan.

5-2. The result from the sale of securities registered outside the Republic of Kazakhstan, including the redemption of debt securities, may be positive or negative and shall be measured for each disposal transaction within the tax period as the difference between the sale price or redemption price of the security registered outside the Republic of Kazakhstan and its initial cost.

5-3. The total amount of results from all transactions involving securities registered outside the Republic of Kazakhstan, apart from preferential securities, for the tax period shall be recognised as:

income from capital gains, if such amount is positive;

equal to zero, if such amount is zero or negative.

5-4. The total amount of results from all transactions involving the sale of preferential securities registered outside the Republic of Kazakhstan for the tax period shall be recognised as:

income from the increase in value of preferential securities registered outside the Republic of Kazakhstan, if such amount is positive and is recorded pursuant to sub-paragraphs 5), 6), 8 -1), 15) and 16) of paragraph 1 of Article 341 of this Code;

equal to zero if such sum has a zero or negative value.

Preferential securities shall be securities mentioned in sub-paragraphs 5), 6), 8-1), 15) and 16) of paragraph 1 of Article 341 of this Code, sub-paragraphs 1) and 2) of part one of paragraph 7 of Article 6 of the Constitutional Law of the Republic of Kazakhstan “On the Astana International Financial Centre”.

5-5. Income from capital gains on the sale of securities registered outside the Republic of Kazakhstan shall be measured by sequentially writing off securities in chronological order based on their date of acquisition.

5-6. The initial value of securities registered outside the Republic of Kazakhstan shall be:

1) their acquisition cost, commission fees for securities acquisition services paid to a person engaged in brokerage activities under the legislation of the Republic of Kazakhstan or another state. For securities acquired by an individual under an option, the acquisition cost shall be measured at the exercise price of the option plus the option premium;

or

2) the cost at which the property was received by a shareholder, participant, or founder during the distribution of property, including in exchange for previously contributed property, as reflected in a document confirming the receipt and transfer of such an asset and certified by the signatures of the parties, – if the assets were received by a shareholder (participant, founder) as a result of the distribution of property upon the liquidation of a legal entity or a reduction in authorised capital, as well as the repurchase by a legal entity from a founder, participant, share or part thereof in this legal entity, repurchase by a legal entity – issuer from a shareholder of shares issued by this issuer;

or

3) the amount of previously recognised income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and reflected in the individual entrepreneur's declaration or declaration of income and property, if securities are received as payment for such income;

or

4) the amount of accounts receivable against which the security was received as repayment – in the case of receiving securities as repayment of accounts receivable that did not arise due to the receipt of income;

or

5) the value previously included in income as property received free of charge – in cases where the value of securities received free of charge was included in the taxable income of a sole trader or the taxable income of an individual;

or

6) market value of securities registered outside the Republic of Kazakhstan – in the event of the sale of securities received by inheritance or charitable donation.

The initial value of securities must be confirmed by documentary evidence. In the absence of documents confirming the initial value of securities, such value shall be recognised as zero.

The initial cost of a unit of securities upon their sale shall be measured at the initial cost of the securities received first in time.

5-7. The initial value of securities, apart from debt securities, the rights to which or transactions involving which are registered with the competent authority of a state with preferential taxation, shall be zero.

The initial value of debt securities issued in a country with preferential taxation shall be equal to zero.

5-8. Where provisions of paragraphs 5-6 of this article shall not apply to the valuation of initial cost, the initial cost of securities shall be recognised as zero.

5-9. For the purposes of this article, the market value of a marketable security registered outside the Republic of Kazakhstan and received by inheritance shall be the market value of the marketable security on the date of acquisition of ownership rights thereto, as established in a report or other document on the results of an appraisal conducted under a contract between an independent appraiser and the taxpayer under the laws of the country where the security is registered.

However, such market value must be estimated by the taxpayer no later than the deadline set for submitting the income and property declaration for the tax period in which such property was sold.

6. The income of an individual upon the sale of a share of participation received from sources outside the Republic of Kazakhstan is defined as the positive difference between the sale price and the purchase price (contribution).

7. The provisions of paragraph 2 of this article shall not apply in the following cases:

1) real estate is located on the territory of a state with preferential taxation;

2) rights to movable property or transactions involving movable property are registered with the competent authority of a state with preferential taxation.

8. The provisions of paragraphs 4, 5 and 6 of this article shall not apply if the income specified in paragraphs 4, 5 and 6 of this article is received from sources in a state with preferential taxation.

9. The provisions of paragraphs 2, 4, 5 and 6 of this article shall be applied based on the following documents confirming:

1) the cost of acquiring the property (the cost of the deposit);

2) the cost of selling the property;

3) registration by the competent authority of a foreign state in accordance with the legislation of a foreign state of property and (or) the right of ownership of property, and (or) a transaction involving property.

Footnote. Article 332 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall come into effect on 01.01.2024); № 208-VIII of 15.07.2025 (shall go into force since 01.01.2025).

Article 332-1. Specific features of taxation of transactions with digital assets

1. This article lays down the specifics of taxation of transactions with digital assets for the purposes of this section.

2. The cost of selling or acquiring a digital asset, expressed in an unsecured digital asset with a fixed value, shall be converted into tenge at the market exchange rate of the currency the value of such digital asset is pegged to, established on the last working day preceding the date of sale or acquisition of the digital asset.

3. For the purposes of this article, when determining the cost of sale or acquisition, one unit of an unsecured digital asset with a fixed value shall be equated to one unit of the foreign currency to which the value of such digital asset is pegged.

4. The transfer of an unsecured digital asset with a fixed value for the purpose of exchanging it for the following property shall not constitute the realisation of a digital asset for the party transferring the unsecured digital asset with a fixed value:

digital asset;

property for which rights and/or transactions are subject to state or other registration with a competent authority of a foreign state under the laws of that foreign state;

property subject to state or other registration with a competent authority of a foreign state pursuant to the laws of that foreign state.

5. The transfer of an unsecured fixed-value digital asset for sale shall be considered a realisation of the digital asset, unless the unsecured fixed-value digital asset being realised was previously acquired as a result of an exchange for another digital asset.

6. Income received from transactions with derivative financial instruments where the underlying asset is a digital asset shall be measured as the difference between the value of the digital assets received upon completion of such a transaction and the value of the own digital assets used in the course of the transaction.

7. When measuring the positive difference between the selling price and the acquisition cost of digital assets, the first-in, first-out method shall be used as per the International Financial Reporting Standard.

8. For the purposes of applying this article, the criteria for classifying a digital asset as an unsecured fixed-value digital asset and the list of unsecured fixed-value digital assets shall be approved by the authorised body in the field of digital assets by agreement with the authorised body.

9. The cost of selling a digital asset, excluding the cases specified in paragraph 4 of this article, shall be estimated when:

1) transferring for sale in foreign or national currency – at the transaction amount in the relevant foreign or national currency;

2) transfer for the purpose of exchange for an unsecured digital asset with a fixed value – in an amount expressed in the unsecured digital asset with a fixed value involved in the transaction;

3) transfer for the purpose of exchange for a digital asset, excluding that specified in the third paragraph of this paragraph, in the amount of the value of the transferred digital asset, specified in the manner envisaged by paragraph 12 of this article;

4) transfer outside the Republic of Kazakhstan for the purpose of exchange for any property, other than a digital asset, in the amount of the value of the transferred digital asset, specified in the procedure prescribed by paragraph 12 of this article;

5) transfer of a digital asset under a gift or inheritance agreement – at zero rate;

6) the absence of the sale value of digital assets – in the amount of the value of the transferred digital asset, specified pursuant to the procedure specified in paragraph 12 of this article.

10. The acquisition cost of a digital asset, unless otherwise specified in paragraph 11 of this article, shall be calculated as follows:

1) when acquired for foreign or national currency – at the transaction amount in the relevant foreign or national currency;

2) acquisition in exchange for an unsecured digital asset with a fixed value – in an amount expressed in the unsecured digital asset with a fixed value involved in the transaction;

3) acquisition in exchange for a digital asset, excluding that specified in sub-paragraph 2) of this paragraph, in the amount of the value of the acquired digital asset, specified in the manner set out in paragraph 12 of this article;

4) acquisition outside the Republic of Kazakhstan in exchange for any property, other than a digital asset, in the amount of the value of the acquired digital asset, specified in the order envisaged by paragraph 12 of this article;

5) gratuitous receipt of a digital asset – in the amount of zero;

6) receipt of a digital asset from a digital asset exchange – in an amount expressed in an unsecured digital asset with a fixed value on the date of receipt of the digital asset, specified pursuant to the procedure set forth in paragraph 12 of this article;

7) receiving a digital asset as a result of interaction with a contract on the blockchain – in zero amount.

11. The initial value of digital assets received from sources in a state with preferential taxation shall be zero. The list of states with preferential taxation shall be approved by the authorised body.

12. Data posted on an Internet resource set out by the authorised body in coordination with the authorised body in the field of digital assets shall be used for the purpose of measuring the value of digital assets in the cases stipulated in sub-paragraphs 3), 4) and 6) of paragraph 9 and sub-paragraphs 3), 4) and 6) of paragraph 10 of this article.

The value of digital assets shall be established as the weighted average price per day preceding the date of sale or acquisition of digital assets on the specified Internet resource.

In the absence of data on the Internet resource on the date of the sale of the digital asset, the value of the digital assets shall be applied, specified on the last day preceding the day of the sale of the digital asset, when trading with such a digital asset has been conducted.

Footnote. Chapter 36 has been supplemented with Article 332-1 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall come into force since 01.01.2025).

Article 333. Income from increase in value in the transfer of property (other than money) by an individual as a contribution to the authorized capital

1. Income from increase in value in case of transfer by an individual of property (other than money) as a contribution to the authorized capital is generated in case of transfer of:

1) dwelling places, dacha buildings, garages, items of a personal subsidiary farm located in the territory of the Republic of Kazakhstan on the basis of the right of ownership for less than a year from the date of registration of the ownership right;

2) land plots and (or) land shares, the designated use of which from the date of the emergence of the right of ownership to the date of sale is individual housing construction, dacha construction, the running of a personal subsidiary farm, gardening, under a garage, on which the items specified in subparagraph 1) of this paragraph are located on the basis of the right of ownership for less than a year from the date of registration of the ownership right;

3) land plots and (or) land shares, the designated use of which from the date of the emergence of the right of ownership to the date of sale is individual housing construction, dacha construction, the running of a personal subsidiary farm, gardening, under a garage, on which items specified in subparagraph 1) of this paragraph are not located on the basis of the right of ownership for less than a year from the date of registration of the ownership right;

4) land plots and (or) land shares, the designated use of which is not specified in subparagraphs 2) and 3) of this paragraph;

5) investment gold;

6) immovable property, except for that specified in subparagraphs 1), 2), 3) and 4) of this paragraph;

7) motor vehicles and trailers subject to state registration, which are owned for less than a year;

8) equity interests, as well as derivative financial instruments (excluding derivative financial instruments that are executed through the acquisition or sale of the underlying asset);

9) securities.

2. Income from increase in value of an individual transferring the property specified in subparagraphs 1) - 7) of paragraph 1 of this article as a contribution to the authorized capital is positive difference between the value of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the value of its acquisition.

The provisions of this paragraph shall not apply to income from increase in value when transferring property received free of charge as a contribution to the authorized capital, which is determined in accordance with paragraphs 5, 6 and 7 of this article.

3. In case of transfer of immovable property acquired through participation in shared construction asa contribution to the authorized capital, income from increase in value is positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the price of a shared construction participation agreement.

4. In case of transfer of immovable property, acquired as a result of the assignment of the right to claim a share in a residential building under a shared construction participation agreement, as a contribution to the authorized capital, income from increase in value is positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the value at which a taxpayer acquired the right of claim of this share in a residential building under an agreement on equity participation in housing construction.

5. In case of transfer by an individual as a contribution to the authorized capital of the property specified in paragraph 1 of this article that was earlier included in a taxable item in accordance with paragraph 2 of Article 681 of this Code in the form of property received free of charge or for which income was earlier determined in the form of property received free of charge in accordance with Article 238 of this Code, income from increase in value is positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the value of the property received free of charge, earlier included in the income.

6. In case of transfer of a single-family detached house built by a person selling it as a contribution to the authorized capital, and also of property specified in subparagraphs 1) - 7) of paragraph 1 of this article, received in the form of inheritance, charitable assistance (except for the case provided for in paragraph 5 of this article), income from increase in value is

positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the market value of the property being transferred as of the date of the emergence of the ownership right.

In this case, a taxpayer must determine such a market value before a deadline set for the submission of an individual income tax declaration for the taxable period in which property is transferred as a contribution to the authorized capital. For the purposes of this paragraph, the market value is the value indicated in a report on appraisal conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activity.

7. In case of transfer as a contribution to the authorized capital of property legalized in accordance with the Law of the Republic of Kazakhstan "On Amnesty to citizens of the Republic of Kazakhstan, kandases and persons having a residence permit in the Republic of Kazakhstan, due to legalization of their property" by a person who legalized it, when the price (value) of its acquisition is not available and the obligation for the payment of the legalization fee is fulfilled, income from increase in value is positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the appraised value in tenge determined for the calculation of the legalization fee for the property transferred.

8. In the case specified in paragraph 6 of this article, without the market value of the property, specified in subparagraphs 1) - 7) of paragraph 1 of this article,transferred as a contribution to the authorized capital in accordance with constituent documents of a legal entity, determined as of the date of emergence of the ownership right, or if the deadline for determining the market value established by paragraph 6 of this article is not met, and also in other cases of no price (value) of acquisition of property, which are not specified in paragraph 6 of this article, income from increase in value is:

1) positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the estimated value - for the property specified in subparagraph 1) of paragraph 1 of this article. In this case, the appraised value is the value determined by the State Corporation " Government for Citizens" for calculating the property tax as of January 1 of the year of emergence of the ownership right to the property transferred as a contribution to the authorized capital;

2) positive difference between the price (value) of property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the cadastral (appraised) value of a land plot - for the property specified in subparagraphs 2), 3) and 4) of paragraph 1 of this article. In this case, the cadastral (appraised) value is the value determined by the State Corporation "Government for Citizens" maintaining the state land cadaster as of the latest date below:

that of emergence of the ownership right to the land plot;

the last date preceding the date of emergence of the ownership right to the land plot;

3) in the amount of the price (value) of the property transferred as a contribution to the authorized capital according to constituent documents of a legal entity - for the property specified in subparagraphs 5), 6) and 7) of paragraph 1 of this article.

When transferring as a contribution to the authorized capital of a non-residential house (building) constructed by an individual transferring it, who is not an individual entrepreneur, income from increase in value is positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the value of the land plot acquired for the construction of such a non-residential house (building).

In case of transfer as a contribution to the authorized capital of a non-residential house (building) not used in entrepreneurial activity, which was earlier reconstructed from a residential house (building), income from increase in value is positive difference between the price (value) of the property determined on the basis of the value of the contribution specified in constituent documents of a legal entity and the value of its acquisition as a residential house (building).

9. Income from increase in value when transferring as a contribution to the authorized capital of the property specified in subparagraph 8) of paragraph 1 of this article is:

1) the positive difference between the price (value) of the property, determined based on the value of the contribution specified in the constituent documents of the legal entity, and the cost of acquisition – if there is a price (cost) of acquisition;

2) the price (value) of the property determined in the amount of the value of the contribution specified in constituent documents of a legal entity - if there is no price (value) of acquisition of property (contribution).

10. In case of sale, transfer as a contribution to the authorized capital of a motor vehicle and (or) a trailer received on the basis of a power of attorney for driving a motor vehicle and (or) a trailer with the right of alienation, an attorney, for determining the property income before a deadline set for the submission of an individual income tax declaration, informs the owner of the vehicle (trailer) on the value at which the vehicle (trailer) was sold, transferred as a contribution to the authorized capital and the date of their sale, transfer as a contribution to the authorized capital, or fulfills the tax obligation for submittinganindividual income tax declaration and payment of individual income tax on behalf of the owner of the vehicle (trailer), which is the fulfillment of the tax obligation of the owner of the motor vehicle (trailer).

11. The income from the increase in value when transferring securities as a contribution to the authorised capital shall comprise:

1) income from the increase in value when transferring securities as a contribution to the authorised capital, apart from preferential securities;

2) income from the increase in value upon transfer as a contribution to the authorised capital of the preferential securities.

12. The result of the transfer of securities as a contribution to the authorised capital of a legal entity may have a positive or negative value and shall be set out for each disposal operation for the tax period as the difference between the value of the security at which it was transferred as a contribution to the authorised capital and its initial cost.

13. The total amount of the results from all securities transfer transactions as a contribution to the authorised capital, apart from preferential securities, for the tax period shall be recognised as:

income from value gains, if such an amount has a positive value;

equal to zero if such an amount has a zero or negative value.

14. The total amount of the results from all transactions of the transfer of preferential securities as a contribution to the authorised capital for the tax period shall be recognised:

as income from the increase in the value of preferential securities, if such an amount has a positive value and is accounted for as per sub-paragraphs 5), 6), 8-1), 15) and 16) paragraph 1 of Article 341 of this The Code;

equal to zero if such an amount has a zero or negative value.

The preferential securities shall be the securities mentioned in the sub-paragraphs 5), 6), 8 -1), 15) and 16) paragraph 1 of Article 341 of this Code, sub-paragraphs 1) and 2) of the first part of paragraph 7 of Article 6 of the Constitutional Law of the Republic of Kazakhstan “On the Astana International Financial Centre”.

15. The income from the increase in value upon transfer of securities as a contribution to the authorised capital shall be measured by chronologically sequentially writing off securities depending on the date of their receipt.

16. The initial value of the securities shall be:

1) the cost of their acquisition, the cost of commission for services for the purchase of securities to a person engaged in brokerage activities in accordance with the legislation of the Republic of Kazakhstan or another state. For securities acquired by an individual under an option, the purchase price shall be determined in the amount of the exercise price of the option and the option premium;

or

2) the value at which the property was received by the shareholder, participant, founder during the distribution of property, including in return for the previously deposited, reflected in a document confirming the acceptance and transfer of such an asset and certified by the signatures of the parties, if the assets were received by the shareholder (participant, founder) as a result of the distribution of property during the liquidation of a legal entity or reduction of the authorized capital, as well as the repurchase by a legal entity of shares issued by this issuer from the founder, participant, or part thereof in this legal entity, or the repurchase by the issuing legal entity of shares issued by this issuer;

or

3) the amount of previously recognised income received from a tax agent or income received from sources outside the Republic of Kazakhstan and reflected in the declaration of an individual entrepreneur or a declaration of income and property – in the case of receiving securities as a payment of such income;

or

4) the amount of accounts receivable, due to repayment thereof a security has been received, – in the case of receipt of securities due to repayment of accounts receivable that arose not due to the income generation;

or

5) the value previously included in income in the form of gratuitously received property – in the case when the value of gratuitously received securities was included in the taxable income of an individual entrepreneur or the taxable income of an individual;

or

6) the market value of a security – in the case of the transfer of securities received in the form of inheritance or charitable assistance.

The initial value of the securities must be documented. In the absence of documents confirming the initial value of the securities, such value shall be recognized as zero.

The initial value of a unit of securities upon their sale or transfer as a contribution to the authorised capital shall be set out by the initial value of the securities received first in time.

17. The initial value of securities, apart from debt securities, the rights to which or transactions for which are registered with the competent authority of the State with preferential taxation, shall be equal to zero.

The initial cost of debt securities, the issue of which is registered in a state with preferential taxation, shall be zero.

18. When the provisions of paragraph 16 of this article are not applicable for measuring the initial value, the initial value of the securities shall be recognized as zero.

19. For the purposes of this article, the market value shall be the market value of the transferred security as of the date of ownership thereof, as outlined in the assessment report conducted under an agreement between the appraiser and the taxpayer under the legislation of the Republic of Kazakhstan on valuation activities, unless otherwise envisaged by this paragraph.

The market value of the transferred security, registered outside the Republic of Kazakhstan, received in the form of inheritance, shall be the market value of the transferred security as of the date of ownership thereof, determined in a report or other document on the results of an assessment conducted under an agreement between an independent appraiser and a taxpayer as per the laws of the state in which such a security is registered security.

Herewith, such a market value must be established by the taxpayer no later than the deadline set for submitting a declaration of income and property for the tax period in which such property was transferred.

Footnote. Article 333 as amended by Law of the Republic of Kazakhstan № 208-VIII of 01.01.2025 (shall enter into force since 01.01.2025).

Article 334. Income from increase in value in the sale of other assets by an individual entrepreneur applying a special tax regime for small business entities or for peasant or farm enterprises

1. For the purposes of this article, other assets include assets that are not inventories and claims such as:

1) fixed assets used in entrepreneurial activity;

2) construction in progress;

3) uninstalled equipment;

4) intangible assets;

5) biological assets;

6) fixed assets, the value of which was fully deductible in accordance with the tax legislation of the Republic of Kazakhstan effective before January 1, 2000, if such fixed assets were fixed assets in taxable periods in which an individual entrepreneur performed settlements with the state budget in accordance with the generally established procedure and the asset was a fixed asset;

7) assets put into operation within an investment project under contracts concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan on investments, the value of which was fully deductible, in case an individual entrepreneur earlier performed settlements with the state budget in accordance with the generally established procedure and the asset was a fixed asset.

2. When an individual entrepreneur applying a special tax regime for small business entities or for peasant or farm enterprises sells other assets, increase is determined for each asset as positive difference between the selling price and the initial value.

3. Unless otherwise established by this article, for the purposes of this article, the initial value of other assets is aggregate costs of acquisition, production, construction, assembly, installation, reconstruction and modernization, except for the costs (expenses) specified in subparagraphs 1) - 6) and 8) of Article 264 of this Code.

In this case, reconstruction and modernization are recognized in accordance with paragraph 1 of Article 269 of this Code.

4. If another asset was received free of charge, for the purposes of this article, the initial value is the value of this asset included in a taxable item in accordance with paragraph 2 of Article 681 of this Code in the form of property received free of charge.

5. In case of sale of another asset received in the form of inheritance, charitable assistance , except for the case provided for in paragraph 4 of this article, the initial value is the market

value of such an asset as of the date of acquisition of the right of ownership by an individual entrepreneur applying a special tax regime for small business entities or for peasant or farm enterprises to the asset indicated in a report on appraisal conducted under a contract between the appraiser and the individual entrepreneur in accordance with the legislation of the Republic of Kazakhstan on appraisal activity.

In this case, the market value of another asset shall

be determined before a deadline set for submitting anindividual income tax declaration for the taxable period in which such assets were sold.

6. The initial value of another asset is zero in the following cases:

1) if there is no market value of another asset determined as of the date of the emergence of the right of ownership to it;

2) if the deadline for determining the market value established by paragraph 5 of this article is not met;

3) if there are no source documents confirming the costs provided for in paragraph 3 of this article, except for the cases specified in paragraphs 4 and 5 of this article;

4) for the assets specified in subparagraphs 6) and 7) of paragraph 1 of this article.

Article 335. Income from the assignment of the right to claim, including a share in a residential building under a shared construction participation agreement

1. Income from the assignment of the right to claim is positive difference between the value of the assignment of the right of claim and the value at which an individual acquired this right.

2. Income from the assignment of the right to claim a share in a residential building under a shared construction participation agreement is positive difference between the value of assignment of the right of claim and the price of the shared construction participation agreement.

3. Income from the assignment of the right to claim a share in a residential building under a shared construction participation agreement earlier acquired by way of assignment of the right of claim under a shared construction participation agreement is positive difference between the value of assignment of the right of claim and the value at which an individual earlier acquired this right.

Article 336. Income of a person engaged in private practice

1. The income of a person engaged in private practice shall include:

1) income of a private notary;

2) income of a private bailiff;

3) lawyer's income;

4) income of a professional mediator.

2. The income of persons engaged in private practice shall comprise all types of income received from engaging in activities related to the execution of executive documents, notarial, advocacy, and professional mediation activities, including, respectively, payment for legal

assistance, notarial actions, as well as the received amounts of reimbursement of expenses related to defence and representation.

3. The amount of individual income tax on the income of persons engaged in private practice shall be calculated based on the income received per month, based on the results of each month, by applying the rate established by paragraph 1 of Article 320 of this Code to the amount of taxable income of a person engaged in private practice.

4. The amount of the calculated tax shall be payable monthly no later than the 5th day of the month following the month for which the tax was calculated.

Footnote. Article 336 – as revised by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (see Article 2 for the enactment procedure).

Article 337. Income of an individual entrepreneur

1. The income of an individual entrepreneur applying the generally established regime shall be set out with Article 366 of this Code.

2. The income of an individual entrepreneur applying a special tax regime shall be measured under paragraph 1 of this Article, unless a different procedure is established by Section 20 of this Code.

Footnote. Article 337 – as revised by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force since 01.01.2025).

Article 338. Other income from sources outside the Republic of Kazakhstan

Other income from sources outside the Republic of Kazakhstan is recognized as all types of income not specified in subparagraphs 1) - 16) of Article 321 of this Code (to be) received by a taxpayer in a reporting taxable period from a person who is not a tax agent and is not income from sources in the Republic of Kazakhstan regardless of the place of its payment.

Article 339. General provisions for a controlled foreign company

The financial profits of a controlled foreign company or the financial profits of a permanent institution of a controlled foreign company shall not be subject to double taxation.

Double taxation shall be eliminated in the following order:

1) exemption from taxation in accordance with paragraph 2 of Article 340 of this Code;

2) adjustments to the financial profit before taxation of a controlled foreign company in accordance with the conditions specified in paragraph 3 of Article 297 of this Code;

3) reduction of financial profit before taxation of a controlled foreign company in accordance with paragraph 3 of Article 340 of this Code;

4) offsetting against the payment of individual income tax in the Republic of Kazakhstan in the manner prescribed by paragraph 2 of Article 638 of this Code.

Footnote. Article 339 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); as amended by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall come into force on 01.01.2025).

Article 340. Taxation of profits of a controlled foreign company

1. The total profit of controlled foreign companies or permanent institutions of controlled foreign companies, calculated taking into account the provisions of this article and Article 297 of this Code, shall be included in the annual income of a resident individual and shall be subject to individual income tax in the Republic of Kazakhstan.

Such total profit of controlled foreign companies or permanent institutions of controlled foreign companies shall be subject to inclusion in the income and property declaration of individuals.

2. The financial profit of a controlled foreign company or the financial profit of a permanent institution of a controlled foreign company shall be exempt from taxation in the Republic of Kazakhstan if one of the following conditions is met:

1) in case of indirect participation or indirect control of a resident in a controlled foreign company, carried out through another resident;

2) in case of indirect participation or indirect control of a resident in a controlled foreign company, carried out through an individual who is not controlled;

3) if the financial profits of a permanent institution of a controlled foreign company were subject to income tax in the state in which the controlled foreign company that created the permanent institution is registered at an effective rate of 10 percent or more;

4) if the financial profits of a controlled foreign company or the financial profits of a permanent institution of a controlled foreign company were taxed in the state in which the controlled individual through whom the resident indirectly owns an interest or has indirect control in the controlled foreign company is registered, at an effective rate of 10 percent or more;

5) if the share of passive income of a controlled foreign company or a permanent institution of a controlled foreign company, except for those registered in states with preferential taxation, is less than 20 percent;

6) in case of direct and (or) indirect ownership and (or) control by an investment resident of the Astana International Financial Center in a controlled foreign company.

To apply this paragraph, a resident individual must have the supporting documents specified in paragraph 2 of Article 296 of this Code.

3. A resident individual shall have the right to reduce the pre-tax financial profit of a controlled foreign company or the pre-tax financial profit of a permanent institution of a controlled foreign company by the following amounts:

1) the amount of reduction determined by the following formula:

$Y = FP \times (D(1)/ SSD)$, where:

Y – the amount of reduction;

FP – the positive amount of financial profit before taxation of a controlled foreign company;

D(1) – taxable income of a controlled foreign company from entrepreneurial activity in the Republic of Kazakhstan through a branch, representative office, or permanent institution,

taxed with corporate income tax in the Republic of Kazakhstan at a rate of 20 percent or more , within the limits of the taxable income of the branch, provided that the financial profit before taxation of the controlled foreign company takes into account the taxable income specified in this subparagraph;

SSD – total amount of income;

2) the amount of the reduction, determined by the following formula:

Y = FP × (D(2)/ SSD), where:

Y – the amount of reduction;

FP – positive value of financial profit before tax of a controlled foreign company;

D(2) – income from the provision of services (performance of work) in the Republic of Kazakhstan without the formation of a permanent institution, received by a controlled foreign company from sources in the Republic of Kazakhstan, taxed in the Republic of Kazakhstan with corporate income tax at the source of payment at a rate of 20 percent, provided that the financial profit before taxation shall be determined taking into account the income specified in this subparagraph;

SSD – total amount of income;

3) dividends received by a controlled foreign company from sources in the Republic of Kazakhstan that are not subject to corporate income tax at the source of payment in accordance with subparagraph 3) of paragraph 9 of Article 645 of this Code, provided that the financial profit before taxation of the controlled foreign company shall include such income;

4) the amount of dividends received by one controlled foreign company from another controlled foreign company that is part of a single organizational structure of a consolidated group.

In this case, the financial profit of one controlled foreign company must include such dividends that were previously taxed (are subject to taxation in the current period) by individual income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced, in accordance with subparagraphs 3), 5), 6), 7), 8) and 9) of this paragraph or the first part of this subparagraph;

5) the amount of dividends received by a controlled foreign company from a foreign company that is part of a single organizational structure of a consolidated group.

In this case, the financial profit of one controlled foreign company must include such dividends that were previously taxed (are subject to taxation in the current period) by individual income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced, in accordance with subparagraphs 3), 4), 6), 7), 8) and 9) of this paragraph or the first part of this subparagraph;

6) the amount of the reduction, determined by the following formula:

Y = FP × (D(6)/ SSD), where:

Y – the amount of reduction;

FP – positive value of financial profit before tax of a controlled foreign company;

D(6) – income in the form of remuneration and (or) from capital gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan, previously taxed in the Republic of Kazakhstan with corporate income tax at the source of payment, provided that the financial profit before taxation of the controlled foreign company shall include such income;

SSD – total amount of income;

7) the amount of the reduction, determined by the following formula:

Y = FP × (D(7)/ SSD), where:

Y – the amount of reduction;

FP – positive value of financial profit before tax of a controlled foreign company;

D(7) – income from capital gains received by one controlled foreign company from the sale of another controlled foreign company, which is a founder of a resident of the Republic of Kazakhstan that meets the conditions of subparagraph 7) or 8) of paragraph 9 of Article 645 of this Code, provided that the financial profit of one controlled foreign company shall include such income;

SSD – total amount of income;

8) income in the form of remuneration and (or) from capital gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan, not subject to corporate income tax at the source of payment in accordance with subparagraphs 6), 7), 8) and 9) of paragraph 9 of Article 645 of this Code, provided that the financial profit before taxation of the controlled foreign company shall include such income;

9) the amount of dividends received by a controlled foreign company from sources in the Republic of Kazakhstan, previously taxed in the Republic of Kazakhstan with corporate income tax at the source of payment, provided that the financial profit before taxation shall include such dividends;

10) the amount of dividends received by a controlled foreign company from a foreign company that is part of a single organizational structure of a consolidated group.

In this case, the financial profit of one controlled foreign company must include such dividends received from sources in the Republic of Kazakhstan that were previously subject to corporate income tax in the Republic of Kazakhstan at the source of payment and (or) were not subject to corporate income tax at the source of payment in accordance with subparagraphs 3), 4) and 5) of paragraph 9 of Article 645 of this Code.

The provisions of the first part of this paragraph shall not apply to a controlled foreign company and/or a permanent institution of a controlled foreign company that is registered in states with preferential taxation.

To apply this paragraph, a resident individual must have the supporting documents specified in paragraph 10 of Article 297 of this Code.

4. A resident individual shall be obliged to submit an application for participation (control) in a controlled foreign company in the manner specified in Article 298 of this Code.

Note.

The concepts used in this article are defined by Article 294 of this Code.

Footnote. Article 340 as amended by the Laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (for the procedure of entry into effect, refer to Article 2); dated 11.07.2022 № 135-VII (shall come into effect on 01.01.2023).

Section 3. Income adjustment

Article 341. Adjustment of income

1. The following types of income shall be excluded from the taxable income of an individual (hereinafter referred to as the Income adjustment):

1) alimony received for children and dependents;

2) remuneration paid to individuals on their deposits in second-tier banks and organizations carrying out certain types of banking operations, based on a license from the authorized state body for regulation, control and supervision of the financial market and financial organizations registered in the territory of the Republic of Kazakhstan;

3) remuneration on debt securities;

4) remuneration for government securities, agency bonds;

5) income from the increase in value from the sale of government securities;

6) income from the increase in value from the sale of agency bonds;

7) dividends and remuneration on securities that are, on the date of accrual of such dividends and remuneration, on the official list of stock exchanges operating in the territory of the Republic of Kazakhstan.

The provisions of the first part of this subparagraph shall apply to dividends on securities that were traded on the stock exchange during the calendar year in accordance with the criteria determined by the Government of the Republic of Kazakhstan;

8) dividends received from a legal entity - a resident for a calendar year within the limits of 30,000 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, when distributed:

net income or part thereof payable on shares, including shares that are the underlying assets of depositary receipts;

net income or part of it, distributed by a resident legal entity among its founders and participants;

income from the distribution of property upon the liquidation of a legal entity - resident or upon a reduction in the authorized capital, as well as upon the redemption by a legal entity from a founder, participant of a share or part thereof in this legal entity - resident and upon the redemption by such a legal entity - issuer from a shareholder of shares issued by this issuer;

8-1) income from the increase in value from the sale of shares of open-end and interval mutual investment funds;

9) income of a military serviceman in connection with the performance of military service duties, an employee of special government agencies, an employee of law enforcement agencies (except for an employee of customs authorities), an employee of the state courier service in connection with the performance of official duties;

10) all types of payments received in connection with the performance of official duties in other troops and military formations, law enforcement agencies (except for customs agencies) , in the state courier service by individuals whose rights to hold military, special ranks, class ranks and to wear uniforms have been abolished since January 1, 2012;

11) winnings from one lottery within the limits of 6 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the corresponding financial year;

12) payments in connection with the performance of public works and vocational training, carried out at the expense of budget funds and (or) grants, in the amount of 12 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year;

13) payments in accordance with the laws of the Republic of Kazakhstan "On the social protection of citizens affected by the environmental disaster in the Aral Sea region" and "On the social protection of citizens affected by nuclear tests at the Semipalatinsk nuclear test site" .

The provisions of this subparagraph shall apply when an individual submits:

forms for the application of income adjustments within the limits established by the laws of the Republic of Kazakhstan "On the social protection of citizens affected by the environmental disaster in the Aral Sea region" and "On the social protection of citizens affected by nuclear tests at the Semipalatinsk nuclear test site";

copies of supporting documents;

14) was valid until 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII.

14-1) the income from the personal subsidiary farm of each person engaged in personal subsidiary farming is for the year within 282 times the monthly calculation index established by the law on the republican budget and effective on January 1 of the corresponding fiscal year.

In this case, income from a personal subsidiary farm shall be recognized as income from the sale of a person engaged in a personal subsidiary farm, a procurement entity in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials, the following agricultural products from a personal subsidiary farm:

live cattle of the dairy herd;

live cattle;

live horses and other live animals of the equine family;

live camels and camels;
live sheep and goats;
live pigs;
live poultry;
fresh chicken eggs;
fresh or chilled meat of cattle, pigs, sheep, goats, horses and equine animals;
raw milk of cattle from a cattle dairy herd;
fresh or chilled poultry meat;
potato;
carrot;
cabbage;
eggplants;
tomatoes;
cucumbers;
garlic;
onion;
sugar beet;
apples;
pears;
quince;
apricots;
cherry;
peaches;
plums;
plucked wool, raw hides, skins of cattle, equine animals, sheep, goats.

The types of products for the purposes of applying this sub-paragraph shall be determined as per with the product classifier by type of economic activity approved by the authorised body in the field of technical regulation.

The provisions of this sub-paragraph shall apply only by one tax agent – a procurement entity in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials, in respect of an individual who filed the following documents to the procurement entity in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials:

confirmation of the local executive authority on the availability of used in a personal subsidiary farm:

land plot with area indication;
domestic animals with an indication of the number;
domestic birds with specification of the number;

an application letter for applying taxable income adjustments.

Herewith, the documents shall be filed to the tax agent at least once in the calendar year in which such an adjustment is applied;

15) income from the increase in value from the sale of shares, and participation interests in a resident legal entity or consortium created in the Republic of Kazakhstan. This subparagraph shall apply if the following conditions are met simultaneously:

on the date of sale of shares or participation interests, the taxpayer has owned these shares or participation interests for more than three years;

such legal entity-issuer or such legal entity, the share of participation in which is being sold, or a participant of such a consortium who is selling the share of participation in such a consortium, is not a subsoil user;

the property of individuals (individual) who are (is) subsoil users (subsoil user), in the value of the assets of such legal entity-issuer or such legal entity, the share of participation in which is being sold, or the total value of the assets of the participants of such consortium, the share of participation in which is being sold, on the day of such sale is no more than 50 percent.

For the purposes of this subparagraph, a subsoil user shall not be recognized as a subsoil user who is solely due to possession of the right to extract groundwater and/or common minerals for his own needs.

In this case, the share of the property of individuals (individual) who are (is) subsoil users (subsoil users) in the value of the assets of a legal entity or consortium whose shares or participation interests are being sold shall be determined in accordance with Article 650 of this Code;

16) income from the increase in value from the sale, by open trading on a stock exchange operating in the territory of the Republic of Kazakhstan, of securities that are listed on the official list of the given stock exchange on the day of sale;

17) increase in value upon sale (transfer as a contribution to the authorized capital of a legal entity) of mechanical vehicles and trailers subject to state registration in the Republic of Kazakhstan and owned for one year or more;

18) increase in value upon sale (transfer as a contribution to the authorized capital of a legal entity) of housing, summer cottages, garages, personal subsidiary farm objects located on the territory of the Republic of Kazakhstan under the right of ownership for one year or more from the date of registration of the right of ownership;

19) increase in value upon sale (transfer as a contribution to the authorized capital of a legal entity) of land plots and (or) land shares located on the territory of the Republic of Kazakhstan under the right of ownership for one year or more, the intended purpose of which from the date of the emergence of the right of ownership until the date of sale (transfer as a contribution to the authorized capital of a legal entity) are individual housing construction, summer cottage construction, personal subsidiary farming, gardening, for a garage, on which

the objects specified in subparagraph 1) of paragraph 1 of Article 331 of this Code are located ;

20) increase in value upon sale (transfer as a contribution to the authorized capital of a legal entity) of land plots and (or) land shares located in the territory of the Republic of Kazakhstan on the right of ownership for one year or more, the intended purpose of which from the date of emergence of the right of ownership until the date of sale (transfer as a contribution to the authorized capital of a legal entity) are individual housing construction, summer cottage construction, personal subsidiary farming, gardening, for a garage, on which the objects specified in subparagraph 1) of paragraph 1 of Article 331 of this Code are not located;

21) increase in the value of property purchased for state needs in accordance with the laws of the Republic of Kazakhstan;

22) the following payments from budget funds (except for payments in the form of wages) in accordance with the legislation of the Republic of Kazakhstan:

in the form of the difference between the number of social payments made, taking into account the inflation rate, and the amount of pension savings in the unified accumulative pension fund at the time the recipient acquired the right to pension payments in accordance with the legislation of the Republic of Kazakhstan on pension provision;

in case of causing harm to life and health - to civil servants, including employees of special state and law enforcement agencies, military personnel, members of their families, dependents, heirs and individuals entitled to receive them in the amounts established by the legislation of the Republic of Kazakhstan;

in the form of an incentive – to individuals who reported the fact of a corruption offence or otherwise provide assistance in combating corruption in the manner determined by the Government of the Republic of Kazakhstan;

in the form of compensation for losses due to natural disasters or other emergency circumstances;

in the form of compensation for property damage caused during the period of the state of emergency;

in the form of compensation payments – upon termination of the employment contract, in the amounts established by the legislation of the Republic of Kazakhstan;

in the form of an incentive - to winners and participants of Universiades and members of national teams of the Republic of Kazakhstan for high results in international competitions in the amounts established by the legislation of the Republic of Kazakhstan;

in the form of a monthly lifelong allowance – to retired judges who have reached retirement age;

in the form of state prizes, state scholarships established by the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, in the amounts established by the legislation of the Republic of Kazakhstan;

23) payments within the limits of 94 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each type of payment made by a tax agent during the calendar year:

to cover an individual's expenses for medical services (except for cosmetology services) – upon submission by an individual of documents confirming the receipt of medical services (except for cosmetology services) and the actual expenses for their payment, or the expenses of the employer for the payment of insurance premiums in favor of the employee under voluntary health insurance contracts – if there is a voluntary health insurance contract and a document confirming the payment of insurance premiums under the voluntary health insurance contract;

in the form of providing financial assistance to an employee at the birth of his/her child – upon provision by the employee of a copy of the birth certificate(s) of the child(ren);

for burial - in the presence of a statement of death or death certificate.

The specified income shall be exempt from taxation based on an application for the application of an income adjustment and in the presence of supporting documents.

The provisions of this subparagraph shall not apply to the cases provided for in subparagraph 10-2) of paragraph 2 of Article 319 of this Code;

24) official income of diplomatic or consular employees who are not citizens of the Republic of Kazakhstan;

25) official income of foreigners in the civil service of a foreign state in which their income is subject to taxation;

26) official income in foreign currency of individuals who are citizens of the Republic of Kazakhstan and serve in diplomatic and equivalent missions of the Republic of Kazakhstan abroad, paid from budget funds;

27) old-age pension payments, pension payments for length of service and (or) state basic pension payment;

28) premiums for deposits in housing construction savings (state premium), paid from budget funds in the amounts established by the legislation of the Republic of Kazakhstan;

29) state premiums for educational savings deposits, paid from budget funds in the amounts established by the Law of the Republic of Kazakhstan "On the State Educational Savings System";

30) expenses directed towards training, incurred in accordance with subparagraph 4) of paragraph 1 of Article 288 of this Code;

31) social payments from the State Social Insurance Fund;

32) income in the form of expenses of the employer for payment of maternity leave, leave for employees who have adopted a newborn child (children), minus the amount of social payment in case of loss of income due to pregnancy and childbirth, adoption of a newborn child (children), carried out in accordance with the legislation of the Republic of Kazakhstan on compulsory social insurance - within the limits of 12 times the monthly calculation

indicator established by the law on the republican budget and in effect on the date of accrual of income.

The provisions of this subparagraph shall apply if the expenses of the employer specified in this subparagraph are provided for by the terms of the employment and/or collective agreement, or by the employer's act;

33) scholarships paid by organizations to individuals studying in educational organizations, in the amounts established by the legislation of the Republic of Kazakhstan for state scholarships;

34) special scholarships of the President of the Republic of Kazakhstan and scholarships of the President of the Republic of Kazakhstan established by the President of the Republic of Kazakhstan, paid by educational organizations to students in such organizations in the manner and amounts established by the legislation of the Republic of Kazakhstan;

35) state personal scholarships established by the Government of the Republic of Kazakhstan, paid by educational organizations to students in such organizations in the manner and amounts established by the legislation of the Republic of Kazakhstan;

36) payments to cover expenses related to the organization of training and internships for winners of the competition for the international scholarship of the President of the Republic of Kazakhstan "Bolashak", in the manner and amounts established by the legislation of the Republic of Kazakhstan;

37) compensation for travel expenses for persons studying based on a state educational order, paid in the amounts established by the legislation of the Republic of Kazakhstan;

38) property, including works and services, received by an individual free of charge from another individual, including in the form of a gift or inheritance.

The provisions of the first part of this subparagraph shall not apply to:

property received by an individual entrepreneur and intended for use for entrepreneurial purposes;

pension savings inherited in the manner determined by the legislation of the Republic of Kazakhstan, paid by the unified accumulative pension fund and voluntary accumulative pension funds;

39) the value of property received in the form of charitable and sponsorship assistance;

39-1) the cost of vouchers to children's camps for children under the age of sixteen;

40) insurance payments related to an insured event that occurred during the period of validity of the contract, paid under any type of insurance, except for income provided for in Article 329 of this Code;

41) insurance payments made by insurance organizations under savings insurance contracts, the insurance premiums for which were paid by an individual in his/her favor and (or) in favor of close relatives, spouse, and (or) by the employer in favor of the employee;

41-1) surrender amounts paid by insurance organizations under savings insurance contracts in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities;

42) net income from trust management of the founder of the trust management, received from a resident individual, including an individual entrepreneur, who is a trust manager;

43) dividends distributed from the financial profit (or part thereof) of a controlled foreign company and (or) a foreign company included in a single organizational structure of a consolidated group, previously subject to individual income tax in accordance with Article 340 of this Code;

44) income from an investment deposit placed in an Islamic bank;

45) state targeted social assistance, benefits and compensation paid from budget funds in the amounts established by the legislation of the Republic of Kazakhstan, as well as subsidies from budget funds for payment for rented housing in the private housing stock in accordance with the housing legislation of the Republic of Kazakhstan;

46) compensation for harm caused to the life and health of an individual, in accordance with the legislation of the Republic of Kazakhstan, except for moral damage;

47) insurance payments under contracts for insuring an employee against accidents in the performance of his/her work (official) duties and under annuity insurance contracts concluded by the employer, in terms of compensation for harm caused to the life and (or) health of the employee in connection with the performance of his work (official) duties;

48) amounts of compensation for material damages awarded by a court decision, as well as legal costs;

49) the value of property received in the form of humanitarian aid;

50) insurance premiums paid by the employer under compulsory insurance contracts for his employees;

51) payments from grant funds (except for payments in the form of wages);

52) excluded on 10.12.2020 № 382-VI (for the procedure for entry into effect, refer to Art . 2);

52-1) the unclaimed amount of the guarantee compensation, recorded in the individual pension account for recording voluntary pension contributions in accordance with the terms of the agreement on pension provision at the expense of voluntary pension contributions.

53) income of employees of legal entities specified in subparagraph 6) of paragraph 1 of Article 293 of this Code;

54) income of an individual received in the form of expenses of a non-profit organization, as defined in paragraph 1 of Article 289 of this Code, within the framework of the implementation of the statutory goals and objectives for travel, accommodation and meals of an individual who is not in an employment relationship with such an organization and (or) not within the framework of an agreement for the provision of services or performance of work;

55) insurance premiums (insurance contributions - if the agreement provides for payment of insurance premiums in installments) within the limits of 320 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, paid during the calendar year by a resident individual under a savings insurance agreement concluded for a period of three or more years.

For the purposes of the first part of this subparagraph, the income adjustment shall be applied in the tax period in which the date of payment of the insurance premium (insurance contribution) falls, and the supporting documents for the application of such adjustment shall be:

application for tax deduction;

savings insurance contract;

schedule of payment of insurance premiums (if any);

a document confirming payment of the insurance premium (insurance contributions).

56) income from the increase in value from the sale of digital assets for which income shall be calculated in accordance with paragraph 2-1 of Article 681 of this Code.

2. If the income adjustment provided for in subparagraphs 13), 14) and 23) of paragraph 1 of this article is not applied by the tax agent to the income of an individual due to the individual's application being made later than the date of withholding of individual income tax from such income, then the individual shall have the right to submit to the tax agent who withheld individual income tax from such income an application and supporting documents based on which the tax agent recalculates the income within the limitation period provided for in paragraph 2 of Article 48 of this Code.

Footnote. Article 341 as amended by the Laws of the Republic of Kazakhstan dated 25.12.2017 № 121-VI (shall come into effect on 01.01.2021); dated 02.07.2018 № 165-VII (shall come into effect on 01.01.2020); dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); dated 02.04.2019 № 241-VI (shall come into effect on 01.01.2020); dated 10.12.2020 № 382-VI (for the procedure of entry into effect, refer to Article 2); dated 24.06. 2021 № 53-VII (shall come into effect on 01.01.2025); dated 11.07.2022 № 135-VII (shall come into effect on 01.01.2023); dated 21.12.2022 № 165-VII (shall come into effect on 01.01.2023); dated 06.02.2023 № 196-VII (shall come into effect on 01.04.2023); № 208-VIII of 15.07.2025 (shall be enacted on 01.01.2025).

Chapter 37. TAX DEDUCTIONS

Article 342. General provisions on tax deductions

1. An individual shall have the right to apply the following types of tax deductions:

1) tax deduction in the form of mandatory pension contributions - in the amount established by the legislation of the Republic of Kazakhstan on pension provision;

2) tax deduction for contributions to compulsory social health insurance – in the amount established by the laws of the Republic of Kazakhstan on compulsory social health insurance;

3) standard tax deductions (hereinafter referred to as the Standard deductions);

4) tax deduction for large families;

5) other tax deductions (hereinafter referred to as the Other deductions), which include:

tax deduction for voluntary pension contributions;

tax deduction for education;

tax deduction for medicine;

tax deduction for remuneration;

6) tax deduction for social contributions withheld from income under civil law contracts, the subject whereof is the performance of work (provision of services), in the amount established by the laws of the Republic of Kazakhstan on social protection.

2. An individual shall apply tax deductions:

1) in the form of mandatory pension contributions, contributions to compulsory social health insurance, standard deductions, for large families - from a tax agent;

2) in the form of mandatory pension contributions, for contributions to compulsory social health insurance, standard deductions, for large families - independently if not used by a tax agent;

3) not specified in subparagraph 1) of this paragraph – independently.

3. The maximum amount of the total tax deduction for large families and other deductions applied in a calendar year both by a tax agent and by an individual independently must not exceed 564 times the monthly calculation indicator.

4. Tax deductions in the form of voluntary pension contributions and the standard deduction envisaged in sub-paragraphs 2) and 3) of paragraph 1 of Article 346 of this Code shall apply one the ground of documents confirming the right to apply tax deductions. The originals of such documents shall be kept by an individual in the course of the limitation period established by paragraph 2 of Article 48 of this Code.

5. Tax deductions shall be applied sequentially in the order in which they are reflected in paragraph 1 of this article.

Note.

To apply Chapter 37 of this Code, the monthly calculation indicator shall be understood to mean the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year.

Footnote. Article 342 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Article 343. Features of the application of tax deductions by a tax agent

1. Tax deductions, exlcuidng tax deductions in the form of mandatory pension contributions, contributions to compulsory social health insurance and social deductions withheld from income under civil contracts, the subject thereof is the performance of work (provision of services), shall be applied by the tax agent at the source of payment based on:

1) applications of an individual for the application of tax deductions;

2) copies of supporting documents, except for other tax deductions. Such copies shall be kept by the tax agent during the limitation period of three years.

2. When changing a tax agent during a calendar year, except in cases of its reorganization, the unapplied amount of the tax deduction that arose with the previous tax agent shall not be taken into account by the new tax agent.

The provisions of this paragraph shall not apply to standard deductions provided for in subparagraphs 2) and 3) of paragraph 1 of Article 346 of this Code, for which the excess of the tax deduction that arose with the previous tax agent is taken into account by the new tax agent within the limits established by this Code. In this case, the individual provides a certificate of settlements with the individual, issued by the previous tax agent in the manner determined by Article 359 of this Code.

3. An individual has the right to apply a certain type of tax deduction for a tax period only to one tax agent, except for tax deductions in the form of mandatory pension contributions and contributions to mandatory social health insurance.

Should the tax agent has obligations for a calendar month to pay income to one individual in the form of employee income and income from the sale of goods, performance of work, provision of services, the standard deduction shall be applied within the total amount of the standard deduction for the calendar month in the following sequence:

1) to the employee's income – within the amount of such income;

2) income from the sale of goods, performance of works, rendering of services to a tax agent – in the remaining amount of the standard deduction.

4. If tax deductions are not applied by a tax agent to an individual’s income due to the individual’s application being made later than the date of withholding of individual income tax from such income, the individual has the right to submit to the tax agent who withheld individual income tax from such income an application and supporting documents, based on which the tax agent recalculates the income within the limitation period stipulated by paragraph 2 of Article 48 of this Code.

Footnote. Article 343 as amended by the Laws of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall come into effect on 01.01.2020); dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); № 208-VIII of 15.07.2025 (shall be enacted on 01.01.2025).

Article 344. Peculiarities of application of tax deductions by an individual independently

The amount of excess tax deductions that have arisen for the tax agent, as well as the amount of tax deduction not applied by the tax agent, are taken into account by the individual independently when calculating the taxable income of the individual.

Article 345. Tax deduction for pension payments and savings insurance contracts

1. The following tax deductions shall be applied to income in the form of pension payments subject to taxation:

1) for payments provided for in subparagraph 1) of Article 326 of this Code - in the amount of 14 times the monthly calculation indicator established by the law on the republican budget and in effect on the date of accrual of income in the form of a pension payment, for each month for which the pension payment is made;

2) for payments provided for in subparagraph 2) of Article 326 of this Code - in the amount of 168 times the monthly calculation indicator established by the law on the republican budget and in effect on the date of accrual of income in the form of pension payment.

2. A tax deduction in the amount of 14 times the monthly calculation indicator established by the law on the republican budget and in effect on the date of accrual of income in the form of insurance payment shall be applied to income under accumulative insurance contracts subject to taxation in the form of insurance payments made by insurance organizations whose insurance premiums were paid using pension savings in a unified accumulative pension fund, for each month of accrual of income in the form of insurance payment for which the insurance payment is made.

Footnote. Article 345 - as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall come into effect on 01.01.2022).

Article 345-1. Tax deduction for contributions to compulsory social health insurance

1. The tax deduction for contributions to compulsory social health insurance from a tax agent shall be applied to the amount of contributions to compulsory social health insurance calculated under the Law of the Republic of Kazakhstan “On Compulsory Social Health Insurance” in the tax period on which the date of their calculation falls.

2. The tax deduction for contributions to compulsory social health insurance shall apply by an individual independently for the amount of contributions to compulsory social health insurance, measured as per with the Law of the Republic of Kazakhstan “On Compulsory Social Health Insurance”, based on a document confirming the payment of such contributions in the tax period that falls on the latest of the following dates:

the date of calculation of contributions for compulsory social health insurance;

the date of payment of contributions for compulsory social health insurance.

Footnote. Chapter 37 has been supplemented with Article 345-1 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Article 345-2. Tax deduction for social deductions withheld from income under civil law contracts, the subject of which is the performance of work (provision of services)

The tax deduction for social deductions withheld under civil law contracts, the subject thereof which is the performance of work (provision of services), shall be applied to the tax agent for the amount of social deductions withheld under civil law contracts, the subject thereof is the performance of work (provision of services), calculated under the legislation of the Republic of Kazakhstan on social security protection in the tax period on which the date of their calculation falls.

Footnote. Chapter 37 has been supplemented with Article 345-2 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Article 346. Standard deductions

1. Standard deductions are:

1) 14 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year. The standard deduction shall be applied for each calendar month. The total amount of the standard deduction for a calendar year must not exceed 168 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year;

2) 882 times the monthly calculation indicator for the calendar year on the basis that such person, on the date of application of this subparagraph, is:

a participant in the Great Patriotic War, a person equal in benefits to participants in the Great Patriotic War, and a veteran of military operations on the territory of other states;

a person awarded orders and medals of the former USSR for selfless work and impeccable military service in the rear during the Great Patriotic War;

a person who worked (served) for at least six months from June 22, 1941, to May 9, 1945, and was not awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War;

disabled person of group I, II or III;

a disabled child.

If an individual has several grounds for applying this subparagraph, the income exclusion shall not exceed the income limit established by this subparagraph;

3) 882 times the monthly calculation indicator for the calendar year on the basis that such person, on the date of application of this subparagraph, is:

one of the parents, guardians, or trustees of a disabled child - for each such disabled child until he or she reaches the age of eighteen;

one of the parents, guardians, or trustees of a person recognized as disabled due to the reason of "disabled since childhood" - for each such person during his life;

by one of the adoptive parents (adopters) - for each such person until the adopted child reaches the age of eighteen;

one of the adoptive parents who have accepted orphans and children left without parental care into a foster family - for each such person for the duration of the agreement on the transfer of orphans and children left without parental care into a foster family.

The provisions of this subparagraph shall not apply to:

employees of the administrations of relevant educational organizations, medical organizations, and social protection organizations who are guardians and trustees of persons in need of guardianship and trusteeship, by their labor relations with such organizations;

persons entering into marriage (matrimony) with the mother or father of the adopted child (children) in accordance with the marriage and family legislation of the Republic of Kazakhstan.

2. Standard deductions provided for in subparagraphs 2) and 3) of paragraph 1 of this article shall be applied in the calendar year in which the basis for applying these tax deductions arose, exists or existed.

Footnote. Article 346 as amended by the Laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); dated 06.05.2020 № 324-VI (shall come into effect on 01.01.2020); dated 20.12.2021 № 85-VII (shall come into effect on 01.01.2022).

Article 347. Tax deduction for large families

1. The tax deduction for a large family shall be applied jointly to both parents in an amount not exceeding 282 times the monthly calculation indicator determined for the calendar year, in one of the following orders:

1) for one of the parents of a large family, 23.5 times the monthly calculation index for each month;

2) for each parent of a large family in 11.75 times the monthly calculation index for each month.

2. The tax deduction for a large family shall be applied if an individual has four or more minor children as of January 1 of the calendar year in which the deduction is applied, confirmed by copies of birth certificates of such children.

Footnote. Article 347 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); № 208-VIII of 15.07.2025 (shall come into force on 01.01.2025).

Article 348. Tax deduction for voluntary pension contributions

1. The tax deduction for voluntary pension contributions shall be applied by an individual resident of the Republic of Kazakhstan for expenses on the payment of voluntary pension contributions in accordance with the legislation of the Republic of Kazakhstan on pension provisions made in his/her favor.

2. The supporting document for the application of the tax deduction for voluntary pension contributions is a document confirming the payment of voluntary pension contributions.

3. The tax deduction for voluntary pension contributions shall be applied in the tax period in which the date of payment of voluntary pension contributions falls.

4. The provisions of this article shall not apply to the unclaimed amount of guarantee compensation recorded in an individual pension account for recording voluntary pension contributions in accordance with the terms of the agreement on pension provision at the expense of voluntary pension contributions.

Footnote. Article 348 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2022); 21.12.2022 № 165-VII (shall come into effect on 01.01.2023).

Article 349. Tax deduction for education

1. Tax deduction for education shall be applied to expenses for education at the following levels of education in accordance with the legislation of the Republic of Kazakhstan:

1) pre-school education and training carried out in pre-school educational organizations in the Republic of Kazakhstan;

2) technical and vocational education carried out in the Republic of Kazakhstan under the relevant licenses for the right to conduct such types of activities in educational organizations;

3) post-secondary, higher education carried out in the Republic of Kazakhstan under the relevant licenses for the right to conduct such types of activities in educational organizations;

4) pre-school education and training, post-secondary, and higher education, carried out in autonomous educational organizations, as defined in paragraph 1 of Article 291 of this Code.

2. Tax deduction for education shall apply to:

1) an individual resident of the Republic of Kazakhstan for expenses on tuition fees incurred in his/her favor;

2) one of the legal representatives for the expenses incurred for tuition fees in favor of the represented natural person-a resident of the Republic of Kazakhstan who has not reached the age of twenty-one. Should a person under the age of twenty-one applies a tax deduction for tuition on their own, the specified tax deduction shall not be applied by a lawful guardian.

3. The tax deduction for education shall be applied in an amount not exceeding 118 times the monthly calculation indicator determined for the calendar year.

4. Supporting documents for the application of a tax deduction for training are a contract for the provision of services and a document confirming the fact of payment for such services.

5. Tax deductions for training expenses shall be applied in the tax period that includes the latest of the following dates:

date of receipt of training services;

date of payment for training services.

Footnote. Article 349 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Chapter 38. THE ORDER FORTHE CALCULATION, PAYMENT AND FILING OF TAX RETURNS ON INDIVIDUAL INCOME TAX WITHHELDAT THE SOURCE OF PAYMENT

Article 350. Tax deduction for medicine

1. Tax deduction for medicine shall be applied to the following expenses:

1) medical services (except cosmetology);

2) insurance premiums under voluntary health insurance contracts.

The provisions of this article shall not apply to the cases provided for in subparagraph 10-2) of paragraph 2 of Article 319 of this Code.

2. Tax deduction for medicine shall apply to:

1) an individual resident of the Republic of Kazakhstan for medical expenses incurred for his/her benefit;

2) one of the lawful guardians for medical expenses incurred in favor of the represented natural person - a resident of the Republic of Kazakhstan who has not reached the age of eighteen. If a person who has not reached the age of eighteen (majority) applies a tax deduction for medicine, the tax deduction indicated by the lawful guardian does not apply independently.

3. The tax deduction for medicine shall be applied in an amount not exceeding 118 times the monthly calculation indicator determined for the calendar year.

In this case, the total amount of the tax deduction for medicine and income adjustments to cover an individual's expenses for medical services (except for cosmetology services) and (or) the expenses of the employer for paying insurance premiums to the employee under voluntary health insurance contracts in accordance with subparagraph 23) of paragraph 1 of Article 341 of this Code in aggregate for a calendar year must not exceed 118 times the monthly calculation indicator.

4. Supporting documents for applying the tax deduction for medicine are:

1) an agreement for the provision of paid medical services with the allocation of the cost of medical services - if it is concluded in writing;

2) an extract from the medical history containing information on the cost of medical services;

3) a voluntary insurance contract in case of illness when an individual applies the tax deduction specified in subparagraph 2) of paragraph 1 of this article;

4) a document confirming the fact of payment for medical services or insurance premiums under a voluntary health insurance contract.

5. Tax deductions for expenses on payment of medical services shall be applied in the tax period in which the latest of the following dates falls:

date of receipt of medical services;

date of payment for medical services.

6. Tax deductions for expenses on payment of insurance premiums under voluntary health insurance contracts shall be applied in the tax period in which the latest of the following dates falls:

the date of payment of insurance premiums established by the voluntary health insurance contract;

date of payment of insurance premiums.

7. When paying in foreign currency for medical services provided outside the Republic of Kazakhstan, the recalculation of expenses specified in paragraph 1 of this article in tenge shall

be carried out using the official exchange rate of the national currency of the Republic of Kazakhstan to foreign currencies on the date of payment.

Footnote. Article 350 as amended by the Laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); 24.06.2021 № 53-VII (shall come into effect on 01.01.2025); № 208-VIII of 15.07.2025 (shall become effective on 01.01.2025).

Article 351. Tax deduction for remuneration

1. The tax deduction for remuneration shall be applied by an individual resident of the Republic of Kazakhstan for expenses on payment of remuneration for mortgage housing loans received from banks and organizations carrying out certain types of banking operations based on a license from the authorized state body for regulation, control and supervision of the financial market and financial organizations.

2. The tax deduction for remuneration shall be applied in an amount not exceeding 118 times the monthly calculation indicator determined for the calendar year.

3. Supporting documents for the application of tax deductions for remuneration are:

1) a mortgage housing loan agreement with a bank or an organization that carries out certain types of banking operations based on a license from an authorized state body for regulation, control and supervision of the financial market and financial organizations;

2) a schedule of repayment of a mortgage housing loan with the allocation of the amount of remuneration;

3) a document confirming the repayment of interest on such a loan.

4. Tax deductions shall be applied in the tax period in which the latest of the following dates falls:

the date of repayment of interest according to the repayment schedule of the mortgage housing loan;

date of payment of remuneration.

5. When paying remuneration in foreign currency, the recalculation of expenses specified in paragraph 1 of this article into tenge shall be carried out using the official exchange rate of the national currency of the Republic of Kazakhstan to foreign currencies on the date of payment.

Footnote. Article 351 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020).

Chapter 38. PROCEDURE FOR CALCULATION, PAYMENT AND SUBMITTING TAX REPORTING ON INDIVIDUAL INCOME TAX WITHHELD AT THE SOURCE OF PAYMENT

Article 352. General provisions on individual income tax withheld at the source of payment

1. Calculation, withholding and payment to the budget of individual income tax shall be carried out at the source of payment by the tax agent for income specified in subparagraphs 1)

– 12) and 17) of Article 321 of this Code, if such income is subject to payment (is paid) by the specified tax agent.

2. Unless otherwise provided by paragraph 3 of this article, the following persons paying income to a resident individual shall be recognized as tax agents:

1) individual entrepreneur;

2) an individual engaged in private practice;

3) a legal entity, including a non-resident, operating in the Republic of Kazakhstan through a permanent institution.

In this case, a non-resident legal entity shall be recognized as a tax agent from the date of registration of its structural subdivision or permanent institution without opening a structural subdivision with the tax authorities of the Republic of Kazakhstan;

4) a non-resident legal entity operating in the Republic of Kazakhstan through a structural subdivision, if this structural subdivision does not form a permanent institution in accordance with an international treaty regulating issues of avoidance of double taxation and prevention of tax evasion, or Article 220 of this Code.

3. The following entities shall not be recognized as tax agents:

1) diplomatic and equivalent missions of a foreign state, consular offices of a foreign state accredited in the Republic of Kazakhstan;

2) international and state organizations, foreign and Kazakhstani non-governmental public organizations and funds exempt from the obligation to calculate, withhold and transfer individual income tax at the source of payment in accordance with international treaties ratified by the Republic of Kazakhstan.

4. A resident legal entity shall have the right, by its decision, to recognize the simultaneous fulfillment of the obligation by its structural subdivision for:

calculation, withholding and transfer of individual income tax on income subject to taxation at the source of payment, which is accrued and paid by such a structural subdivision;

calculation and payment of social tax on taxable items that are expenses of such a structural unit.

In this case, such a decision of a resident legal entity shall be put into effect:

concerning a newly created structural subdivision of a legal entity – from the date of creation of this structural subdivision or from the beginning of the quarter following the quarter in which this structural subdivision was created;

in other cases – from the beginning of the quarter following the quarter in which such decision was made.

The cancellation of such a decision of a resident legal entity shall come into effect from the beginning of the quarter following the quarter in which such a decision was cancelled.

5. Calculation and withholding of individual income tax from income from depositary receipts shall be carried out by the issuer of the underlying asset of such depositary receipts.

Article 353. Calculation, withholding and payment of individual income tax

1. Calculation of individual income tax on income subject to taxation at the source of payment shall be carried out by a tax agent when calculating income subject to taxation.

The amount of individual income tax shall be calculated by applying the rates established by Article 320 of this Code to the amount of taxable income at the source of payment, determined in accordance with this section.

2. Withholding of individual income tax shall be carried out by the tax agent no later than the day of payment of income subject to taxation at the source of payment.

3. The tax agent shall transfer the individual income tax on the income paid no later than twenty-five calendar days after the end of the month in which the income was paid, at the place of its location.

4. Based on the income of employees of the structural divisions of the tax agent, individual income tax shall be transferred to the relevant budgets at the location of these structural divisions.

5. When a tax agent pays the amount of individual income tax calculated from income subject to taxation at the source of payment in accordance with the provisions of this Code, from its funds without withholding it, the tax agent's obligation to withhold and transfer individual income tax at the source of payment shall be considered fulfilled.

Article 353-1. Features of calculation, withholding and payment of individual income tax from a lump sum pension payment in accordance with the legislation of the Republic of Kazakhstan on social protection

1. In the case of a one-time pension payment in accordance with the legislation of the Republic of Kazakhstan on social protection, the tax agent shall calculate the individual income tax upon transfer by the unified accumulative pension fund to the bank account of the recipient of pension payments and (or) the authorized operator.

Individual income tax shall be calculated by applying the rates established by Article 320 of this Code to the amount of taxable income at the source of payment, determined in accordance with paragraphs 1-2 of Article 356 of this Code.

2. Unless otherwise provided in paragraphs 4, 5, 6 and 7 of this article, the withholding of the amount of individual income tax shall be carried out by the tax agent in one of the following ways, at the choice of the individual:

1) in the manner prescribed by Article 353 of this Code;

2) monthly in equal installments for no more than sixteen years according to the schedule for pension payments established by the unified accumulative pension fund.

The withholding specified in the first part of this paragraph shall be made based on an application for withholding of individual income tax submitted to the tax agent in the form established by the authorized body in agreement with the authorized body in the sphere of social protection of the population.

3. The tax agent shall transfer the withheld amount of individual income tax no later than twenty-five calendar days:

1) the following month in which a lump sum pension payment is made – in the case specified in subparagraph 1) of part one of paragraph 2 of this article;

2) the following month in which the transfer of pension payments has begun and shall be carried out in accordance with the schedule for pension payments established by the unified accumulative pension fund, in the case specified in subparagraph 2) of the first part of paragraph 2 of this article;

3) the following month in which a lump sum amount of individual income tax is withheld, in the cases established by paragraphs 4, 5, 6 and 7 of this article.

4. When an individual leaves for permanent residence outside the Republic of Kazakhstan , the amount of individual income tax not withheld and transferred by the tax agent from a lump sum pension payment shall be subject to a one-time withholding in the manner prescribed by Article 353 of this Code from the amount of the pension payment.

5. When paying pension savings to an individual who has inherited them, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, the amount of individual income tax not withheld or transferred by the tax agent from a lump sum pension payment shall be subject to a lump sum withholding in accordance with the procedure provided for in Article 353 of this Code, from the amount of the pension payment.

6. If an individual has a pension annuity agreement concluded with an insurance organization, individual income tax from the amount of the lump sum pension payment shall be subject to withholding by the tax agent in a lump sum in the manner prescribed by Article 353 of this Code, in the following cases:

1) when transferring pension savings to an insurance organization - from the amount of pension savings;

2) when previously applied to income in the form of a lump sum pension payment, the provisions of subparagraph 2) of part one of paragraph 2 of this article - from the amount of pension savings;

3) a one-time pension payment – from the remaining amount in the individual’s pension account in a unified accumulative pension fund.

7. In the case of a one-time pension payment to an individual who is a recipient of pension payments for length of service, the withholding of individual income tax shall be carried out by the tax agent in a lump sum in the manner prescribed by Article 353 of this Code.

The provisions of this paragraph shall also apply in the event of the previous application to the income of an individual of the method of withholding individual income tax provided for in subparagraph 2) of part one of paragraph 2 of this article, with the withholding of individual income tax from the amount of pension savings.

8. For the purposes of this article, the unified accumulative pension fund shall be recognized as a tax agent.

Footnote. Section 8 is supplemented by Article 353-1 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021);

as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall come into effect on 01.01.2024).

Article 354. Procedure for fulfillment of tax obligations by a tax agent on income paid to a resident in the form of dividends on shares that are the underlying asset of depositary receipts, as well as the return of individual income tax withheld at the source of payment

The procedure for the fulfillment of the tax obligation by a tax agent for income paid to a resident in the form of dividends on shares that are the underlying asset of depositary receipts, as well as the return of individual income tax withheld at the source of payment, shall be determined in accordance with Article 310 of this Code.

Article 355. Features of calculation, withholding and payment of individual income tax by government agencies

1. By the decision of a government agency, its structural divisions and (or) territorial bodies may be considered as tax agents for the income of employees of government institutions subordinate to it (them).

2. By decision of the local executive body, its structural divisions and (or) territorial (subordinate) bodies may be considered as tax agents for the income of employees of state institutions subordinate to them.

In this case, state institutions recognized in the manner determined by this article as tax agents for the purposes of Section 12 of this Code shall be recognized as payers of social tax.

Payment of individual income tax shall be made to the relevant budgets at the location of the tax agent.

3. Calculation, withholding and payment of individual income tax shall be carried out by the tax agent in the manner and within the timeframes established by Articles 352, 353 and 354 of this Code.

4. The declaration on individual income tax and social tax shall be submitted by the tax agent in the manner and within the timeframes established by Article 358 of this Code.

Footnote. Article 355 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

Article 356. Determination of taxable income at the source of payment

1. The amount of taxable income of an employee shall be determined in the following order:

the amount of employee income subject to taxation at the source of payment, accrued for the tax period,

minus

the amount of the adjustment to income for the tax period provided for in paragraph 1 of Article 341 of this Code,

minus

the amount of tax deductions in the form of mandatory pension contributions in the amount established by the legislation of the Republic of Kazakhstan on pension provision,

minus

the amount of tax deductions for contributions to compulsory social health insurance in the manner and amount established by Article 345-1 of this Code,

minus

the amount of standard deductions in the manner and amounts established by Article 346 of this Code,

minus

the amount of the tax deduction for large families in the manner and amount established by Article 347 of this Code,

minus

preliminary amount of other deductions, determined in accordance with paragraph 2 of this article.

1-1. The amount of taxable income of an employee, determined by paragraph 1 of this article, shall be reduced by 90 percent if the accrued income of the employee for the tax period does not exceed 25 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the corresponding financial year.

1-2. The amount of taxable income in the form of lump-sum pension payments from a unified accumulative pension fund shall be determined in the following order:

the amount of income in the form of lump sum pension payments

minus

the amount of tax deductions specified in subparagraphs 2) and (or) 3) of paragraph 1 of Article 346 of this Code.

1-3. The amount of taxable income in the form of pension payments shall be set out in the following order:

1) from the unified accumulative pension fund:

the amount of income in the form of pension payments subject to taxation,

minus

the amount of the individual income tax adjustment mentioned in paragraph 1 of Article 341 of this Code,

minus

the amount of tax deductions in the manner and amounts specified in paragraph 1 of Article 345 and sub-paragraphs 2) and (or) 3) of paragraph 1 of Article 346 of this Code;

2) from the voluntary accumulative pension fund in the amount of income in the form of pension payments subject to taxation.

1-4. The amount of an individual's taxable income at the source of payment from the sale of goods, performance of works, and provision of services to a tax agent shall be established in the following order:

the amount of income subject to taxation at the source of payment accrued within the tax period,

minus

the amount of income adjustment in the current tax period envisaged in paragraph 1 of Article 341 of this Code,

minus

the amount of tax deductions in the form of mandatory pension contributions in the amount established by the laws of the Republic of Kazakhstan on social protection,

minus

the amount of tax deductions for contributions to compulsory social health insurance in the manner and amount established by Article 345-1 of this Code,

minus

the amount of tax deductions in the form of social deductions withheld under civil law contracts, the subject thereof is the performance of works (provision of services), in the manner and amount established by Article 345-2 of this Code,

minus

the amount of standard deductions in the manner and amounts established by Article 346 of this Code, subject to the provisions of paragraph 3 of Article 343 of this Code.

2. The preliminary amount of other deductions shall be set out by an individual as the planned amount of other deductions for a calendar year in an amount not exceeding 282 times the monthly calculation index. An individual may independently set out the amount of the tax agent's application of the preliminary amount of other deductions in the amount of 23.5 times the monthly calculation index for each calendar month or 282 times the monthly calculation index for a calendar month, followed by the transfer to subsequent months of the amount of excess tax deductions within the calendar year. The individual shall specify this amount in the application letter for applying tax deductions and file it to the tax agent.

The tax agent shall reduce taxable income by the preliminary amount of other tax deductions based on an application from an individual without supporting documents.

The total amount of preliminary amounts of other deductions for the calendar year, indicated by an individual in applications submitted to all tax agents:

shall not exceed 282 times the monthly calculation indicator;

shall be subsequently documented when an individual applies other deductions in the income and property declaration for the calendar year.

3. The amount of an individual's taxable income at the source of payment, exlcuiding the employee's income and income from the sale of goods, performance of work, and provision of services, shall be determined in the following order:

the amount of income subject to taxation at the source of payment received in the current tax period,

minus

the amount of the adjustment to income in the current tax period, provided for in paragraph 1 of Article 341 of this Code,

minus

the amount of tax deductions in the form of mandatory pension contributions in the amount established by the legislation of the Republic of Kazakhstan on pension provision,

minus

the amount of tax deductions for contributions to compulsory social health insurance in the manner and amount established by Article 345-1 of this Code,

minus

the amount of standard deductions in the manner and amounts established by sub-paragraphs 2) and 3) of paragraph 1 of Article 346 of this Code.

4. The amount of income subject to taxation at the source of payment in foreign currency shall be converted into the national currency of the Republic of Kazakhstan using the market exchange rate determined on the last working day preceding the date of payment of income.

5. If the amount determined in accordance with paragraphs 1, 2 and 3 of this article is negative, then such amount shall be recognized as an excess of tax deductions.

The excess amount of tax deductions shall be carried over to subsequent tax periods within the calendar year to be repaid using taxable income in these tax periods.

Footnote. Article 356 as amended by the Laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2020); dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); 12.12.2023 № 45-VIII (shall come into effect on 01.01.2024); № 208-VIII of 15.07.2025 (shall be put into effect since 01.01.2025).

Article 357. Tax and reporting periods

1. The tax period for calculating individual income tax by tax agents on income subject to taxation at the source of payment is a calendar month.

2. The reporting period for preparing the declaration on individual income tax and social tax is a calendar quarter.

Article 358. Declaration on individual income tax and social tax

1. The declaration on individual income tax and social tax shall be submitted to the tax authorities at the location of the tax agent no later than the 15th day of the second month following the reporting period:

tax agents, including those applying a special tax regime using a fixed deduction;

agents or payers of social payments, including in their favor in accordance with the laws of the Republic of Kazakhstan.

2. The tax agent shall provide data on the calculation, withholding and transfer of amounts of individual income tax for each individual - a resident of the Republic of Kazakhstan who is a recipient of income, in the form of an appendix to the declaration on individual income tax and social tax, which:

1) is compiled based on the results of the calendar year and submitted with the declaration on individual income tax and social tax for the last reporting period of the calendar year, established by paragraph 2 of Article 357 of this Code;

2) is prepared and submitted with the declaration on individual income tax and social tax when submitting liquidation tax reporting.

3. Tax agents with structural divisions shall submit an appendix on the calculation of the amount of individual income tax and social tax for the structural division to the declaration on individual income tax and social tax to the tax authority at the location of the given structural division.

Tax agents applying a special tax regime for agricultural producers and agricultural cooperatives reflect the calculated amounts of the single payment in the declaration on individual income tax and social tax.

Footnote. Article 358 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); 21.12.2022 № 165-VII (shall come into effect on 01.01.2023).

Chapter 39. PROCEDURE FOR ISSUING A CERTIFICATE OF SETTLEMENTS WITH AN INDIVIDUAL AND DETERMINING THE TAXABLE INCOME OF AN INDIVIDUAL

Article 359. Procedure for issuing a certificate of settlements with an individual by a tax agent

1. In cases of accrual and (or) payment to an individual within a calendar year of income subject to withholding tax, upon the request of the individual, the tax agent, must issue a certificate of settlements with the individual within five calendar days after the date of the individual's request.

2. The certificate of settlements with an individual must contain information about the amounts:

1) income subject to taxation at the source of payment;

2) income adjustments;

3) applied tax deductions in the form of:

compulsory pension contributions;

contributions to compulsory social health insurance;

standard tax deductions;

tax deduction for social contributions withheld under civil law contracts;

the preliminary amount of other tax deductions;

4) taxable income of an individual;

5) calculated individual income tax;

6) paid income.

Footnote. Article 359 – as reworded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force since 01.01.2025).

Article 360. Determination of taxable income of an individual subject to taxation by an individual independently

1. Calculation and payment of individual income tax to the budget shall be carried out by an individual independently:

1) for income specified in subparagraphs 1) – 12) and 17) of Article 321 of this Code – in the event of receipt of such income from an individual who is not a tax agent;

2) for income specified in subparagraphs 13) – 18) of Article 321 of this Code.

2. Income that is taxable by an individual independently, received (to be received) in a foreign currency, shall be converted into the national currency of the Republic of Kazakhstan using the official exchange rate of the National Bank of the Republic of Kazakhstan on average for the calendar year in which the income was received.

3. The procedure for determining the taxable income of an individual subject to taxation by the individual independently shall be determined in accordance with Chapter 71 of this Code.

Footnote. Article 360 as amended by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force since 01.01.2025).

SECTION 9. INDIVIDUAL INCOME TAX ON THE INCOME OF AN INDIVIDUAL ENGAGED IN PRIVATE PRACTICE AND A SOLE ENTREPRENEUR Chapter 40. INCOME OF AN INDIVIDUAL ENGAGED IN PRIVATE PRACTICE AND OF AN INDIVIDUAL ENTREPRENEUR APPLYING THE GENERALLY ESTABLISHED TAXATION REGIME

Article 361. General Provisions

1. The amount of money received for the provision of services by an individual engaged in private practice as collateral as a method of securing the fulfillment of an obligation in accordance with the civil legislation of the Republic of Kazakhstan shall be recognized as income from the date of payment for services from the collateral money, specified in the act of services rendered or the document confirming the provision of services.

2. The date of recognition of income of an individual engaged in private practice is:

1) the date of provision of services specified in the signed act of services rendered;

2) the date of the provision of services, specified in another document confirming the fact of the provision of services, in the absence of a certificate of services rendered;

3) excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall be put into effect since 01.01.2025).

3. Assets of an individual engaged in private practice are recognized as those acquired after January 1, 2025, and used in activities related to receiving income from private practice:

1) computers, laptops, monitors, projectors;

2) devices for printing, viewing, copying, faxing;

3) safes.

The value of the assets specified in this paragraph at the beginning of the tax period shall be determined as:

the value of the assets specified in this paragraph at the end of the tax period

plus

the amount of expenses for maintenance, repair and operation of assets incurred during the tax period,

minus

the amount of depreciation charges calculated in the previous tax period.

The value of the assets specified in this paragraph at the end of the tax period shall be determined as:

the value of the assets specified in this paragraph at the beginning of the tax period

plus

assets received during the tax period, specified in this paragraph,

minus

assets disposed of during the tax period, specified in this paragraph.

4. Calculation of depreciation charges for individuals engaged in private practice is made in the amount of 25 percent of the value of assets at the end of the tax period.

5. For the purposes of Articles 362, 363, 364 and 365 of this Code, the following shall be considered deductible compensation for business trips:

1) actual travel expenses to and from the place of the business trip, including payment of booking expenses, based on documents confirming travel expenses and booking expenses. In case of registration of travel by electronic ticket or electronic travel document, documents confirming travel expenses and booking expenses are:

electronic ticket, electronic travel document;

a document confirming the fact of payment for the cost of an electronic ticket, electronic travel document;

a document confirming the fact of travel, including a boarding pass, issued by the carrier or the individual from whom the electronic ticket or electronic travel document was purchased, on paper or in electronic form.

The expenses provided for in this subparagraph do not include expenses for travel within one locality;

2) actual expenses incurred for the rental (lease) of housing, including payment of expenses for the reservation, based on documents confirming the expenses for the rental of residential premises and for the reservation;

3) daily allowances of no more than 6 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year, for each calendar day of being on a business trip - for a period not exceeding forty calendar days of being on a business trip.

The duration of a business trip shall be determined based on:

an order or written instruction from the taxpayer to send an individual engaged in private practice, as well as his employees, on a business trip;

the number of days of the business trip based on the dates of departure to the destination of the business trip and arrival back indicated in the documents confirming the travel.

Footnote. Article 361 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); № 208-VIII of 15.07.2025 (shall be put into effect since 01.01.2025).

Article 362. Taxable income of a private notary

1. The taxable income of a private notary for the tax period shall be determined as the amount of income to be received (obtained) from the performance of notarial activities, reduced by the amount of professional deductions of the private notary.

2. Income from the activities of a private notary shall include:

1) income in the form of payment for notarial acts;

2) income in the form of payment for legal and technical services when performing notarial acts by a private notary;

3) other income to be received (obtained) from the performance of notarial activities.

3. A private notary has the right to apply professional deductions for expenses provided for in paragraph 4 of this article, simultaneously meeting the following conditions:

1) made in connection with receiving income from the activities of a private notary;

2) confirmed by documents;

3) reflected in the tax registers of a private notary.

4. Professional deductions for a private notary include:

1) expenses for the purchase of office supplies;

2) expenses for the rental of premises for the provision of notary services;

3) depreciation charges calculated at 25 percent of the value of assets at the end of the tax period;

4) expenses for payment of services of a second-tier bank, organizations carrying out certain types of banking operations, communication services, and utilities;

5) the taxpayer’s expenses on the income of an employee subject to taxation at the source of payment;

6) expenses provided for in paragraph 11 of Article 243 and Article 263 of this Code;

7) compensation for business trips in accordance with paragraph 5 of Article 361 of this Code;

8) membership fees paid to the notary chamber, within the limits of 1-time monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year;

9) expenses for compulsory civil liability insurance, as provided for by the Law of the Republic of Kazakhstan "On compulsory civil liability insurance of private notaries".

Article 363. Taxable income of a private bailiff

1. The taxable income of a private bailiff for the tax period shall be determined as the amount of income to be received (obtained) from the activities of a private bailiff, reduced by the amount of professional deductions of the private bailiff.

2. Income from the activities of a private bailiff shall include:

1) payment for the activities of a private bailiff;

2) reimbursement of expenses for the performance of enforcement actions, including at the expense of budgetary funds;

3) other income to be received (obtained) in the course of carrying out activities provided for a private bailiff by the Law of the Republic of Kazakhstan "On Enforcement Proceedings and the Status of Bailiffs".

3. A private bailiff has the right to apply professional deductions for expenses provided for in paragraph 4 of this article, simultaneously meeting the following conditions:

1) made in connection with the receipt of income from the activities of a private bailiff;

2) confirmed by documents;

3) are reflected in the tax registers of the private bailiff.

4. Professional deductions for a private bailiff shall include:

1) expenses for the purchase of office supplies;

2) expenses for the rental of premises for the provision of services of a private bailiff;

3) depreciation charges calculated at 25 percent of the value of assets at the end of the tax period;

4) expenses for payment of services of a second-tier bank, organizations carrying out certain types of banking operations, communication services, and utilities;

5) the taxpayer’s expenses on the income of an employee subject to taxation at the source of payment;

6) expenses provided for in paragraph 11 of Article 243 and Article 263 of this Code;

7) compensation for business trips in accordance with paragraph 5 of Article 361 of this Code;

8) membership fees paid to the Republican Chamber of Private Judicial Enforcement Officers, within the limits of 1-time monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year;

9) expenses for compulsory civil liability insurance, as provided for by the Law of the Republic of Kazakhstan "On Enforcement Proceedings and the Status of Bailiffs";

10) expenses for the performance of enforcement actions reimbursed in accordance with the legislation of the Republic of Kazakhstan, not provided for in subparagraphs 1) – 9) of this paragraph.

Article 364. Taxable income of a lawyer

1. The taxable income of a lawyer for the tax period shall be determined as the amount of income to be received (obtained) from the performance of legal activities, reduced by the amount of the lawyer’s professional deductions.

2. Income from carrying out advocacy activities shall include:

1) income from the provision of legal assistance by a lawyer;

2) income in the form of reimbursement of expenses related to protection and representation, legal information and legal advice, including at the expense of budgetary funds, in accordance with the legislation of the Republic of Kazakhstan on state-guaranteed legal assistance;

3) other income to be received (obtained) in the course of carrying out legal activities.

3. A lawyer has the right to apply professional deductions for expenses provided for in paragraph 4 of this article, simultaneously meeting the following conditions:

1) made in connection with receiving income from carrying out legal activities;

2) confirmed by documents;

3) are reflected in the lawyer's tax registers.

4. Professional deductions for a lawyer include:

1) expenses for the purchase of office supplies;

2) expenses for the rental of premises for the implementation of legal activities;

3) depreciation charges calculated at 25 percent of the value of assets at the end of the tax period;

4) expenses for payment of services of a second-tier bank, organizations carrying out certain types of banking operations, communication services, and utilities;

5) the taxpayer's expenses on the income of an employee subject to taxation at the source of payment;

6) expenses provided for in paragraph 11 of Article 243 and Article 263 of this Code;

7) compensation for business trips in accordance with paragraph 5 of Article 361 of this Code;

8) membership fees paid to the bar association, within the limits of 1-time monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year;

9) expenses related to protection and representation, reimbursed in accordance with the legislation of the Republic of Kazakhstan, not provided for in subparagraphs 1) – 8) of this paragraph.

Article 365. Taxable income of a professional mediator

1. The taxable income of a professional mediator for a tax period shall be determined as the amount of income to be received (obtained) from the activities of a professional mediator, reduced by the amount of professional deductions of the professional mediator.

2. A professional mediator has the right to apply professional deductions for expenses provided for in paragraph 3 of this article, which simultaneously meet the following conditions:

1) produced in connection with the receipt of income from the activities of a professional mediator;

2) confirmed by documents;

3) are reflected in the tax registers of the professional mediator.

3. Professional deductions for a professional mediator include:

1) expenses for the purchase of office supplies;

2) expenses for the rental of premises for the provision of services of a professional mediator;

3) depreciation charges calculated at 25 percent of the value of assets at the end of the tax period;

4) expenses for payment of services of a second-tier bank, organizations carrying out certain types of banking operations, communication services, and utilities;

5) the taxpayer's expenses on the income of an employee subject to taxation at the source of payment;

6) expenses provided for in paragraph 11 of Article 243 and Article 263 of this Code;

7) compensation for business trips in accordance with paragraph 5 of Article 361 of this Code;

8) membership fees paid to the organization of professional mediators, within the limits of 1-time monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the relevant financial year.

Article 366. Income of an individual entrepreneur

1. Taxable income of an individual entrepreneur,

applying the generally established tax regime, for the tax period shall be determined in the following order:

taxable income of an individual entrepreneur, determined in accordance with paragraph 2 of this article,

minus

a reduction in the taxable income of an individual entrepreneur, determined in a manner similar to the procedure for determining a reduction in taxable income to calculate corporate income tax, established by Article 288 of this Code,

plus

the total profit of controlled foreign companies or permanent institutions of controlled foreign companies, determined in accordance with Article 340 of this Code,

minus

losses carried forward in a manner similar to the procedure for carrying forward losses to calculate corporate income tax, established by Articles 299 and 300 of this Code.

2. The taxable income of an individual entrepreneur for the tax period shall be determined in the following order:

income of an individual entrepreneur received in total for a tax period determined in a manner similar to the procedure for determining the total annual income to calculate corporate

income tax established by Article 225 of this Code, take into account the features provided for in Articles 226–240 of this Code,

minus

adjustment of the income of an individual entrepreneur received in total for the tax period, determined in a manner similar to the procedure for determining the adjustment of the total annual income to calculate corporate income tax in accordance with paragraphs 1 and 2 of Article 241 of this Code,

plus (minus)

adjustment of the income of an individual entrepreneur received in total for the tax period, determined in a manner similar to the procedure for determining the adjustment of the total annual income to calculate corporate income tax, established by paragraph 3 of Article 241 of this Code,

minus

deductions determined in a manner similar to the procedure for determining expenses attributable to deductions to calculate corporate income tax, established by Articles 242–276 of this Code,

plus (minus)

adjustment of income and deductions determined in a manner similar to the procedure for determining adjustment of income and deductions to calculate corporate income tax, established by Article 287 of this Code.

Footnote. Article 366 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021).

SECTION 10. VAT Chapter 41. GENERAL PROVISIONS

Article 367. Payers

1. VAT payers are:

1) persons registered for VAT in the Republic of Kazakhstan:

individual entrepreneurs, professionals with a private practice;

resident legal entities, except for state institutions and state-run secondary educational institutions;

non-residents operating in the Republic of Kazakhstan through their structural units;

2) persons importing goods into the territory of the Republic of Kazakhstan in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

3) foreign companies provided for by Section 25 of this Code.

2. VAT registration is performed in accordance with Articles 82 and 83 of this Code.

Footnote. Article 367 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022).

Article 368. Taxable items

Items subject to VAT are:

1) taxable turnover;

2) taxable import.

Article 369. The definition of taxable turnover

1. Taxable turnover shall be:

1) the turnover made by the VAT payer on the sale of goods, works, services, except the non-taxable turnover specified in Article 370 of this Code.

In case of non-compliance with the requirements established by Article 197 of this Code, the turnover previously exempted from taxation when transferring property into financial leasing shall be recognized as taxable turnover retrospectively from the date of the completed sales turnover;

2) the turnover made by the VAT payer from the purchase of works, services from a non-resident in accordance with Article 373 of this Code;

3) turnover in the form of residual goods. Unless otherwise provided by this subparagraph , turnover in the form of residual goods shall be recognized as goods for which the VAT has been accounted for as a VAT attributable to offset, and which belong by ownership right to the VAT payer upon deregistration for value added tax:

with the submission of liquidation tax reporting for value added tax - as of the date preceding the date of filing this reporting;

by decision of the tax authority - on the date indicated in paragraph 6 of Article 85 of this Code.

The turnover provided for by this subparagraph shall not include the tax-free turnover specified in subparagraph 3) of Article 370 of this Code.

The provision of this paragraph shall not apply when a legal entity is deregistered for VAT in connection with its reorganization, provided that all newly created legal entities established as a result of merger or a legal entity to which another legal entity (legal entities) individuals) joined after the reorganization are VAT payers.

2. For the purposes of this Section, the goods include fixed assets, intangible and biological assets, investments in immovable property and other property, except for:

works, services;

money, including advance payments, in national and foreign currencies.

Article 370. Non-taxable turnover

Non-taxable turnover is:

1) turnover from the sale of goods, works, services, exempt from VAT in accordance with this Code;

2) turnover from the sale of goods, works, services, the place of sale of which is not the Republic of Kazakhstan.

Unless otherwise established by this article, the place of sale of goods, works, services is determined in accordance with Article 378 of this Code.

The place of sale of goods, works, services in the member states of the Eurasian Economic Union is determined in accordance with Article 441 of this Code;

3) turnover in the form of stock on hand, which is the goods, specified in Article 394 of this Code.

Article 371. The definition of taxable import

Taxable import is goods that are or were imported into the territory of the member states of the Eurasian Economic Union (except for those exempted from VAT in accordance with Article 399 of this Code), subject to declaration in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Chapter 42. TURNOVER FROM THE SALE OF GOODS, WORKS, SERVICES AND TURNOVER FROM THE PURCHASE OF WORKS, SERVICES FROM A NON-RESIDENT

Article 372. Turnover from the sale of goods, works, services

1. Turnover from the sale of goods means:

1) transfer of ownership of goods, including:

sale of goods, shipment of goods, also on installment payment terms and (or) in exchange for other goods, works, services;

sale of an enterprise in whole as a property complex;

transfer of goods free of charge;

transfer of goods by an employer to an employee as debt repayment;

transfer of pledged property by a pledger into the ownership of a buyer or a pledgee;

2) export of goods;

3) shipment of goods, also on installment payment terms and (or) in exchange for other goods, works, services;

4) transfer of property into financial lease, specifically concerning the value at which the leased asset was transferred;

5) shipment of goods under a commission agreement or an agency agreement;

6) placement of goods, earlier exported under the customs export procedure, under the customs re-import procedure;

7) loss of goods purchased without VAT under the customs procedure for free customs zone, except for the goods specified in Article 394 of this Code.

2. Turnover from the sale of works, services means any performance of works or rendering of services, also on a non-repayable basis, as well as any paid activity other than the sale of goods, including:

1) provision of property into temporary possession and for use under property lease agreements, except for lease agreements;

2) remuneration for the transfer of property into financial lease under a lease agreement;

3) granting of rights to intellectual property objects;

4) performance of works, rendering of services by an employer to an employee as debt repayment;

5) assignment of the rights of claim related to the sale of goods, works, services, except for advance payments and penal sanctions;

6) consent to limit or terminate entrepreneurial activity;

7) provision of a credit (loan, microcredit);

8) financing of individuals and legal entities by an Islamic bank as a trade intermediary by way of granting a commercial loan on the terms of subsequent sale of goods to a third party or without such conditions, in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity;

9) acted until 01.01.2022 in accordance with the Law of the Republic of Kazakhstan dated 27.12.2019 № 295-VI.

10) Was valid from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII;

11) receipt of a temporary balancing fee in accordance with the legislation of the Republic of Kazakhstan on railway transport by the operator of locomotive traction in passenger traffic.

3. Turnover from the sale of goods, works and services of a structural unit of a resident legal entity registered in the territory of a foreign state, the place of sale of which is not the Republic of Kazakhstan, which is not turnover from the sale of goods, works or services of such a legal entity in the Republic of Kazakhstan.

4. Non-residents operating in the Republic of Kazakhstan through structural units recognize the turnover from the sale of works, services of such structural units, provided that one of the following conditions is observed:

a contract concluded by a structural unit of a non-resident legal entity is available;

an invoice for works, services issued by a structural unit of a non-resident legal entity is available;

an acceptance certificate for performed works, rendered services signed by a structural unit of a non-resident legal entity is available;

a contract concluded with a non-resident legal entity, providing for the performance of works, rendering of services by a structural unit of this non-resident legal entity, is available;

an acceptance certificate for performed works, rendered services signed by a non-resident legal entity indicates that works were performed, services were rendered by a structural unit of this non-resident legal entity;

income for works performed, services rendered is paid to a structural unit of a non-resident legal entity.

5. None of the following is turnover from sale:

1) transfer of property as a contribution to the authorized capital;

2) transfer of goods to a shareholder, a participant, a founder when distributing property:

in case of liquidation of a legal entity or reduction of the authorized capital - up to the amount of the paid authorized capital attributable to a participatory interest, the number of shares, by which the authorized capital is reduced;

in case of redemption of a participatory interest or part thereof in a legal entity from its founder, participant by this legal entity - up to the amount of the paid authorized capital attributable to a redeemable participatory interest;

in case of redemption of shares issued by an issuing legal entity from a shareholder - up to the amount of the paid authorized capital attributable to the redeemable number of shares;

3) free transfer of the goods for promotional purposes if the value of a unit of such goods does not exceed 5 times the monthly calculated index established by the law on the national budget and effective as of the date of such transfer;

4) shipment of toll goods by the customer to the contractor for the manufacture, processing, adjustment (assembly, installation), repair of finished products by the latter and (or) construction of facilities. In the case of manufacture, processing, assembly, repair outside the customs territory of the Eurasian Economic Union, the shipment of these goods shall not be a turnover for sale if their export is carried out in the customs procedure of processing outside the customs territory in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

5) shipment of returnable containers. A returnable container is a container, the value of which is not included in the sales value of a product sold in it, and which shall be returned to a supplier on the terms and within the time limits specified in a contract for the supply of this product, in any event within a six-month period. If a container is not returned within the prescribed period, its value shall be included in the turnover from sale in accordance with paragraph 14 of Article 381 of this Code;

6) return of goods by a recipient (buyer), who is a VAT payer;

7) shipment of goods earlier imported under the customs procedure for free customs zone into the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union;

8) export of goods outside the customs territory of the Eurasian Economic Union for exhibitions, other cultural and sporting events, subject to re-import on the conditions and within the terms established by the contract, if such export is registered in the customs procedure for temporary export in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

9) transfer by a subsoil user into the ownership of the Republic of Kazakhstan of newly created and (or) acquired property that was used in subsoil use operations and is subject to transfer to the Republic of Kazakhstan in accordance with the terms of the concluded subsoil use contract;

10) placement of securities by their issuer;

11) transfer of fixed assets, intangible assets and other property of a legal entity under reorganization to its successor (successors), including goods, for which turnover is recognized as stock on hand, in accordance with subparagraph 3) of paragraph 1 of Article 369 of this Code;

12) transfer of an object of concession to a concession grantor, as well as subsequent transfer of the object of concession to a concessionaire (successor or a legal entity set up solely by the concessionaire to execute a concession agreement) for operating it under a concession agreement;

13) turnover on the sale by an individual who is an individual entrepreneur or a person engaged in private practice, the personal property of such an individual;

14) transfer of property to a trust manager by a trust management founder;

15) return of property by a trust manager upon the termination of trust management;

16) the trust manager's transfer of net income from trust management to the trust management founder;

17) receipt by a depositor (client) of the amount of remuneration accrued and (or) paid to him/her under bank account and (or) bank deposit agreements;

18) operation of a state-owned object of concession by a concessionaire with availability payment under concession projects of special significance, the list of which is approved by the Government of the Republic of Kazakhstan;

19) management of an object of concession by a concessionaire with availability payment under concession projects of special significance, the list of which is approved by the Government of the Republic of Kazakhstan;

20) exportation of goods from the territory of the Republic of Kazakhstan into the territory of another member state of the Eurasian Economic Union in connection with their transfer (movement) within one legal entity;

21) receipt of payment for organizing the collection, transportation, processing, treatment, use and (or) utilization of waste by operators of producers' (importers') extended obligations;

22) funding of enterprises for stimulating the production of environmentally friendly motor vehicles (of stage IV emission standard and higher; with electric motors) and their components in the Republic of Kazakhstan;

23) transfer of minerals to a recipient on behalf of the state by a subsoil user in fulfillment of the tax obligation to pay taxes in kind;

24) sale of minerals transferred by a subsoil user in fulfillment of the tax obligation to pay taxes in kind by a recipient on behalf of the state or a person authorized by the recipient on behalf of the state for such sale;

25) rendering of services for the sale of minerals transferred by a subsoil user in fulfillment of the tax obligation to pay taxes in kind by a recipient on behalf of the state or a person authorized by the recipient on behalf of the state for such sale, for a commission fee in form of reimbursement of expenses for the sale of such minerals;

26) activity funded on a non-reimbursable basis with a purpose-oriented contribution provided for by the budget legislation of the Republic of Kazakhstan;

27) receipt by an autonomous cluster fund, assigned by the legislation of the Republic of Kazakhstan on an innovative cluster, of payments from the state budget within the budget program aimed at the targeted transfer solely for setting up joint ventures with participation of transnational corporations, as well as for equity participation in foreign investment funds;

28) was valid until 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI;

29) fulfillment by the recipient of charitable, sponsorship, grant of conditions for their provision;

30) budgetary subsidy for losses in the form of negative difference between income and expenses, and (or) for expenses.

For the purposes of this subparagraph, income and expenses shall be determined in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

31) rendering of services for free transmission of electric power by electric power transmission organizations to entities using renewable energy sources;

32) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

33) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

34) was valid until 01.01.2019 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

35) was valid until 01.01.2022 in accordance with Law of the Republic of Kazakhstan № 295-VI dated 27.12.2019.

36) was valid from 01.01.2018 to 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI;

37) receipt of money to the current account of a private enforcement agent, intended for the storage of recovered amounts in favor of recoverers;

38) Was valid from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII.

39) distribution of digital assets by a digital mining pool between persons engaged in digital mining activities;

40) provision of mainline railway network services by the National Infrastructure Operator in the transportation of passengers by rail to the railway carrier engaged in the transportation of passengers, luggage, cargo luggage, postal items, free of charge, including with the application of a temporary reduction factor of 0 to the tariff for regulated services of the main railway network in the transportation of passengers by rail in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 372 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 295-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 21.12.2022 № 165-VII (shall be valid from 01.01.2022 to 01.01.2024); dated 06.02.2023 № 196-VII (shall be enforced from 01.04.2023); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 373. Turnover from the purchase of works, services from a non-resident

1. Unless otherwise provided for in paragraph 2 of this article, in case of the VAT payer's purchase of works performed, services rendered by a non-resident on a fee basis, the place of sale of which is recognized to be the Republic of Kazakhstan, they are this VAT payer's turnover from the purchase of works, services from a non-resident, who is subject to VAT in accordance with this Code.

2. The works and services specified in paragraph 1 of this article are not turnover from the purchase of works, services from a non-resident, if:

1) works performed, services rendered are the works, services indicated in Article 394 of this Code;

2) the cost of such works and services is included in the customs value of imported goods, determined in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, for which VAT on imported goods was paid to the budget of the Republic of Kazakhstan and is not refundable in accordance with the customs legislation of the Republic of Kazakhstan;

3) works are performed and services are rendered to:

autonomous educational organizations specified in Subparagraphs 2) and 3) of Paragraph 1 of Article 291 of this Code;

autonomous educational organizations specified in Subparagraphs 4) and 5) of Paragraph 1 of Article 291 of this Code, by the types of activity described in Subparagraphs 4) and 5) of Paragraph 1 of Article 291 of this Code;

Sub-paragraph four of Subparagraph 3) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

to legal entities specified in subparagraph 6) of paragraph 1 of Article 293 of this Code, subject to the acquisition of such works, services for implementation of activities included in the list of priority activities in the field of information and communication technologies, approved by the authorized body in the field of informatization in agreement with the central authorized body for state planning, the authorized state body carrying out state regulation in the field of technical regulation, and the authorized body;

4) the cost of such works and services is included in the value of taxable import, determined in accordance with Article 444 of this Code, for which VAT on goods imported

from the member states of the Eurasian Economic Union was paid to the budget of the Republic of Kazakhstan and is not refundable in accordance with Chapter 50 of this Code;

5) works performed, services rendered shall be the turnover of a structural unit of a non-resident legal entity in accordance with Paragraph 4 of Article 372 of this Code.

6) the price of services in electronic form received by an individual entrepreneur from a non-resident, includes the amount of value added tax paid in accordance with section 25 of this Code.

Footnote. Article 373 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (enforcement see Article 2).

Article 374. Turnover from the sale (purchase) under agency agreements

1. The sale of goods, performance of works or rendering of services, the purchase of goods, works, services on behalf of and at the expense of the principal, the agent's transfer of goods purchased for the principal to the principal, as well as performance of works, rendering of services by a third party for the principal in a transaction, entered into by the agent with such a third party on behalf of and at the expense of the principal, are not the agent's turnover from sale (purchase).

2. The provision of paragraph 1 of this Article shall not apply to:

1) the sale of goods received from non-resident principal who is not a VAT payer in the Republic of Kazakhstan and does not operate through a structural unit. In this case, the shipment of goods is the agent's turnover from the sale;

2) the sale of goods, performance of works, rendering of services, as well as the purchase of goods, works, services by an operator in the cases provided for by paragraph 3 of Article 426 of this Code.

Article 375. Turnover from the sale on conditions consistent with those of a commission agreement

1. None of the following is the commission agent's turnover from sale:

the sale of goods, performance of works, rendering of services by the commission agent on behalf of the principal on conditions consistent with those of a commission agreement;

the commission agent's transfer of goods purchased for the principal to the principal on conditions consistent with those of a commission agreement;

the performance of works, rendering of services by a third party for the principal in a transaction, entered into by this third party with the commission agent, except for cases when such works and services are the commission agent's turnover from the purchase of works, services from a non-resident.

2. The provisions of paragraph 1 of this article shall not apply to the sale of goods received from non-resident principal who is not a VAT payer in the Republic of Kazakhstan and does not operate through a structural unit. In this case, the sale of goods is the commission agent's turnover from the sale.

Article 376. Turnover from the sale (purchase) under a freight forwarding agreement

The performance of works, rendering of services, set forth in a freight forwarding agreement, by the carrier and (or) other suppliers for a party that is the client under a freight forwarding agreement, are not the freight forwarder's turnover from the sale.

Works performed, services rendered as set forth in a freight forwarding agreement, the place of sale of which is the Republic of Kazakhstan, are the freight forwarder's turnover from the purchase of works, services from a non-resident, in case the freight forwarder purchases them from the non-resident for a party that is the client under a freight forwarding agreement.

Article 377. Turnover from the sale (purchase) as a result of trust management of property

The sale of goods, performance of works, rendering of services, the purchase of goods, works, services by a trust manager under a trust management agreement or in other cases of trust management of property are the trust manager's turnover from the sale (purchase).

Article 378. The place of sale of goods, works, services

1. For the purposes of this Section, the Republic of Kazakhstan shall be recognized as the place of sale of goods if:

1) transportation of goods starts in the Republic of Kazakhstan – with regard to goods transported (shipped) by a supplier, recipient or third party;

2) goods are transferred to a recipient in the territory of the Republic of Kazakhstan - in other cases.

2. For the purposes of this Section, the Republic of Kazakhstan shall be recognized as the place of sale of works, services if:

1) works, services are directly related to immovable property located in the territory of the Republic of Kazakhstan.

The location of immovable property is the place of state registration of rights to immovable property or the place of its actual location in case of no obligation for state registration of such property.

For the purposes of this article, buildings, structures, perennial plantations and other assets firmly fixed to land, i.e. items that cannot be relocated without causing incommensurable damage to their designated purpose, as well as pipelines, power lines, space facilities, an enterprise as a property complex are recognized as immovable property. In this case, for the purposes of this article, assets not classified as immovable property in this subparagraph are recognized as movable property;

2) works, services related to movable property are actually performed, rendered in the territory of the Republic of Kazakhstan.

Such works, services include: installation, assembly, repair, maintenance;

3) services are related to those in the sphere of culture, entertainment, science, art, education, physical culture or sports and shall be actually rendered in the territory of the Republic of Kazakhstan.

For the purposes of this Subparagraph, entertainment services include recreational and leisure activities that are provided at entertainment establishments including gambling establishments, nightclubs, cafe-bars, restaurants, Internet cafes, computer clubs, billiards clubs, bowling clubs and cinemas;

4) a buyer of works, services carries out entrepreneurial or any other activity in the territory of the Republic of Kazakhstan.

For the purposes of this Subparagraph, the territory of the Republic of Kazakhstan is recognized as the place of entrepreneurial or another activity of a buyer of works and services if the buyer of works or services stays in the territory of the Republic of Kazakhstan on the basis of state (recording) registration with registering authority of the Republic of Kazakhstan or on the basis of registration as an individual entrepreneur with tax authorities.

If a buyer of works, services is a non-resident, and a recipient is its structural unit and both are registered with registering authority of the Republic of Kazakhstan, the Republic of Kazakhstan shall be recognized as the place of sale of works, services.

The provisions of this subparagraph apply to the following works, services:

transfer of rights to use intellectual property objects; for maintenance and software updates;

provision of access to Internet resources;

consulting, auditing, engineering, designer, marketing, legal, accounting, advocacy, advertising services, as well as services for the provision and (or) processing of information, except for the distribution of media products, and also the provision of access to mass information posted on an Internet resource;

outstaffing;

property lease (rent) of movable property (except for vehicles);

services of an agent for the purchase of goods, works, services, as well as involvement of persons, on behalf of the main party to an agreement (contract), in the sale of the services provided for in this subparagraph;

communications services;

consent to limit or terminate entrepreneurial activity for a fee;

radio and TV services;

services for leasing and (or) using freight wagons and containers;

5) works, services not provided for by subparagraphs 1), 2), 3) and 4) of part one of this paragraph and paragraph 4 of this Article shall be performed or rendered by a taxpayer engaged in entrepreneurial or any other activity on the territory of the Republic of Kazakhstan .

The place of entrepreneurial or other activities of a taxpayer, performing works, rendering services not provided for in subparagraphs 1), 2), 3) and 4) of part one of this paragraph shall be the territory of the Republic of Kazakhstan:

in relation to services for the transportation of passengers and luggage, transportation of goods, including mail, - if such a taxpayer is present on the territory of the Republic of Kazakhstan on the basis of state (accounting) registration with the registering authority or on the basis of registration with the tax authorities as an individual entrepreneur and subject to one or more of the following conditions:

passengers, transported goods (mail, luggage) are imported into the territory of the Republic of Kazakhstan;

passengers, transported goods (mail, luggage) are exported outside the territory of the Republic of Kazakhstan;

passengers, goods (mail, luggage) are transported through the territory of the Republic of Kazakhstan;

in relation to other works, services - if such a taxpayer is present on the territory of the Republic of Kazakhstan on the basis of state (accounting) registration with the registering authority or on the basis of registration with the tax authorities as an individual entrepreneur.

For the purposes of subparagraphs 2) and 3) of part one of this paragraph, the actual place of rendering works, services shall be the place of presence of the taxpayer rendering such works, services.

3. If the sale of goods, works, services is auxiliary to the sale of other basic goods, works, services, the place of sale of these basic goods, works, services is recognized as the place of such a sale.

4. The Republic of Kazakhstan shall be recognized as the place of sale of works and services if works are performed, services are rendered to a taxpayer of the Republic of Kazakhstan by a non-resident legal entity operating in the territory of the Republic of Kazakhstan through a permanent establishment without setting up a structural unit.

5. When applying paragraph 2 of this article, the place of performance of works or rendering of services, which comply with the provisions of multiple subparagraphs of this article, shall be determined in accordance with the subparagraph, which is first in order of their appearance.

Footnote. Article 378 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (enforcement see Article 2).

Article 379. Effective date of turnover from the sale of the goods, works, services

1. The effective date of turnover from the sale of goods, except for turnovers specified in paragraphs 2, 5, 7 - 12 and 14 of this article, is:

1) if the terms of a contract provide for an obligation of a supplier (seller) to deliver goods - one of the following dates:

the day of transferring goods to a person delivering goods, who is assigned by the supplier (seller), including his/her authorized person;

the day of loading goods onto the supplier’s (seller’s) vehicle;

2) if a contract does not provide for an obligation of a supplier (seller) to deliver goods:

when a document confirming goods' delivery shall be issued in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting - the date of signing such a document by the supplier (seller) and the recipient (buyer);

in other cases - the day, determined in accordance with the civil legislation of the Republic of Kazakhstan, when a recipient (buyer) or a person authorized by him/her, including the one delivering such goods, receives goods in possession.

2. When selling goods on the basis of documents of title confirming the provision of identified goods at the disposal of a customer, the date of sale turnover shall be the last day of the month on which the date of actual transfer of such goods to the buyer falls.

3. The effective date of turnover from the sale of works, services is the day of performance of works, rendering of services, except for the cases specified in paragraphs 4, 5, 6 and 13 of this article.

In this case, the day of performance of works, rendering of services is the date of signing, indicated in:

an acceptance certificate for performed works, rendered services;

a document (except for an invoice) confirming the performance of works, rendering of services, which is issued in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, in case of absence of an acceptance certificate for performed works, rendered services.

4. When carrying out banking operations, rendering services for granting a credit (loan, microcredit), services for the carriage of passengers, baggage, cargo and postal items by rail, services for providing slot machines without winnings, personal computers, game tracks (skittles (bowling alley), go-karts (go-kart racing), billiard tables (billiards) for use, the effective date of turnover from the sale of services is the earliest of the dates below:

1) the date of receipt of each payment (regardless of the form of payment);

2) the date of recognition of rendered services in accounting records.

5. When selling electric and (or) heat power, water, gas, utilities, communications services, services for the carriage of passengers, baggage and cargo by air, services for cargo transportation using the trunk pipeline system, with the exception of gas pipelines, the effective date of turnover for the sale of goods, works, services is the last day of the calendar month in which goods are delivered, works are performed, services are rendered.

For the purposes of this Section, utilities are understood to mean works for cleaning drain and sewer systems, waste collection services (garbage disposal), elevator and door phone maintenance services.

6. When performing works, rendering services (except for the carriage of passengers, baggage, cargo and mail by rail), which require the issuance of documents in accordance with

the legislation of the Republic of Kazakhstan on rail transport, the effective date of turnover from the sale of works, services is the most recent date indicated in a document confirming the performance of works, rendering of services.

7. When selling print periodicals or other media products, also by placing on an Internet resource in public telecommunications networks, the effective date of turnover is the day of delivery of a print periodical or the day of sending media products to an e-mail or a subscriber ’s electronic mailbox and (or) the day of placing media products on an Internet resource in public telecommunications networks.

8. In case of exportation of goods under the customs export procedure, the effective date of turnover from the sale of goods is:

1) the date of actual crossing of the customs border of the Eurasian Economic Union at a checkpoint, which is determined in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

2) the date of registration of a full goods declaration bearing marks of the customs authority that conducted the customs declaration procedure in cases of exportation of goods under the customs export procedure using temporary customs declaration;

3) the date of introduction of amendments (additions) to the information declared in the goods declaration on actual quantity of exported goods and other missing information made after the end of the declared period for delivery of goods under the customs export procedure using periodic customs declaration in accordance with customs legislation Republic of Kazakhstan.

9. In case of importation of goods, earlier exported under the customs export procedure, under the customs re-import procedure, the effective date of turnover from the sale of goods is:

1) the date of actual crossing of the customs border of the Eurasian Economic Union at a checkpoint when exporting the goods under the customs export procedure not using the periodic or temporary declaration procedure, determined in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

2) the date of registration of a full goods declaration bearing marks of the customs authority that conducted the customs declaration, when exporting goods under the customs export procedure using temporary declaration.

3) the date of introduction of amendments (additions) to the information declared in the goods declaration on actual quantity of exported goods and other missing information made after the end of the declared period for delivery of goods under the customs export procedure using periodic customs declaration in accordance with customs legislation Republic of Kazakhstan.

10. In case of transfer of pledged property (goods) by a pledger, the effective date of the pledger’s turnover from the sale is the day of transfer of the title to a pledged asset from the

pledger to a winner of auctions, held in the process of foreclosure on the pledged property, or to a pledgee.

11. When transferring property into financial lease, the effective date of turnover from the sale is:

1) in terms of the amount of a periodic lease payment established by a lease agreement, excluding the amount of remuneration, except for the cases specified in subparagraphs 2) and 3) of this paragraph - the date of maturity of such a payment;

2) in terms of the amount of all periodic lease payments, excluding the amount of remuneration, the date of maturity of which, under a lease agreement, is established prior to the date of transfer of the property to a lessee, - the date of transfer of property into financial lease;

3) in terms of amounts of prepaid lease payments specified by a lease agreement exclusive of the amount of remuneration, provided that the requirements of Article 197 of this Code are met - the date of receipt of such a payment (regardless of the form of payment);

4) in terms of the amount of remuneration accrued, the effective date of turnover is the earliest of the following dates:

the last day of a reporting taxable period;

the last day of termination of accrual of remuneration under a financial lease agreement.

12. In case of loss of goods purchased without VAT under the customs procedure for free customs zone, except for the goods specified in Article 394 of this Code, the effective date of turnover from the sale of the goods is that of establishment of the fact of loss by a taxpayer.

13. In case of recognition of works and services, performed and rendered by a non-resident, as the VAT payer's turnover in accordance with Article 373 of this Code, the effective date of such turnover is either:

the date of signing an acceptance certificate for performed works, rendered services by a supplier (seller) and a recipient (buyer) that are parties to an agreement or

the date of recognition of costs of the purchase of works, services from a non-resident in accounting records – provided that there is another document confirming the performance of works, rendering of services, in case of absence of an acceptance certificate for performed works, rendered services.

14. When deregistering for VAT, the effective date of the turnover specified in subparagraph 3) of part one of paragraph 1 of Article 369 of this Code is the day preceding:

1) the day, on which a VAT payer submitted a VAT liquidation declaration;

2) the date of deregistration for VAT by the decision of the tax authority specified in paragraph 6 of Article 85 of this Code.

15. If the documents, specified in Paragraphs 3 and 13 of this Article, indicate several dates, then the most recent of the indicated dates is that of signing the document.

16. In the event of sale on installment payment terms of collateral property earlier put on the books of a subsidiary bank acquiring doubtful and bad assets of the parent bank towards

debt repayment, the date of the sale turnover shall be the date of receipt of such payment under the sale and purchase agreement or the date of receiving such payment, whichever occurs first.

Footnote. Article 379 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) .

Chapter 43. DETERMINATION OF THE AMOUNT OF TURNOVER AND IMPORT

Article 380. The amount of turnover from the sale of goods, works, services

1. Unless otherwise provided for by Article 381 of this Code, the amount of turnover from the sale is determined as the value of sold goods, works and services based on the prices and tariffs ex VAT applied by transaction parties, unless otherwise provided for by the legislation of the Republic of Kazakhstan on transfer pricing.

When selling goods on installment payment terms, the value of sold goods is determined with account of all the payments stipulated by contractual terms.

2. When rendering services for making payments for third parties, the amount of turnover from the sale is determined as the amount of a commission fee.

3. The amount of an excise duty (to be) paid in accordance with the provisions of this Code:

1) in case of transferring gasoline (except for aviation fuel), diesel fuel, which is a product of processing of customer-supplied raw materials, is not included in the amount of turnover from the sale of a manufacturer of such excisable goods, who renders services for the processing of customer-supplied raw materials;

2) is included in the amount of turnover from the sale - in other cases.

4. The amount of turnover in the form of balances of goods of a VAT payer is determined in the amount of the book value of such goods, subject to reflection (reflected) in the accounting records of such a VAT payer, as of the effective date of the turnover.

For the purposes of this paragraph, the book value of goods for a VAT payer is:

1) when deregistering it for VAT in connection with reorganization, also when reorganizing by spinning off - the value of the goods reflected in the separation balance sheet or transfer deed, but not lower than the book value to be reflected (reflected) in accounting records of this VAT payer, as of the effective date of the turnover;

2) in other cases - the book value of the goods, subject to reflection (reflected) in the accounting records of such a VAT payer, as of the date of the accomplished turnover.

For turnover in the form of balances of goods, the VAT payer shall draw up a tax register for the balances of goods in accordance with Article 215 of this Code.

5. The amount of turnover of a VAT payer purchasing works, services from a non-resident is determined in accordance with Article 382 of this Code.

6. A foreign currency transaction, for the purposes of this Section, shall be recalculated into the national currency of the Republic of Kazakhstan using the market exchange rate set on the last business day preceding the effective date of the turnover.

Article 381. Features of determination of the amount of turnover from sale in individual cases

1. In case of the pledger's transfer of pledged property into the ownership of a buyer or the pledgee, the amount of the pledger's turnover from the sale is determined:

1) as the amount of the value of realizable pledged property based on the applied selling price ex VAT – when selling pledged assets;

2) when the pledged property is turned into the ownership of the pledgee - in the amount of the current appraised value established by a court decision or a trustee on the basis of the conclusion of an individual or legal entity licensed to carry out property valuation activities (with the exception of intellectual property, the value of intangible assets), without including VAT into it. In this case, the trustee shall be determined in accordance with the civil legislation of the Republic of Kazakhstan when selling the pledged property in a compulsory out-of-court procedure through tenders.

2. The amount of the taxpayer's turnover from the sale in case of placement of goods, earlier exported under the customs export procedure, under the customs re-import procedure is determined in proportion to the volume of goods placed under the customs re-import procedure, in units of measurement applied when placing goods under the customs export procedure, on the basis of the value of goods, which was indicated in the VAT declaration with regard to the turnover from the export sale of the goods.

3. When selling a whole enterprise as a property complex, the amount of turnover from the sale is determined as the amount of the book value of the property transferrable in the sale , the VAT on which was earlier offset, which is:

1) increased by positive difference between the selling price under a contract of sale of the enterprise and the book value of transferrable assets, reduced by the book value of transferrable liabilities, according to accounting records as of the date of sale;

2) reduced by negative difference between the selling price under a contract of sale of the enterprise and the book value of transferrable assets, reduced by the book value of transferrable liabilities, according to accounting records at the date of sale.

4. When transferring property into financial lease, the amount of turnover from the sale is determined as the amount:

1) as of effective date of the turnover specified in subparagraph 1) of paragraph 11 of Article 379 of this Code - on the basis of the amount of a lease payment under a financial lease agreement exclusive of the amount of remuneration for financial lease and VAT;

2) as of effective date of the turnover specified in subparagraph 2) of paragraph 11 of Article 379 of this Code - on the basis of the amount of all periodic lease payments exclusive of the amount of remuneration for financial lease and VAT, the maturity date for which is set before the date of transfer of property to the lessee under a financial lease agreement;

3) as of effective date of the turnover specified in subparagraph 3) of paragraph 11 of Article 379 of this Code - as the difference between the total amount of all lease payments (to be) received under a financial lease agreement exclusive of the amount of remuneration for financial lease and VAT, and the amount of taxable turnover defined as the sum of the amounts of taxable turnovers falling on previous effective dates of the turnover from sale under this agreement;

4) as of effective date of the turnover specified in subparagraph 4) of paragraph 11 of Article 379 of this Code – as the accrued amount of remuneration.

5. The amount of turnover from the sale in case of transferring goods free of charge is determined as the amount of the book value of transferrable goods that is (to be) indicated in the taxpayer's accounting records as of the date of their transfer, unless otherwise provided for by the legislation of the Republic of Kazakhstan on transfer pricing.

The amount of turnover from the sale with regard to works performed and services rendered free of charge is determined on the basis of the book value of goods, the value of works and services provided all of the following conditions are observed:

used for free performance of works, rendering of services;

when purchasing such goods, works, services, VAT was accounted for as VAT to be offset, including the one determined using a proportional method;

shall be subject to inclusion in the accounting of the taxpayer as expenses in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The value of fixed assets and also of the assets provided for in subparagraphs 2), 3), 4), 9) , 10) and 11) of paragraph 2 of Article 228 of this Code, in case of their transfer into free use for inclusion in taxable turnover, is determined as follows:

Va = (VATp/Pu) x Ma/rate,

where:

Va - the value of an asset included in taxable turnover in case of transfer into free use;

VATp - the amount of VAT offset in case of purchase of an asset transferred into free use;

Pu - the period of use of an asset, calculated in calendar months, is determined:

for assets subject to depreciation in accounting, as the useful life of an asset, determined in accounting for depreciation in accordance with international financial reporting standards and (or) the legislation of the Republic of Kazakhstan on accounting and financial reporting;

with regard to other assets - as the service life of the asset determined on the basis of technical documentation for the asset, and in case of no such documentation - 120 months;

Ma - actual number of months of assignment for use, included in a reporting taxable period;

rate - the rate of VAT in percentage terms, valid as of the date of provision for use.

6. In case of assignment of rights to claim sold goods, works, services subject to VAT, except for advance payments and penalties, the amount of turnover from the sale is

determined as positive difference between the assigned value of the right of claim and the value of the claim receivable from a debtor as of the date of assignment of the right of claim, according to the taxpayer's source documents.

7. The amount of turnover from the sale is determined as the amount of remuneration ex VAT provided for by:

1) an agreement on limiting or terminating entrepreneurial activity – in case of consent to limit or terminate entrepreneurial activity;

2) a credit (loan, microcredit) agreement - when granting a credit (loan, microcredit);

3) an agency agreement – in case of the agent's sale of goods, performance of works, rendering of services on behalf of and at the expense of the principal, in case of the agent's transfer of goods purchased for the principal to the principal, and also performance of works, rendering of services by a third party for the principal in a transaction entered into by the agent with such a third party on behalf of and at the expense of the principal.

8. The amount of turnover from the sale in case of financing by an Islamic bank, in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity of individuals and legal entities, as a trade intermediary by way of granting a commercial loan , in accordance with Subparagraphs 7) and 8) of Paragraph 2 of Article 372 of this Code shall be determined as the amount of income to be received by an Islamic bank.

For the purposes of this paragraph, the income to be received by an Islamic bank includes the amount of the mark-up on goods sold to the buyer, which is determined by the terms of the Islamic Bank's commercial loan agreement, concluded in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity.

The provisions of this paragraph do not apply to cases of the Islamic bank's sale of a product to a third party if the buyer refuses to perform the commercial loan agreement.

9. When selling goods, performing works, rendering services on the terms consistent with those of a commission agreement, in case of transfer to the principal of the goods purchased by the commission agent for the principal on the terms consistent with those of a commission agreement, and also in case of performance of works, rendering of services to the principal by a third party in a transaction entered into by such a third party with the commission agent, the amount of the commission agent's turnover from the sale is determined as the amount of either:

his/her/its commission fee ex VAT; or

the value of works, services, which are the commission agent's turnover from the purchase of works, services from a non-resident.

10. When performing works, rendering services under a freight forwarding agreement by a carrier and (or) other suppliers to a party that is the client under a freight forwarding agreement, the amount of the freight forwarder's turnover from the sale shall be determined as the amount of either:

his/her/its remuneration ex VAT under a freight forwarding agreement; or

the value of works, services, which are the freight forwarder's turnover from the purchase of works, services from a non-resident.

11. The amount of turnover from the sale of print periodicals and other media products, including those posted on an Internet resource in public telecommunications networks, is determined as the sales value of print periodicals and other media products delivered (shipped , placed) in a reporting taxable period based on the prices and tariffs ex VAT applied by transaction parties.

12. In case of an employer's transfer of goods, performance of works, rendering of services to an employee in order to repay debts to the latter, the amount of turnover from the sale is determined using the formula below:

Ts = Ap x 100/(100+rate), where:

Ts - turnover from the sale in case of an employer's transfer of goods, performance of works, rendering of services to an employee in order to repay debts to the latter;

rate - VAT rate in effect as of the date of transfer of goods, in percentage terms;

Ap - an amount payable to an employee, which is paid off by transferring goods, performing works, rendering services.

13. The amount of turnover from the sale in case of loss of goods purchased without VAT under the customs procedure for free customs zone, except for the goods specified in Article 394 of this Code, shall be determined as the amount of the book value of goods, which to be indicated in the taxpayer's accounting records as of the date of their loss.

14. The amount of turnover from the sale of containers, that are recognized as returnable containers in accordance with subparagraph 5) of paragraph 5 of Article 372 of this Code and not returned within the established period, is determined as the book value of such containers (to be) indicated in accounting records as of the date of their return.

15. Despite the provisions of paragraphs 1 - 14 of this Article, the amount of sales turnover shall be determined:

1) as positive difference between the sales value and the purchase value of cars when selling cars, purchased by a legal entity from individuals, to an individual;

2) when rendering services of a tour operator for outbound tourism - as a positive difference between the cost of selling a tourist product and the cost of services for insurance, passengers transportation and accommodation, including food, if the cost of such food is included in the cost of living, remuneration of a travel agent;

3) as an increase in value in the sale of securities, participatory interests determined in accordance with Article 228 of this Code - when carrying out transactions with securities, participatory interests;

4) as positive difference between the sales value and the book value of goods indicated in accounting records as of the date of transfer - when selling goods, VAT on which, indicated

in invoices issued when purchasing these goods in accordance with the tax legislation of the Republic of Kazakhstan, effective as of the date of their purchase, is not recognized as VAT to be offset;

5) in case of transfer of goods:

to a shareholder, participant, founder in case of liquidation of a legal entity or distribution of property with a decrease in the authorized capital - as positive difference between the book value of transferrable goods (to be) indicated in accounting records of the legal entity, transferring such goods, as of the date of transfer, with no regard for their revaluation and impairment, and the amount of the paid authorized capital attributable to a participatory interest, the number of shares in proportion to which the property is distributed;

to a participant, founder, in case of repurchase by a legal entity from such a founder, a participant of a participatory interest or part thereof in this legal entity - as positive difference between the book value of transferrable goods, which is (to be) indicated in accounting records of the legal entity transferring such goods, as of the date of their transfer, with no regard for their revaluation and impairment, and the amount of the paid authorized capital attributable to a redeemable participatory interest;

to a shareholder in case of redemption by an issuing legal entity of shares issued by it - as positive difference between the book value of transferrable goods (to be) indicated in accounting records of the legal entity transferring such goods, as of the date of transfer, with no regard for their revaluation and impairment, and the amount of the paid authorized capital attributable to the redeemable number of shares.

16. The amount of turnover when rendering services of a casino, slot machine hall, sweepstakes and bookmaker, provided by Article 16 of this Code shall be determined by the amount of income received for the taxable period as a result of the provision of services to the casino, slot machine hall, sweepstakes and bookmaker.

17. The amount of turnover from the sale of lottery tickets and electronic lottery tickets by a lottery operator shall be determined in the amount of one of the following amounts:

1) the cost of sold lottery tickets, electronic lottery tickets minus the amount of the formed prize fund, deductions for the development of physical culture and sports in accordance with the Law of the Republic of Kazakhstan "On Lotteries and Lottery Activities" and expenses related to the holding of the lottery, if there are supporting documents;

2) four percent of the cost of lottery tickets and electronic lottery tickets sold – if the amount determined in accordance with subparagraph 1) of this paragraph is less than four percent of the cost of lottery tickets and electronic lottery tickets sold.

Footnote. Article 381 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 08.07.2024 № 119-VIII (shall come into effect from the date of entry into effect of the Law of the Republic of Kazakhstan "On Amendments and Supplements to

Certain Legislative Acts of the Republic of Kazakhstan on Gambling Business, Lottery Activities, Health Protection, State Labor Inspection, State Control and Elimination of Excessive Legislative Regulation").

Article 382. The amount of turnover from the purchase of works, services from a non-resident

The amount of turnover from the purchase of works, services from a non-resident is determined on the basis of the purchase value of works, services specified in paragraph 1 of Article 373 of this Code, including corporate income tax or individual income tax to be withheld at source of payment. The purchase value is determined on the basis of:

an acceptance certificate for performed works, rendered services;

another document confirming the performance of works, rendering of services in case of absence of an acceptance certificate for performed works, rendered services.

If works or services received are paid for in foreign currency, the taxable turnover is recalculated in the national currency of the Republic of Kazakhstan using the market exchange rate set on the last business day preceding the effective date of the turnover.

Article 383. Adjustment of the amount of turnover

1. If the amount of turnover from the sale of goods, works and services is changed in either direction in the cases provided for in paragraph 2 of this article, the amount of turnover shall be adjusted accordingly, after its effective date.

2. Adjustments are made in case of:

1) full or partial return of goods, except for cases of importation of goods, which were earlier exported under the customs export procedure, under the customs re-import procedure;

2) changes in the terms of a transaction;

3) changes in the price, compensation for sold goods, works, services. The provision of this subparagraph shall also apply in case of a change in the payable value of sold goods, works and services based on the terms of an agreement, also in connection with the application of the coefficient (index);

4) price discount, sales discount;

5) return of containers included in turnover from the sale in accordance with subparagraph 5) of paragraph 5 of Article 372 of this Code;

6) in other cases resulting in the change in the amount of turnover.

3. The provisions of this article shall not apply if the amount of taxable (non-taxable) turnover is changed as a result of correction of errors.

4. The amount of the taxpayer’s turnover is adjusted provided there are documents underlying the change in the amount of taxable (non-taxable) turnover.

5. The amount of adjustment of the amount of taxable (non-taxable) turnover shall be included in the taxable (non-taxable) turnover of that taxable period, which includes the dates of occurrence of the cases, provided for in paragraph 2 of this article. Such a date is effective date of turnover from the amount of the adjustment.

6. Downward adjustment of the amount of taxable (non-taxable) turnover shall not exceed the amount of earlier reported taxable (non-taxable) turnover from the sale of goods, works, services.

7. In case of upward adjustment of the amount of taxable turnover, the amount of VAT on such turnover shall be determined using the rate effective as of the date of occurrence of the cases provided for in paragraph 2 of this article.

Article 384. Adjustment of the amount of taxable turnover from doubtful claims

1. If the entire amount of a claim of sold goods, works, services or part thereof is a doubtful claim, a VAT payer has the right to reduce the amount of taxable turnover from such a claim:

1) after three years from the beginning of the taxable period, which includes:

the maturity date for the fulfillment of the claim of sold goods, works, services if such a date is fixed;

the day of transfer of goods, performance of works, rendering of services, the maturity date for which is not fixed;

2) in the tax period in which the decision of the registering authority was made to exclude the debtor declared bankrupt from the National Register of Business Identification Numbers.

3) in the tax period in which the out-of-court bankruptcy procedure was completed or a court decision was issued on application of judicial bankruptcy procedure in accordance with the Law of the Republic of Kazakhstan "On restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan".

The amount of taxable turnover is adjusted in accordance with this paragraph provided that the conditions specified in Article 248 of this Code are observed.

2. The amount of taxable turnover from a doubtful claim is decreased to the extent of the amount of earlier reported taxable turnover from the sale of goods, performance of works, rendering of services using the VAT rate effective as of the date of the sale.

3. In case of receipt of payment for goods, works, services after the VAT payer’s use of the right granted to him/her/it in accordance with paragraph 1 of this article, the amount of taxable turnover shall be increased by the value of the said payment in the taxable period, in which it was received, using the VAT rate effective as of the date of the turnover.

Footnote. Article 384 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Article 385. The value of taxable import

The amount of taxable imports includes the customs value of imported goods, determined in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, taking into account the legislation of the Republic of Kazakhstan on transfer pricing, as well as the amount of taxes and customs payments, special, anti-dumping and countervailing duties payable to the budget when

importing goods into the Republic of Kazakhstan, with the exception of value added tax on imports.

Footnote. Article 385 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Chapter 44. ZERO-RATED TAXABLE TURNOVERS

Article 386. Turnover from export sale of goods

1. Turnover from export sale of goods, except for turnover from the sale of the goods specified in Article 394 of this Code, is zero-rated.

The export of goods is exportation of goods from the customs territory of the Eurasian Economic Union in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

2. Documents confirming the export of goods are:

1) an agreement (contract) on (for) the delivery of exported goods;

2) a copy of a goods declaration bearing marks of the customs body that released goods under the customs export procedure, and also a mark of the customs body of the Republic of Kazakhstan or the customs body of another member state of the Eurasian Economic Union located at a checkpoint at the customs border of the Eurasian Economic Union, except for the cases specified in subparagraphs 3) and 6) of this paragraph;

3) a copy of a full goods declaration bearing marks of the customs body that conducted the customs declaration procedure in the exportation of goods under the customs export procedure:

using the trunk pipeline system or power transmission lines;

using temporary customs declaration;

4) copies of shipping documents.

In case of exportation of goods under the customs export procedure using the trunk pipeline system or power transmission lines, a certificate of acceptance of goods is submitted instead of copies of shipping documents;

5) confirmation of the right to an intellectual property object, as well as its value, by the authorized state body for the protection of intellectual property rights - in case of exportation of an intellectual property object;

6) copies of goods declaration bearing marks of the customs authority releasing goods in the customs export procedure, as well as a mark of the customs authority located at the checkpoint of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union;

7) a copy of goods declaration with amendments (additions) made after the end of the declared period for delivery of goods, containing information on actual quantity of goods exported, in case of export of goods under customs export procedure using periodic customs declaration.

3. In case of subsequent exportation of goods, earlier exported outside the customs territory of the Eurasian Economic Union under the customs procedure for processing outside the customs territory, or products of their processing, the export shall be confirmed in accordance with paragraph 2 of this article, and also by the following documents:

1) copies of a goods declaration, according to which the customs procedure for processing outside the customs territory is changed to the customs export procedure;

2) copies of a goods declaration issued under the customs procedure for processing outside the customs territory;

3) a copy of a goods declaration issued when importing goods into the territory of a foreign state under the customs procedure for processing in the customs territory (processing of goods for domestic consumption) certified by the customs body of the foreign state that carried out such a clearance procedure;

4) a copy of a goods declaration, according to which the customs procedure for processing for domestic consumption in the territory of a foreign state is changed to the customs procedure for release for domestic consumption in the territory of a foreign state or to the customs export procedure.

4. A goods declaration in the form of an electronic document, about which tax authorities have a notification in their information systems from customs bodies concerning actual exportation of goods, is also a document confirming the exportation of goods. If a goods declaration is in the form of an electronic document provided for in this paragraph, it is not required to submit documents specified in subparagraphs 2), 3) and 6) of paragraph 2 and subparagraphs 1) and 2) of paragraph 3 of this article.

Footnote. Article 386 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 387. Taxation of international carriage

1. Turnover from the sale of international carriage services is zero-rated.

International carriage is:

1) transportation of goods, including postal items, exported from the territory of the Republic of Kazakhstan and imported into the territory of the Republic of Kazakhstan;

2) transportation of cargo in transit through the territory of the Republic of Kazakhstan;

3) carriage of passengers, baggage and cargo in international transportation;

4) service for the movement of passenger trains (railcars) in international transportation.

For the purposes of this Chapter, a carriage is considered international if it is confirmed by standard international carriage documents established by paragraph 4 of this article.

2. In case of international transportation by several carriers, except for the cases established by paragraph 3 of this Article, international transportation includes transportation carried out by the carrier to the border of the Republic of Kazakhstan or by the carrier through

whose transport passengers, goods (postal items, luggage, cargo luggage) were imported to the territory of the Republic of Kazakhstan.

3. In cases of international transportation by several carriers in direct international rail-ferry traffic and international rail-water traffic with transshipment of cargo from rail to water transport, the carriage carried out by carriers on rail and water transport shall be recognized as international.

4. For the purposes of this article, documents confirming international carriage are as follows:

1) in case of carriage of cargo:

in international road transportation - a consignment note;

in international rail traffic, including in direct international rail-ferry traffic and international rail-water traffic with transshipment of cargo from rail to water transport there wil be a consignment note of a single sample;

by air - a waybill (air waybill);

by sea - a bill of lading or a sea waybill;

in transit using two or more modes of transport (mixed transportation) - a uniform consignment note (uniform bill of lading);

using the main pipeline system:

a copy of a declaration of goods under the customs procedures for export and release for domestic consumption for an accounting period or a declaration of goods under the customs procedure for customs transit for an accounting period;

an acceptance certificate for performed works (rendered services), certificates of acceptance of goods from a seller or other persons, who earlier delivered these goods, to a buyer or other persons carrying out subsequent delivery of the said goods;

2) when transporting passengers, baggage and cargo:

by road:

in case of scheduled carriages - a report on the sale of tickets sold in the Republic of Kazakhstan, as well as statements of sale of passenger tickets drawn up by bus terminals (bus stations) en route;

in case of non-scheduled carriages - an agreement on the provision of international carriage services;

by rail:

a report on the sale of travel, carriage and post documents sold in the Republic of Kazakhstan;

a statement of sale of passenger tickets for international transportation sold in the Republic of Kazakhstan;

a balance sheet of mutual settlements for passenger carriage between railway administrations and a report on issued travel and carriage documents;

by air:

general declaration;

a passenger manifest;

a cargo manifest;

a load and trim sheet;

a load sheet (travel ticket and baggage check);

in case of international movement of passenger trains (rail cars):

a wheel report.

The documents specified in this paragraph may be in hard and (or) soft copy.

5. A goods declaration in the form of an electronic document, about which tax authorities have a notification in their information systems from customs bodies concerning actual exportation of goods, is also a document confirming the exportation of goods. If a goods declaration is in the form of an electronic document provided for in this paragraph, it is not required to submit documents specified in item eight of subparagraph 1) of part one of paragraph 4 of this article.

Footnote. Article 387 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 388. Taxation of the sale of fuel and lubricants by airports, ground handling service providers, and retail sellers of petroleum products when refuelling aircraft of foreign airlines operating international flights

Footnote. Heading of Article 388 - as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

1. Turnover in the sale of fuels and lubricants made by airports, ground handling service providers, and retail sellers of petroleum products when refueling aircraft of foreign airlines operating international flights and international air transportation shall be taxed at a zero rate.

The provisions of this article shall apply to airports, ground handling service providers, and retail sellers of petroleum products who sell fuel and lubricants when refuelling aircraft of foreign airlines operating international flights and international air transport.

2. For the purposes of this article:

1) foreign airlines are airlines of foreign states, including the member states of the Eurasian Economic Union;

2) an international flight is a flight of an aircraft crossing the border of a foreign state;

3) international air carriage is carriage by air, in which the points of departure and destination, whether or not the carriage or transshipment has a stopover, are located in:

the territories of two or more states;

the territory of one state, provided that there is a stopover in the territory of another state.

The provision of item three of this subparagraph does not apply if the points of departure and destination are in the territory of the Republic of Kazakhstan.

3. Documents confirming zero-rated turnover from the sale of fuel and lubricants by airports, ground handling service providers, and retail sellers of petroleum products when

refuelling foreign airlines operating international flights and international air transport shall be as follows:

1) an agreement between an airport, a ground handling service provider, retail sellers of petroleum products and a foreign airline, providing for and/or including the sale of fuel and lubricants, in the case of scheduled flights;

application from a foreign airline and/or contract (agreement) between the airport, ground handling service provider, retail sellers of petroleum products and the foreign airline – for non-scheduled flights;

an application of a foreign airline and (or) a contract (agreement) between an airport, a ground handling service provider and a foreign airline - in case of non-scheduled flights.

In this case, an application must contain the following information:

the name of an airline with the indication of the state of its registration;

the date of intended landing of an aircraft.

In case of diversion of a foreign aircraft due to force majeure circumstances, it is not required to fill out the application provided for in this subparagraph.

For the purposes of this subparagraph:

a scheduled flight is a flight operated according to the schedule established and published by the airline in the manner determined by the legislation of the Republic of Kazakhstan on the use of the airspace of the Republic of Kazakhstan and aviation activities;

a non-scheduled flight is a flight not meeting the definition of a scheduled flight;

2) a payment voucher or a request to fuel a foreign aircraft bearing a mark of the customs body, confirming the refueling of the aircraft with fuel and lubricants, which shall contain the following information:

the name of an airline;

the amount of fuel and lubricants filled;

the date of fueling an aircraft;

signatures of the aircraft commander or representative of the foreign airline and an employee of the relevant airport service, ground handling service provider, retail petroleum product sellers performing refuelling.

The provisions of this subparagraph are not applied in case of fueling the aircraft of airlines performing international flights, international air carriage in respect of which customs clearance and customs control are not provided for in accordance with the customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan;

3) document confirming payment for fuel and lubricants sold by the airport, ground handling service provider, or retail sellers of petroleum products;

4) the conclusion of an employee of an authorized organization in the field of civil aviation participating in a thematic audit to confirm the authenticity of the value added tax

presented for refund, confirming the fact of the flight by an aircraft of a foreign airline and the number of sold fuels and lubricants (by airlines), in the form and in the manner approved by the authorized body in agreement with the authorized body in the field of civil aviation.

In this case, the conclusion provided for by this subparagraph shall be submitted to an employee of an authorized organization in the field of civil aviation in cases of flights in relation to which, in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, customs clearance and customs control shall not be provided.

Footnote. Article 388 as amended by Law of the Republic of Kazakhstan № 249-VI dated 19.04.2019 (shall be enforced since 01.08.2019); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall come into force on 01.01.2025).

Article 389. Taxation of goods realizable to the territory of a special economic zone

1. The sale to the territory of a special economic zone of goods that are fully consumed in the activity serving the purpose of creation of special economic zones as per the list of goods approved by the authorized state agency for state regulation in the field of establishment, operation and abolition of special economic and industrial zones in coordination with the authorized agency and the authorized agency for tax policy shall be liable to zero-rated VAT.

In this case, the taxpayer shall has the right to apply the VAT rate in accordance with Paragraph 1 of Article 422 of this Code for the goods specified in part one of this Paragraph.

For the purposes of this article, goods, specified in part one of this paragraph, shall be understood to mean goods (to be) placed under the customs procedure for free customs zone and being under customs control.

2. Documents confirming zero-rated turnovers from the sale of goods fully consumed in the activity serving the purpose of creation of special economic zones are as follows:

1) an agreement (contract) for the supply of goods with organizations operating on the territories of special economic zones, or a person who has concluded an investment agreement;

2) copies of a goods declaration and (or) transportation (carriage), commercial and (or) other documents along with the list of goods bearing marks of the customs body releasing goods under the customs procedure for free customs zone;

3) copies of shipping documents confirming the shipment of goods to the organizations specified in subparagraph 1) of this paragraph;

4) copies of documents confirming the receipt of goods by the organizations specified in subparagraph 1) of this paragraph.

3. A goods declaration in the form of an electronic document, received by tax authorities via communication data channels from customs bodies, is also a document confirming zero-rated turnovers. If a goods declaration is in the form of an electronic document provided for in this paragraph, it is not required to submit documents specified in subparagraph 2) of paragraph 2 of this article.

4. Suppliers of goods, realizable to the territory of a special economic zone, receive the refund of overpaid VAT with regard to imported goods that were actually consumed in the activity serving the purpose of creation of special economic zones.

5. When determining the amount of value added tax to be refunded in accordance with this Article, information from the customs authority confirming the actual consumption of imported goods in the course of carrying out activities that meet the goals of creating special economic zones, which are formed on the basis of data provided by a participant of the special economic zone or a person who has concluded an investment agreement shall be taken into account.

In case of non-fulfillment by a participant of the special economic zone or a person who has concluded an investment agreement of the conditions provided for in part one of paragraph 1 of this Article, goods placed under the customs procedure of the free customs zone shall be recognized as importable and shall be subject to value-added tax from the date of import of goods into the territory of the special economic zone with the accrual of penalties from the period established for the payment of value-added tax on imported goods, in the manner and amount determined by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Footnote. Article 389 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 390. Features of taxation of goods realizable to the territory of the special economic zone "Astana - a new city"

Footnote. Article 390 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 391. Features of taxation of goods sold on the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union

Footnote. Heading of Article as amended by the Law of the Republic of Kazakhstandated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. The sale of goods to the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, consumable or realizable in the activity serving the purpose of creation of such a special economic zone shall be liable to zero-rated VAT.

For the purposes of this article, the goods specified in part one of this paragraph shall be understood to mean goods (to be) placed under the customs procedure for free customs zone and under customs control.

2. Documents confirming zero-rated turnovers from the sale of goods, consumable or realizable in the activity serving the purpose of creation of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union shall be as follows:

1) an agreement (contract) on (for) the delivery of goods with organizations and (or) persons operating in the territory of the special economic zone “International Center for Boundary Cooperation “Khorgos”;

2) copies of a declaration of goods and (or) transportation (carriage), commercial and (or) other documents along with the list of goods bearing marks of the customs body releasing goods under the customs procedure for free customs zone;

3) copies of shipping documents confirming the shipment of goods to organizations and (or) persons specified in subparagraph 1) of this paragraph;

4) copies of documents confirming the receipt of goods by organizations and (or) persons specified in subparagraph 1) of this paragraph.

3. Suppliers of goods, realizable to the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union receive the refund of overpaid VAT with regard to imported goods that were actually consumed in the activity serving the purpose of creation of special economic zones.

4. When determining the amount of VAT to be returned in accordance with this article, it is necessary to take into account the information of the customs body confirming the sale or actual consumption of imported goods in the activity serving the purpose of creation of a special economic zone, which is formed on the basis of data submitted by a special economic zone participant.

In case of a failure by a special economic zone participant to observe the conditions set forth in part one of Paragraph 1 of this Article, the goods placed under the customs procedure for free customs zone shall be recognized as taxable import and liable to VAT from the date of importation of the goods into the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union with the accrual of a penalty from the deadline set for the payment of VAT on imported goods, in the manner and in the amount determined by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Footnote. Article 391 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 392. Turnover from the sale of fine gold

1. Turnover from the sale of fine gold from own-produced raw materials by taxpayers that are entities producing precious metals and persons, owning fine gold as a result of its processing, to the National Bank of the Republic of Kazakhstan for the renewal of its assets in precious metals is liable to zero-rated VAT.

2. Documents confirming zero-rated turnover, specified in paragraph 1 of this article, are as follows:

1) an agreement on general conditions of the purchase and sale of fine gold entered into by a taxpayer and the National Bank of the Republic of Kazakhstan for the renewal of assets in precious metals;

2) copies of documents confirming the value of fine gold sold to the National Bank of the Republic of Kazakhstan;

3) copies of documents confirming the receipt of fine gold by the National Bank of the Republic of Kazakhstan, with the indication of the amount of fine gold.

For the purposes of this article, own-produced raw materials shall be understood to mean raw materials extracted by a taxpayer on his/her/its own or purchased by him/her/it for the purpose of processing.

Article 393. Taxation in individual cases

1. Turnover from the sale of own-produced goods to taxpayers operating in the territory of the Republic of Kazakhstan under a subsoil use contract, a production sharing agreement (contract), under which imported goods are exempt from VAT, is liable to zero-rated VAT.

If a subsoil use contract, a production sharing agreement (contract) provides for a list of imported goods exempt from VAT, turnovers from the sale of goods indicated in this list are zero-rated.

For the purposes of this article, a product (goods) manufactured by a taxpayer and having a certificate of origin is (are) recognized as own-produced goods.

The list of taxpayers specified in part one of this Paragraph shall be approved by the authorized agency for oil and gas in coordination with the authorized agency and the authorized body for tax policy.

2. Turnover from the sale of unstabilized condensate produced and sold by a subsoil user, operating under the subsoil use contract specified in paragraph 1 of Article 722 of this Code, from the territory of the Republic of Kazakhstan to the territory of other member states of Eurasian Economic Union is liable to zero-rated VAT.

The list of taxpayers specified in this paragraph shall be approved by the authorized body for oil and gas in coordination with the authorized body and the authorized body for tax policy.

3. Turnover from the sale by a taxpayer, operating under an intergovernmental agreement on cooperation in the gas industry, in the territory of another member state of the Eurasian Economic Union of products of processing from customer-supplied raw materials, earlier exported by this taxpayer from the territory of the Republic of Kazakhstan and processed in

the territory of such another member state of the Eurasian Economic Union, is liable to zero-rated VAT.

The list of taxpayers specified in this paragraph shall be approved by the authorized body for oil and gas in coordination with the authorized body and the authorized body for tax policy.

4. Documents confirming the sale of goods to taxpayers, specified in paragraph 1 of this article, are as follows:

1) an agreement for the delivery of goods to taxpayers operating in the territory of the Republic of Kazakhstan under a subsoil use contract, a production sharing agreement (contract), under which imported goods are exempted from VAT, specifying that the intended use of the goods supplied is to implement the work program of the subsoil use contract, the production sharing agreement (contract);

2) copies of shipping documents confirming the shipment of goods to taxpayers;

3) copies of documents confirming the receipt of goods by taxpayers.

5. Documents confirming the sale of unstabilized condensate, specified in paragraph 2 of this article, are as follows:

1) an agreement (contract) on (for) the delivery of unstabilized condensate (to be) exported from the territory of the Republic of Kazakhstan to the territory of other member states of the Eurasian Economic Union;

2) a meter reading certificate for the amount of unstabilized condensate sold through the pipeline system;

3) a certificate of acceptance of unstabilized condensate exported from the territory of the Republic of Kazakhstan to the territory of other member states of the Eurasian Economic Union through the pipeline system.

The meter reading procedure for measuring the amount of unstabilized condensate sold through the pipeline system is determined by the authorized body for oil and gas.

6. Documents confirming the sale of goods, specified in paragraph 3 of this article, are as follows:

1) agreements (contracts) on (for) processing of customer-supplied raw materials;

2) agreements (contracts) underlying the sale of products of processing;

3) documents confirming the performance of works on the processing of customer-supplied raw materials;

4) copies of shipping documents confirming the exportation of customer-supplied raw materials from the territory of the Republic of Kazakhstan into the territory of another member state of the Eurasian Economic Union.

In case of exportation of customer-supplied raw materials through the trunk pipeline system, a certificate of acceptance of such customer-supplied raw materials is presented instead of copies of shipping documents;

5) documents confirming the shipment of products of processing to their buyer that is a taxpayer of a member state of the Eurasian Economic Union, in the territory of which the customer-supplied raw materials were processed;

6) documents confirming the receipt of foreign exchange earnings from realized products of processing to the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan opened in the manner prescribed by the legislation of the Republic of Kazakhstan;

7) an opinion of a relevant authorized state body on the conditions of goods' processing in the territory of a member state of the Eurasian Economic Union provided for by paragraph 8 of Article 449 of this Code.

When determining excess amount of VAT subject to refund, it is necessary to take into account the findings of an audit of a buyer of products of processing conducted by a tax authority of a member state of the Eurasian Economic Union at the request of a tax authority of the Republic of Kazakhstan.

Footnote. Article 393 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 45. NON-TAXABLE TURNOVER AND NON-TAXABLE IMPORT

Article 394. Turnover from the sale of goods, works, services exempt from VAT

Exempt from VAT are turnovers from the sale of goods, works, services, the place of sale of which is the Republic of Kazakhstan, such as:

1) those specified in Articles 395 - 398 of this Code;

2) accounting and control marks intended for labeling of excisable goods in accordance with Article 172 of this Code;

3) buildings and structures sold by the state Islamic special financing company to the authorized body for state property management, which were earlier acquired under contracts concluded in accordance with the terms of issuance of state Islamic securities, and land plots occupied by such property;

4) services provided by the state Islamic special financing company for temporary possession and use of a building, a structure, purchased under contracts concluded in accordance with the terms of issuance of state Islamic securities, under contracts of property lease (rent) and land plots occupied by such property;

5) property transferred free of charge to a state institution or a state-owned enterprise in accordance with the legislation of the Republic of Kazakhstan;

6) property in the form of winnings given by a lottery operator to a lottery participant;

7) services for providing information and technological interaction between settlement participants, including services for collecting, processing and distributing information to settlement participants in payment card and electronic money transactions;

8) services for the processing and (or) repair of goods imported into the customs territory of the Eurasian Economic Union under the customs procedure for processing in the customs territory;

9) services within the framework of the activities of the association of owners of multi-apartment residential buildings, cooperatives of owners of apartments (non-residential premises) for the management of condominium properties, implemented under the housing legislation of the Republic of Kazakhstan;

10) national currency banknotes and coins;

11) goods, works, services, provided that in the taxable period of a sale, and also in the four preceding taxable periods, one of the following conditions is observed:

average number of persons with disabilities is at least 51 percent of the total number of employees;

expenses on remuneration of persons with disabilities is at least 51 percent (in specialized organizations in which people with disabilities with loss of hearing, speech, vision work - at least 35 percent) of the total remuneration expenses.

The provisions of this subparagraph do not apply to turnovers from the sale of excisable goods.

As to turnovers from sale under long-term contracts, the provisions of this subparagraph shall apply if the conditions, established by this paragraph, are observed during the entire validity period of such a contract;

12) works, services for free repair and (or) maintenance of goods during the warranty period set by a deal, including the value of spare parts and their components, if the deal terms provide for the taxpayer's warranty of goods sold, works performed, services rendered;

13) unless otherwise established by Article 392 of this Code, investment gold in the form of ingots and plates on the basis of a stock exchange transaction or if a party thereto is a second-tier bank, legal entities that in accordance with the Law of the Republic of Kazakhstan "On Currency Regulation and Currency Control" have the right to purchase and sell ingots of fine gold issued by the National Bank of the Republic of Kazakhstan through their exchange offices, a legal entity that is a professional securities market participant or the National Bank of the Republic of Kazakhstan;

14) was valid until 01.01.2019 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

15) tour operator services for inbound tourism;

16) provision of a credit (loan, microcredit) in cash on the terms of payment, urgency and repayment;

17) goods placed under the customs procedure for duty-free trade;

18) scrap and waste of non-ferrous and ferrous metals;

19) services for conducting religious rites and ceremonies by religious associations in accordance with the legislation of the Republic of Kazakhstan;

20) religious items by religious associations registered with registering authority.

The list of specified goods and criteria for its formation shall be approved by the Government of the Republic of Kazakhstan;

21) funeral services by funeral bureaus, services of cemeteries and crematoria;

22) special social services provided by non-profit organizations in accordance with the legislation of the Republic of Kazakhstan on social protection;

23) services for conducting socially significant events in the field of culture, spectacular cultural events held as part of a state task in accordance with the legislation of the Republic of Kazakhstan on culture;

24) services for exercising cultural, educational, scientific and research functions by museums and ensuring the popularization of historical and cultural heritage of the Republic of Kazakhstan;

25) services for exercising information, cultural, educational functions by libraries;

26) services and works in the field of culture and education carried out by theaters, philharmonic societies, cultural and recreational organizations;

27) scientific and restoration works at historical and cultural sites conducted on the basis of a license for this type of activity;

28) educational services in the field of preschool education and training;

29) additional education services provided by an educational organization licensed for educational activity;

30) educational services in the field of primary, basic secondary, general secondary, technical and professional, post-secondary, higher and postgraduate education carried out under appropriate licenses for these types of activities;

31) services for conducting types of activities specified in subparagraph 2) of paragraph 1 of Article 291 of this Code by autonomous educational organizations meeting the requirements of subparagraph 2) or 4) of paragraph 1 of Article 291 of this Code;

32) services for the provision for temporary use of a library fund, also in electronic form, by educational organizations licensed for educational activity, as well as by autonomous educational organizations specified in subparagraphs 2), 4) and 6) of paragraph 1 of Article 291 of this Code;

33) medical products of any form, including pharmaceutical substances (active pharmaceutical substances), medical devices, including prosthetic and orthopedic products, and equipment for deaf and blind, as well as materials and components for their production;

34) medical products of any form used (applied) in the field of veterinary medicine, including pharmaceutical substances (active pharmaceutical substances); veterinary products, including prosthetic and orthopedic products, and veterinary equipment; materials and components for production of medical products of any form used (applied) in the field of

veterinary medicine, including pharmaceutical substances (active pharmaceutical substances) and veterinary products, including prosthetic and orthopedic products, and veterinary equipment;

35) services in the form of medical assistance in accordance with the legislation of the Republic of Kazakhstan (including medical activity not subject to licensing) provided by a healthcare entity licensed to carry out medical activity;

36) services in the field of sanitary and epidemiological welfare of the population provided by the state sanitary and epidemiological service in accordance with the healthcare legislation of the Republic of Kazakhstan;

37) services rendered in the field of veterinary medicine:

by individuals or legal entities licensed to carry out the activity in the field of veterinary medicine;

by individuals or legal entities included in the state electronic register of permits and notifications for conducting entrepreneurial activity in the field of veterinary medicine provided for by the legislation of the Republic of Kazakhstan on veterinary medicine;

by state veterinary organizations established in accordance with the legislation of the Republic of Kazakhstan on veterinary medicine;

38) vehicles and (or) agricultural machinery, as well as their components while simultaneously observing the following conditions:

the composition of the vehicle and (or) agricultural machinery being sold, as well as their components, includes previously imported raw materials and (or) materials, as well as their components, which are exempt from value added tax in accordance with subparagraph 15) of paragraph 1 of Article 399 or subparagraph 4) paragraph 2 of Article 451 of this Code;

the import of raw materials and (or) materials, as well as components as part of the vehicle and (or) agricultural machinery being sold, as well as their components, was carried out by a legal entity selling these vehicles and (or) agricultural machinery, as well as their components;

vehicles and (or) agricultural machinery, as well as their components are included in the list of vehicles and (or) agricultural machinery, as well as their components, the sale of which is exempt from value added tax, approved by the authorized body in the field of state support for industrial activities as agreed with the central authorized body for state planning and the authorized body;

39) goods, works and services sold in the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union;

40) scientific research conducted on the basis of state-task contracts as well as contracts of state orders in priority areas in accordance with the legislation of the Republic of Kazakhstan on science;

Subparagraph 41) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

41) goods, works and services realizable by an organization focusing on the improvement of the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, by types of activities provided for in Article 292 of this Code;

42) services rendered by sports organizations on the basis of state-task contracts;

43) pharmaceutical services, services for the accounting and sale of medical products and medical devices as part of transfers from the budget to the social medical insurance fund for payment of the guaranteed volume of free medical assistance;

43-1) goods produced and sold in the territory of the special economic zone "Astana – new city", subject to the following conditions:

goods are completely consumed in the process of construction and commissioning of infrastructure facilities, hospitals, clinics, schools, kindergartens, museums, theaters, higher and secondary educational institutions, libraries, schoolchildren's palaces, sports complexes, administrative and residential complexes in accordance with the design estimate documentation;

goods are included in the list of goods approved by the authorized state agency for state regulation in the field of establishment, operation and abolition of special economic and industrial zones, in agreement with the central authorized agency for state planning and the authorized agency;

existence of an agreement (contract) for supply of goods with organizations engaged in the construction of infrastructure facilities, hospitals, clinics, schools, kindergartens, museums , theaters, higher and secondary educational institutions, libraries, schoolchildren's palaces, sports complexes, administrative and residential complexes in the territory of the Astana - new city special economic zone;

existence of copies of shipping documents confirming the shipment of goods;

existence of copies of documents confirming receipt of goods by the buyer;

For the purposes of this Article, goods fully consumed during the construction process shall be understood to mean goods directly involved in the construction of infrastructure facilities, hospitals, clinics, schools, kindergartens, museums, theaters, higher and secondary educational institutions, libraries, schoolchildren's palaces, and sports complexes, administrative and residential complexes (with the exception of electricity, petrol, diesel fuel and water), provided that the supplier and buyer place such goods under the customs procedure of a free customs zone and being under customs control, if such goods shall be subject to placement under the free customs zone procedure in accordance with the customs legislation of the Republic of Kazakhstan.The list of the goods, specified in subparagraphs 33

) and 34) of part one of this article, shall be approved by the authorized body for healthcare in coordination with the authorized body for the agro-industrial complex development, the central authorized body for state planning and the authorized body;

44) works and services performed and provided by the cinematographic organization for the investor in the production of films.

Subparagraph 45) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

45) goods produced and sold by the participants of the Astana-Hub international technological park that meet the conditions of Paragraph 4-3 of Article 293 of this Code;

Subparagraph 46) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

46) works, services sold by the participants of the Astana-Hub international technological park that meet the conditions of Paragraph 4-3 of Article 293 of this Code.

47) unless otherwise provided by subparagraph 43-1) of part one of this Article, goods produced and sold in the course of carrying out priority types of activity on the territory of special economic zones, while simultaneously observing the following conditions:

availability of an agreement (contract) for the supply of goods with organizations, carrying out their activity on the territory of special economic zones of the Republic of Kazakhstan;

availability of documents confirming the shipment of goods to a participant of the special economic zone;

availability of documents confirming the receipt of goods by the buyer - a participant of the special economic zone;

48) vehicles and (or) agricultural machinery, subject to the following conditions:

the authorized representative of the manufacturer of vehicles and (or) agricultural machinery is the selling legal entity;

vehicles and/or agricultural machinery were purchased from the manufacturer without value added tax in accordance with subparagraph 38) of part one of this article.

To apply this subparagraph, an authorized representative of a manufacturer of vehicles and (or) agricultural machinery shall be recognized as a legal entity appointed as an authorized representative within the framework of a transaction concluded with the manufacturer of vehicles and (or) agricultural machinery and included in the register of authorized representatives applying the exemption from value added tax when selling vehicles and (or) agricultural machinery purchased from their manufacturer.

The register of authorized representatives applying the exemption from value-added tax when selling vehicles and (or) agricultural machinery purchased from their manufacturer shall be maintained by the authorized body in the field of state stimulation of industry in the form approved by it;

49) services of a designated operator, issued by single documents in accordance with the acts of the Universal postal union, for the transit of international postal items of designated operators of other member countries of the Universal postal union through the territory of the Republic of Kazakhstan;

50) was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI;

51) goods, works, services free of charge within the framework of charitable assistance by a non-profit organization established in the form of a fund in accordance with the civil legislation of the Republic of Kazakhstan;

52) refined gold and (or) silver by entities producing precious metals to entities producing jewelry and other items operating in the territory of the Republic of Kazakhstan;

53) household appliances and (or) consumer electronics devices, as well as their components included in the list approved by the authorized body in the field of state stimulation of industry in agreement with the central authorized body for state planning and the authorized body, subject to the following conditions:

for a manufacturer of household appliances and/or consumer electronics devices, as well as their components - the composition of the sold household appliance and/or consumer electronics device, as well as their (its) components, shall include previously imported raw materials and/or materials that are exempt from value-added tax in accordance with paragraph 3 of Article 399 or paragraph 5 of Article 451 of this Code;

for an authorized representative of a manufacturer of household appliances and/or consumer electronics devices, as well as their components - household appliances and/or consumer electronics devices, as well as their components, were purchased from the manufacturer without value-added tax in accordance with this subparagraph;

for other individuals selling household appliances and/or consumer electronics devices, as well as their components, the said household appliances and/or consumer electronics devices, as well as their components, were purchased from the manufacturer or authorized representative without value-added tax in accordance with this subparagraph.

To apply this subparagraph, the authorized body in the field of state stimulation of industry, in the form approved by it, shall maintain a register of legal entities that are:

manufacturers of household appliances and/or consumer electronics devices, as well as their components;

authorized representatives of the manufacturer;

other individuals selling household appliances and/or consumer electronics devices, as well as their components.

Footnote. Article 394 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 28.12.2018 № 210-VI (shall be enforced from 01.01.2018); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.01.2019 № 213-VI (

shall be enforced upon expiry of ten calendar days after its first official publication); dated 18.03.2019 № 237-VI (enters in force from 01.01.2018); dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019);03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 284-VI dated 26.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (enforcement, see art. 4); dated 12.12.2023 № 45-VIII (shall be enforced from 01.07. 2023); dated08.07.2024 № 119-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication); № 208-VIII of 15.07.2025 (shall come into force upon expiry of sixty calendar days after the date of its first official publication).

Article 395. Turnovers related to international carriage

Exempt from VAT are turnovers from the sale of works, services related to the carriage, which is international in accordance with Articles 387 and 448 of this Code, the place of sale of which is the Republic of Kazakhstan, such as:

loading, unloading, reloading (draining, loading, transferring of products to other main pipelines, transshipment to another mode of transport);

switching of rail cars to trolleys or wheel sets of a different wheel gauge when crossing the customs border of the member states of the Eurasian Economic Union;

forwarding of goods, including postal items, exported from the territory of the Republic of Kazakhstan, imported into the territory of the Republic of Kazakhstan, as well as cargo in transit;

services of an operator of rail cars (containers);

technical and air navigation services, for the sale of goods, works, services that are part of airport activities in accordance with the legislation of the Republic of Kazakhstan on the use of the airspace of the Republic of Kazakhstan and aviation activities;

seaport services for handling international voyages;

universal postal services;

services for mailing registered postal items.

For the purposes of this Section, services of an operator of rail cars (containers) are a set of services provided by it for the purposes of cargo transportation and provided by the operator of rail cars (containers) specified as a transportation participant in a carriage document, which are as follows:

1) drawing up a plan for the provision of rail cars (containers) for use and its approval by transportation participants;

2) provision of rail cars (containers) for use;

3) dispatching of laden and empty rail cars (containers) by centralized operational control and remote control over actual movement.

Footnote. Article 395 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 396. Turnover from the sale related to land and residential buildings

1. Exempt from VAT:

1) is the sale of a residential building (part of a residential building), except for a part of a residential building consisting exclusively of non-residential units;

2) is the lease (sublease) of a residential building (part of a residential building), except for a part of a residential building consisting exclusively of non-residential units;

3) are services for arranging accommodation in student and school dormitories, workers' settlements, children's holiday hotels, sleeping cars.

2. Transfer of the right of possession and (or) use, and (or) disposal of a land plot and (or) lease of a land plot (land share), including sublease, shall be exempt from value added tax, except for:

1) transfer of the right of possession and (or) use, and (or) disposal, and (or) lease of a land plot (land share) provided and (or) used for the placement of paid parking lots (parking places);

2) transfer of the right of possession and (or) use, and (or) disposal of a land plot (land share) when selling a part of a residential building, consisting exclusively of non-residential premises;

3) transfer of the right of possession and (or) use, and (or) disposal of a land plot (land share) occupied by a building (part of a building) that is not related to a residential building, including the lease (sublease) of a land plot (land share).

Footnote. Article 396 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 397. Turnover from the sale of financial transactions exempt from VAT

1. Financial transactions, provided for in paragraph 2 of this article, are exempt from VAT

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2. Financial transactions exempt from VAT are as follows:

1) banking and other transactions carried out on the basis of a license by banks and organizations carrying out certain types of banking operations, as well as transactions conducted by other legal entities without a license within the limits of their powers established by the laws of the Republic of Kazakhstan, such as:

acceptance of deposits, opening and maintenance of bank accounts of individuals;

acceptance of deposits, opening and maintenance of bank accounts of legal entities;

opening and maintenance of correspondent accounts of banks and organizations carrying out certain types of banking operations;

opening and maintenance of metal accounts of individuals and legal entities that state the physical quantity of refined precious metals and coins made of precious metals belonging to these persons;

transfer operations, including postal money transfers;

bank loan operations;

cash operations;

exchange transactions with foreign currency, including exchange transactions with cash foreign currency;

acceptance of payment documents for collection (excluding bills of exchange);

opening (issuing) and confirmation of a letter of credit and fulfillment of its obligations;

banks' issuance of cash-covered bank guarantees;

banks' issuance of cash-covered bank guarantees and other third-party obligations;

factoring and forfaiting operations carried out by banks;

2) the following banking operations of the Islamic Bank carried out on the basis of a license:

acceptance of non-interest bearing demand deposits of individuals and legal entities, opening and maintenance of bank accounts of individuals and legal entities;

acceptance of investment deposits of individuals and legal entities;

bank loan operations: granting of cash loans on terms of maturity, repayment and without charges;

3) operations with securities;

4) services of professional securities market participants, as well as persons engaged in professional securities market activity without a license in accordance with the legislation of the Republic of Kazakhstan on permits and notifications;

5) transactions with derivative financial instruments;

6) insurance (reinsurance) operations, as well as services of insurance brokers (insurance agents) for concluding and executing insurance (reinsurance) contracts;

7) interbank clearing services;

8) transactions with payment cards, electronic money, checks, bills of exchange, deposit certificates;

9) management of an investment portfolio with the right to attract voluntary pension contributions (voluntary accumulative pension fund), as well as assets of the state social insurance fund;

10) services for managing the rights to claim mortgage housing loans;

11) services of the single accumulative pension fund and voluntary accumulative pension funds for attracting social welfare payments and voluntary pension contributions, allocating and crediting the investment income from pension assets;

12) services of the social medical insurance fund for accumulating deductions and contributions to compulsory social health insurance, for the procurement of services for medical assistance from healthcare entities, for the implementation of other functions set forth by the laws of the Republic of Kazakhstan;

13) sale of a participatory interest;

14) operations for granting microcredits;

15) is excluded by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020);

16) the issuance by the credit partnership to its participants of guarantees, sureties and other obligations, providing for the performance in cash, for the participants of the credit partnership;

17) sale of investment gold through metal accounts opened with second-tier banks, as well as with the National Bank of the Republic of Kazakhstan for the category of legal entities serviced by the National Bank of the Republic of Kazakhstan;

18) assignment of the rights to claim credits (loans, microcredits);

19) the operations specified in paragraph 3 of this article.

20) operations of investment funds registered in accordance with the current law of the International financial centre "Astana", as well as services for the management of these funds;

21) guaranteeing the obligations of private entrepreneurs, implemented by a special private entrepreneurship development fund within the framework of the system for guaranteeing the obligations of private entrepreneurs.

3. Exempt from VAT is the amount of a mark-up on products realizable by the Islamic Bank to the buyer, which is determined by the terms of a commercial loan agreement concluded in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity.

The provisions of this paragraph shall apply in case of the Islamic bank's transfer of property, in accordance with the banking legislation of the Republic of Kazakhstan, within the framework of financing of individuals and legal entities as a trade intermediary by way of granting a commercial loan:

1) without the term of subsequent sale of goods to a third party;

2) on the terms of subsequent sale of goods to a third party.

The provisions of this paragraph do not apply to the Islamic bank's sale of a product to a third party in case a buyer refuses to execute a commercial loan agreement.

4. Turnover on the digital assets sale shall be exempt from value added tax.

Footnote. Article 397 as amended by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024) ; № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 398. Transfer of property into financial lease

1. The transfer of property into financial lease shall be exempt from VAT with regard to the amount of remuneration to be received by a lessor, provided that such a transfer meets the requirements established by Article 197 of this Code.

2. The transfer of property into financial lease shall be exempt from VAT, provided all of the following requirements are met:

1) such transfer meets the requirements established by Article 197 of this Code;

2) transferrable property was purchased without VAT in accordance with subparagraph 38) of part one of Article 394 of this Code.

Article 399. VAT-exempt import

1. Exempt from VAT is import of:

1) national and foreign currency banknotes and coins (except for banknotes and coins of cultural and historical value), as well as securities;

2) raw materials for banknote production carried out by the National Bank of the Republic of Kazakhstan and its organizations;

3) goods, which is carried out by individuals in compliance with the rules for duty-free import of goods, approved in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

4) goods, except for excisable goods, imported as humanitarian aid in the manner determined by the Government of the Republic of Kazakhstan;

5) goods, except for excisable goods, imported in the line of states, governments of states, international organizations for charity, technical assistance;

6) goods, which is carried out at the expense of grants provided by states, governments of states and international organizations;

7) goods imported for official use by foreign diplomatic missions and equivalent foreign representative offices, by consular offices of a foreign state accredited in the Republic of Kazakhstan, as well as for personal use by persons belonging to the diplomatic and administrative and technical staff of these missions, including their family members living with them, consular officials, consular employees, including their family members living with them, and exempted from VAT under international treaties of the Republic of Kazakhstan;

8) goods subject to customs declaration in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, with their placement under the customs procedure for tax exemption;

9) space facilities, equipment of ground space infrastructure facilities imported by the space activity participants, the list of which is approved by the Government of the Republic of Kazakhstan. The provisions of this subparagraph shall be applied pursuant to the confirmation by the authorized body for space activity of the importation of such space facilities and equipment for space activity purposes, the form of the confirmation is approved by the Government of the Republic of Kazakhstan;

10) medical products of any form, medical devices:

entered into the State Register of medical products and medical devices;

not entered into the State Register of medical products and medical devices, on the basis of an opinion (authorization document) issued by the authorized agency for healthcare.

The list of goods specified in this Subparagraph shall be approved by the authorized agency for healthcare in coordination with the central authorized agency for state planning and the authorized body;

10-1) materials, equipment and components for the production of medicines of any form, medical devices, including prosthetic and orthopedic products, equipment for deaf and blind, special vehicles provided to persons with disabilities.

The list of goods specified in this Subparagraph shall be approved by the authorized agency for healthcare in coordination with the central authorized agency for state planning and the authorized body;

11) medical products of any form used (applied) in the field of veterinary medicine, including pharmaceutical veterinary products, including prosthetic and orthopedic products, and veterinary equipment; materials, equipment and components for production of medical products of any form used (applied) in the field of veterinary medicine and veterinary products, including prosthetic and orthopedic products, and veterinary equipment.

The list of goods specified in this shall be approved by the authorized agency for the agro-industrial complex development by agreement with the central authorized agency for state planning and the authorized agency;

12) investment gold imported by the National Bank of the Republic of Kazakhstan, a second-tier bank or a legal entity - a professional securities market participant;

13) religious items by religious associations registered with registering authority.

The list of specified goods and criteria for its formation shall be approved by the Government of the Republic of Kazakhstan;

14) raw materials and (or) materials within the framework of an investment contract (except for a priority investment project and investment strategic project), provided all of the following requirements are met:

raw materials and (or) materials are included in the list of raw materials and (or) materials , the import of which is exempt from VAT within the framework of an investment contract approved by the authorized state body for investments in coordination with the central authorized body for state planning and the authorized body;

the import of raw materials and (or) materials is documented as required by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

imported raw materials and (or) materials will be used by a VAT payer within the limitation period only in the activity within the framework of an investment contract.

Legal entities of the Republic of Kazakhstan are exempted from VAT on imports of raw materials and (or) materials under an investment contract for a period of five consecutive years, the running of which begins on the 1st day of the month of putting into operation of fixed assets, specified in the work program, which is an attachment to an investment contract

concluded in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship. If the work program provides for two or more fixed assets to be put into operation, a period of exemption from VAT on the import of raw materials and (or) materials under the investment contract shall be calculated from the 1st day of the month, in which the first fixed asset is put into operation according to the work program.

In case of violation of the requirements established by this subparagraph within five years from the date of goods' release for free circulation or domestic consumption in the territory of the Republic of Kazakhstan, VAT on imported raw materials and (or) materials shall be paid with accrual of a penalty for the period set for the payment of VAT on imported goods at their importation, in the manner and in the amount determined by the customs legislation of the Eurasian Economic Union and (or) the customs law legislation of the Republic of Kazakhstan ;

15) raw materials and (or) materials as part of vehicles and (or) agricultural machinery, as well as their components, placed under the customs procedure of a free warehouse or free customs zone of the special economic zone "Qyzyljar" by a legal entity within the framework of a special investment contract concluded with an authorized body for the conclusion of special investment contracts, determined by the Government of the Republic of Kazakhstan, subject to the following conditions:

in relation to manufacturers of vehicle - availability of an agreement on industrial assembly of motor vehicles or an agreement on industrial assembly of vehicles with the authorized body in the field of state support for industrial activities;

in relation to manufacturers of agricultural machinery – availability of an agreement on industrial assembly of agricultural machinery with the authorized body in the field of state support for industrial activities;

in relation to manufacturers of components – availability of an agreement on industrial assembly of components for vehicles and (or) agricultural machinery with the authorized body in the field of state support for industrial activities;

16) unrefined precious metals, scrap and waste of precious metals and raw materials containing precious metals if they are:

imported by a legal entity included in the list of producers of precious metals in accordance with the Law of the Republic of Kazakhstan "On Precious Metals and Precious Stones";

used exclusively for the production of fine gold for sale to the National Bank of the Republic of Kazakhstan;

Subparagraph 17) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

17) goods imported by taxpayers that are participants in the Astana Hub international technological park, while meeting the following conditions:

goods are included in the list of goods whose import shall be exempted from VAT, approved by the authorized agency in the field of informatization in agreement with the central authorized agency for state planning and the authorized agency;

the import of goods shall be documented in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

goods have been imported solely for the purpose of use in the implementation of priority types of activities in the field of information and communication technologies according to the list approved by the authorized body in the field of informatization in agreement with the central authorized body for state planning, the authorized state body carrying out state regulation in the field of technical regulation, and the authorized body;

18) goods for which the deadline for payment of indirect taxes has been changed in accordance with paragraph 10 of Article 49 of this Code and the requirements established by Article 457 of this Code have been fulfilled;

19) cane raw sugar;

20) chemicals (raw materials) for the production of pesticides, while meeting the following conditions:

the production of these goods is not available on the territory of the Republic of Kazakhstan or does not cover the needs of the Republic of Kazakhstan;

imported goods are included in the list approved by the authorized body in the field of state support for industrial activities in agreement with the authorized body, the authorized tax policy body and the authorized body for agro-industrial complex development;

imported goods are intended exclusively for the production of pesticides and are not intended for further sale.

In case of violation within three years from the date of the release of goods for domestic consumption in the territory of the Republic of Kazakhstan of the requirements established by this subparagraph, the VAT on imported goods is subject to payment with the accrual of penalties from the period established for the payment of VAT on imported goods, in the manner and amount determined by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

Note!

Subparagraph 21) shall be valid from 01.01.2023 to 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII.

21) works of art imported by non-state museums.

The list of works of art specified in this subparagraph shall be approved by the authorized culture body in agreement with the central authorized state planning body.

The procedure and conditions for applying exemption from value added tax when importing goods specified in part one of this subparagraph shall be approved by the authorized body.

In case of violation of the procedure for confirming the export of goods, the value added tax on imported goods shall be subject to payment with the accrual of penalties from the period established for the payment of value added tax on imported goods, in the manner and amount determined by the customs legislation of the Eurasian Economic Union and (or) customs the legislation of the Republic of Kazakhstan.

2. The procedure for exemption from VAT on importation of goods specified in subparagraphs 1) - 13) of paragraph 1 of this article shall be determined by the authorized body.

3. A legal entity that has concluded a special investment contract with the authorized body for the conclusion of special investment contracts, determined by the Government of the Republic of Kazakhstan shall be entitled to apply the exemption from paying value added tax when importing goods as part of finished products produced on the territory of a special economic zone or free warehouse, subject to the following conditions:

1) the goods are placed under the customs procedure for free customs zone or free warehouse;

2) the customs procedure for free customs zone or free warehouse is followed up by the customs procedure for release for domestic consumption;

3) goods are identified as part of finished products in accordance with the customs legislation of the Republic of Kazakhstan.

Footnote. Article 399 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 24.06. 2021 № 53-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Chapter 46. VAT OFFSET

Article 400. VAT subject to offset

1. The amount of VAT subject to offset by a recipient of goods, works, services that is a VAT payer in accordance with subparagraph 1) of paragraph 1 of Article 367 of this Code is the amount of VAT payable for received goods, works and services, provided that they are used or will be used for the purposes of taxable turnover from sale and specified:

1) in case of purchase of goods, works, services, except for the cases provided for in subparagraphs 2) and 3) of this paragraph - in one of the following documents indicating VAT and a supplier tax identification number:

an invoice or a travel ticket (in hard copy, an electronic ticket, an electronic travel document) issued by a supplier that is a VAT payer as of the date of issuance of the invoice;

a document confirming the fact of travel by air transport issued by a supplier who is a payer of value added tax as of the date of issue of such documents;

an invoice issued in accordance with Article 414 of this Code concerning the value of print periodicals and other media products received in a reporting taxable period, including those posted on an Internet resource in public telecommunications networks;

an invoice for the release of goods from the state material reserve issued by a structural unit of the authorized agency for state material reserves. The amount of VAT shall be determined using the formula below, but it shall not exceed the amount of tax paid at the goods' delivery to the state material reserve:

VAT = Vmg x Rvat / (100 % + Rvat), where:

VAT - the amount of VAT;

Vmg - the value of manufactured goods liable to VAT;

Rvat - VAT rate effective as of the date of release of the goods;

2) in case of import of goods - in the declaration for goods, drawn up in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, but not more than the amount of tax paid to the budget of the Republic of Kazakhstan and non-refundable in accordance with the terms of the customs procedures, or in an application (applications) for the import of goods and payment of indirect taxes, but not more than the amount of tax paid to the budget of the Republic of Kazakhstan and not subject to refund;

3) in case of purchase of works, services provided by a non-resident, which are the turnover of the buyer of such works or services - in a VAT declaration, but not exceeding the amount of tax indicated in a payment document or a document issued by a tax authority in the form established by the authorized body and confirming the payment of VAT;

4) in case of VAT registration of a person specified in subparagraph 1) of paragraph 1 of Article 367 of this Code - in a tax register drawn up by such a person in accordance with paragraph 4 of Article 215 of this Code for goods purchased, produced by the taxpayer prior to the date of his/her/its VAT registration and owned by him/her/it as of the date of VAT registration, provided that such an amount is confirmed in keeping with either subparagraph 1) or 2) of this paragraph.

The provisions of this subparagraph do not apply to goods received by a new legal entity established as a result of reorganization.

2. In case of receipt of services by an individual, expenses for which are recognized as VAT payer's expenses, in accordance with international financial reporting standards and legislation of the Republic of Kazakhstan on accounting and financial reporting, and allocated to deductibles as compensation for business trips in accordance with Article 244 of this Code, such a VAT payer is entitled to offset the amount of VAT on these services provided that the requirements of subparagraph 1) of paragraph 1 of this article are met.

3. If there are several grounds for offsetting VAT amounts indicated in paragraph 1 of this article, VAT amount may be offset only once on the earliest ground.

4. If cases provided for in Articles 403, 404 and 405 of this Code occur in the taxable period, determined in accordance with Article 401 of this Code, the amount of VAT subject to offset shall be determined with account of exclusion, increase or reduction provided for by Articles 403, 404 and 405 of this Code.

5. The value added tax credit shall be subject to reduction by the amount of excess value added tax after fulfilling the requirement specified in subparagraph 3) of part one of paragraph 1 of Article 369 of this Code in connection with deregistration of the taxpayer for value added tax, in the tax period in which the liquidation declaration for value added tax was submitted.

6. The amount of value added tax that does not comply with the provisions of this article, as well as the value added tax specified in Article 402 of this Code, shall be recognized as the amount of value added tax that is not offset, except for the case provided for in paragraph 9 of this article.

7. was valid until 01.01.2022 in accordance with the Law of the Republic of Kazakhstan dated 27.12.2019 № 295-VI.

8. Was valid from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII.

9. The amount of value added tax on goods, works, services used or to be used by the National infrastructure operator to provide the railway carrier engaged in the transportation of passengers, luggage, cargo luggage, postal items, services of the main railway network when transporting passengers by rail free of charge, including the application of a temporary reduction factor of 0 to the tariff for regulated services of the main railway network when transporting passengers by rail in accordance with the legislation of the Republic of Kazakhstan, is subject to offset if the conditions established by paragraph 1 of this article are met.

Footnote. Article 400 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); № 295-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 21.12.2022 № 165-VII (shall be effective from 01.01.2022 to 01.01.2024); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024)

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Article 401. The date of VAT offset

1. VAT subject to offset is recognized in the taxable period, in which the most recent of the following dates occurs:

1) the date of receipt of goods, works, services;

2) the date of issuance of an invoice or another document underlying VAT offset, in accordance with paragraph 1 of Article 400 of this Code.

In case of issuing a corrected invoice, the amount of value added tax shall be taken into account in the tax period in which such tax was taken into account on the canceled invoice, except in cases when the dates of turnover indicated in the canceled invoice and the corrected invoice differ and fall on different tax periods.

If an electronic invoice indicates the date of its issuance in hard copy, this date is recognized as the date of issuance of the invoice, for the purposes of this paragraph.

The provisions of this paragraph are not applied in the cases specified in paragraphs 2-6 of this article.

2. In the case provided for by subparagraph 2) of paragraph 1 of Article 400 of this Code, VAT subject to offset is recognized in the taxable period, in which the most recent of the following dates occurs:

1) the date of payment to the state budget, also by offsetting on the payment of a tax in accordance with the procedure established by Articles 102 and 103 of this Code;

2) the date of customs clearance carried out in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, or the last day of tax period, in the application for the import of goods and payment of indirect taxes for which such tax was calculated.

3. In the case provided for by subparagraph 3) of paragraph 1 of Article 400 of this Code, VAT subject to offset is recognized in the taxable period, in which the most recent of the following dates occurs:

1) the date of payment to the state budget, also by offsetting on the payment of a tax in accordance with the procedure established by Articles 102 and 103 of this Code;

2) the last day of the taxable period, for which such a tax was calculated in a VAT declaration.

4. In the case provided for by subparagraph 4) of paragraph 1 of Article 400 of this Code, VAT subject to offset is recognized in the taxable period, which includes the date of VAT registration.

5. According to the additional invoice, the value added tax attributed to the offset shall be taken into account in the tax period on which the date of issuance of such an invoice falls. At the same time, the amount of value added tax on the additional invoice provided for in part three of paragraph 1 of Article 419 of this Code shall be taken into account in the tax period on which the date of issue of the additional invoice recognized as cancelled falls.

6. In case of purchasing electric and (or) thermal power, system services in accordance with the Law of the Republic of Kazakhstan “On Electric Power Industry”, VAT subject to offset is recognized in the taxable period, which includes the effective date of turnover from the sale of such goods, works, services.

Footnote. Article 401 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 402. VAT not subject to offset

1. VAT not subject to offset is recognized as VAT payable in connection with the receipt of:

1) goods, works, services that are used or will be used for the purposes of non-taxable turnover, if a VAT payer applies the separate accounting method in accordance with Articles 407 and 409 of this Code;

2) cars that are (were) recognized as fixed assets;

3) goods, works, services, with regard to which:

a document, underlying the offset, does not indicate or incorrectly indicates the identification number of the person that issued such a document and (or) the person, to whom such a document was issued;

an invoice does not indicate the date of issuance of the document, the number of the invoice, the name of the goods, works, services, the amount of taxable turnover;

an invoice is not certified in accordance with the requirements of Article 412 of this Code;

the invoice was issued on paper in violation of the requirements of paragraph 1 of Article 412 of this Code, except for the case provided for by subparagraph 1) of paragraph 2 of Article 412 of this Code;

the invoice was issued on paper in accordance with subparagraph 2) of paragraph 2 and paragraph 2-1 of Article 412 of this Code and was not entered into the information system of electronic invoices;

4) goods, works, services paid for in cash inclusive of VAT under a civil law transaction regardless of the payment frequency and exceeds the 1000 times the monthly calculation index established by the law on the national budget and effective as of the date of payment;

5) goods, works, services that are used or will be used for the construction of a residential building intended for sale in the form of turnovers that are both exempt from and subject to VAT;

6) goods, works, services purchased for the money of a liquidation fund kept in a special deposit account with a bank in the territory of the Republic of Kazakhstan in accordance with Articles 252 and 253 of this Code;

7) goods, works, services purchased by the autonomous educational organizations, specified in paragraph 1 of Article 291 of this Code, for the money of a purpose-oriented contribution they received under the budget legislation of the Republic of Kazakhstan or non-repayable financing from the money of such a purpose-oriented contribution.

8) goods, works, services purchased by the lottery operator, which are used or will be used for the purpose of conducting lotteries.

2. VAT not subject to offset is:

1) VAT payable on goods, works, services purchased for the principal on conditions consistent with those of a commission agreement – with regard to the commission agent;

2) VAT payable on works, services purchased from a carrier and (or) other suppliers in case of performance of obligations under a freight forwarding agreement for the party that is the customer under such an agreement – with regard to a freight forwarder.

3. VAT on goods, works, services that are used or will be used for the construction of a residential building intended for sale in the form of turnovers that are both exempt from and subject to VAT, is accounted for in the tax register by a VAT payer, constructing the residential building, separately for the purposes specified in Article 410 of this Code, and is stated in a declaration before:

the sale or lease of a part of a residential building consisting exclusively of non-residential units;

the commissioning of such a residential building in accordance with the legislation of the Republic of Kazakhstan.

This VAT is subsequently accounted for in the manner specified in Article 410 of this Code.

In case of sale of such a building or its part before the occurrence of the cases, specified in part one of this paragraph, in the form of construction-in-progress, the amount of VAT, which is accounted for separately as of the date of such a sale, is reduced by the amount of VAT subject to offset, determined in accordance with paragraph 1 of Article 410 of this Code.

Footnote. Article 402 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 403. Exclusion of VAT subject to offset from an amount

VAT, earlier recognized as VAT subject to offset, shall be excluded in case of:

1) on a transaction (operation), in which the action (actions) on issuing an invoice and (or) another document is recognized (are recognized) by the court or by a decision of the criminal prosecution body on termination of a pre-trial investigation on non-rehabilitating grounds, committed by a private business entity without actual performance of works, rendering services, shipment of goods;

2) a transaction declared invalid by a final and binding court judgment;

3) an amount erroneously stated in a document underlying VAT offset;

4) transactions without actual performance of works, rendering of services, shipment of goods with a taxpayer deregistered for VAT by a decision of a tax authority in accordance with subparagraphs 2) and 3) of paragraph 6 of Article 85 of this Code, the head and (or) the founder (participant) of (in) which is not involved in the registration (re-registration) and (or) financial and economic activity of such a legal entity, established by a final and binding court judgment, except for transactions with respect to which a court established the actual receipt of goods, works, services from such a taxpayer.

VAT subject to offset shall be excluded from an amount, as provided for by this article, in the taxable period, in the declaration for which VAT is recognized as VAT subject to offset.

Footnote. Article 403 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 404. Adjustment of the amount of VAT subject to offset

1. Adjustment of the amount of VAT subject to offset is an increase or decrease in the amount of VAT subject to offset in the cases specified in this article and Article 405 of this Code.

2. The amount of VAT subject to offset shall be reduced with respect to goods, work, services, for which VAT has previously been offset, in the following cases of:

1) goods, works, services not used for the purposes of taxable turnover, except for those used for the purposes of non-taxable turnover, with regard to which a taxpayer applied the proportional method in accordance with Articles 407 and 408 of this Code;

2) for goods in case of their damage, loss (except for cases arising as a result of emergency situations and (or) during the state of emergency). In this case, damage to goods means deterioration of all or individual qualities (properties) of the goods, as a result of which such a commodity cannot be used for the purposes of taxable turnover. Loss of goods shall mean an event that resulted in the destruction or loss of goods. The loss of goods incurred by the taxpayer within the natural loss limits established by the legislation of the Republic of Kazakhstan shall not be deemed a loss;

In case of damage, loss of goods in cases arising as a result of emergency situations, the amount of VAT subject to offset shall not be reduced if there is a confirmation from the authorized civil protection body of the fact of an emergency situation on goods for which there must be:

a document confirming the facts of damage, loss of goods, drawn up in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting;

information reflected in the tax register compiled in accordance with paragraph 7-1 of Article 215 of this Code.

In the event of damage, loss of goods in cases that arose during the state of emergency, the amount of VAT subject to the offset shall not be reduced if there is a copy of the decision of the body conducting a criminal prosecution on recognizing the taxpayer as a victim in criminal cases related to the state of emergency, on goods (with the exception of goods for which money was received to compensate for property damage caused during the state of emergency, by the decision of the commission created by the local executive body, when the taxpayer is included in the register formed by the specified local executive body), for which there must be:

a document confirming the facts of damage, loss of goods, drawn up in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting;

information reflected in the tax register compiled in accordance with paragraph 7-1 of Article 215 of this Code;

3) on excess losses incurred by the natural monopoly subject;

4) on property transferred as a contribution to the authorized capital;

5) on volumes of minerals transferred by the subsoil user to fulfill the tax obligation in kind;

6) upon occurrence of the cases provided for in paragraph 2 of Article 383 of this Code.

3. The amount of VAT subject to offset is increased upon the occurrence of cases provided for by paragraph 2 of Article 383 of this Code.

The amount of VAT subject to offset in the event of the cases provided for by paragraph 2 of Article 383 of this Code shall be increased or reduced up to the amount of VAT specified in a supplementary invoice issued by a supplier of goods, works, services in connection with the upward or downward adjustment of the amount of taxable turnover.

4. Adjustment of the amount of VAT credited in the cases established by subparagraphs 1), 2), 3), 4) and 5) of paragraph 2 and paragraph 3 of this article shall be made in the tax period in which such cases happen.

The adjustment of the VAT amount that is offset, in the case established by subparagraph 6) of paragraph 2 of this article, shall be made in the taxable period determined by paragraph 5 of Article 401 of this Code.

5. In the cases, specified in subparagraphs 1) - 5) of paragraph 2 of this article, the amount of VAT subject to offset on purchased, constructed, created goods shall be adjusted up to the amount of VAT, which is determined by applying the VAT rate, effective as of the date of the adjustment, to the book value of the goods, indicated in accounting records as of that date, exclusive of revaluation and impairment.

6. If turnover from the sale of transfer of the right to own and (or) use, and (or) dispose of a part of a divisible land plot, with regard to which VAT was offset prior to such turnover from the sale, is exempt from VAT in accordance with Article 396 of this Code, for which separate accounting is maintained in accordance with Article 409 of this Code, the amount of VAT subject to offset is adjusted by the amount of VAT on such a land plot, which is determined using the following formula:

VATadj = VATtbo x Slp /Stot, where:

VATadj - the amount of VAT adjustment;

VATtbo - the amount of VAT earlier recognized as the one to be offset;

Stot - total area of a land plot before its division;

Slp - the area of a land plot, the turnover from the transfer of the right to own and (or) use and (or) dispose of which is exempt from VAT in accordance with Article 396 of this Code, for which separate accounting is maintained in accordance with Article 409 of this Code.

7. The adjustment provided for in this article is not made in the cases, specified in paragraph 5 of Article 372 of this Code, except for those specified in subparagraphs 1) and 6) of paragraph 5 of Article 372 of this Code.

8. The amount of VAT subject to offset inclusive of the adjustment, provided for in this article, may have a negative value.

Footnote. Article 404 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (enforcement, see art. 4).

Article 405. Adjustment of amounts of VAT subject to offset on doubtful obligations, when writing off obligations

1. If a part or full amount of an obligation for purchased goods, works, services is considered doubtful in accordance with Article 230 of this Code, the amount of VAT subject to offset shall be adjusted downwards by the amount of VAT earlier recognized as the one to be offset with regard to such goods, works, services, up to the amount of the doubtful obligation, except for VAT earlier recognized as the one to be offset under subparagraphs 2) and 3) of paragraph 1 of Article 400 of this Code. The adjustment provided for in this paragraph shall be made in the taxable period of expiration of a three-year period running from the day:

following the expiry date of the obligation for purchased goods, works, services, the deadline for which is fixed;

of transfer of goods, performance of works, rendering of services under an obligation for purchased goods, works, services, the deadline for which is not fixed.

2. In case of the VAT payer's payment for goods, works, services after downward adjustment of the amount of VAT subject to offset, the amount of VAT subject to offset shall be adjusted upwards by the amount of a tax on the said goods, works, services up to the amount of the payment in the taxable period, in which the payment was made.

3. When writing off obligations, which were not adjusted in accordance with paragraph 1 of this article, in cases, specified in paragraph 1 of Article 229 of this Code, the amount of VAT subject to offset shall be adjusted downwards up to the amount of VAT earlier recognized as the one to be offset, payable as part of such an obligation. The adjustment provided for in this paragraph shall be made in the period, in which such cases occurred.

4. In case of a failure to fully or partially satisfy an obligation for purchased goods, works, services as of the date of registering authority's decision to withdraw a VAT payer, who is a supplier declared bankrupt, from the National Register of Business Identification Numbers, downward adjustment of the amount of VAT subject to offset shall be made up to the amount of VAT earlier recognized as the one to be offset, payable on such goods, works, services, if such an adjustment shall not be made in accordance with Paragraph 1 of this Article. The adjustment provided by this Paragraph shall be made in the taxable period, in which the decision of registering authority was issued.

5. The adjustment provided for in this article shall be made at the VAT rate, specified in an invoice, issued by a supplier of goods, works, services, when making the turnover from the sale of goods, works and services, with regard to which the adjustment was made.

Footnote. Article 405 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019).

Article 406. VAT subject to offset with account of adjustment

1. The amount of VAT subject to offset with account of adjustment is calculated for a taxable period as follows:

the amount of VAT subject to offset determined in accordance with Article 400 of this Code

minus

the amount of adjustment of VAT subject to offset provided for in Articles 403, 404 and 405 of this Code

plus

the amount of upward adjustment of VAT subject to offset provided for in paragraph 3 of Article 404 and paragraph 2 of Article 405 of this Code.

2. The amount of VAT subject to offset inclusive of the adjustment, determined in accordance with this article, may have a negative value.

Article 407. Methods for determining amounts of VAT allowed to be offset

1. Unless otherwise provided for by paragraph 2 of this article, a VAT payer, except for the one specified in paragraph 3 of this article, shall determine the amount of VAT allowed to be offset using one of the following methods:

the proportional method;

by maintaining separate accounting for VAT on goods, works, services that are used or will be used for the purposes of taxable and non-taxable turnovers.

2. The following persons, using the proportional method for offsetting, have the right to determine the amounts of VAT allowed to be offset by maintaining separate accounting for specific types of turnovers:

1) second-tier banks, organizations engaged in certain types of banking operations, organizations engaged in microfinance activities (except for credit partnerships and pawnshops) - in terms of turnovers associated with the receipt and sale of pledged property (goods);

Note!

Subparagraph 2) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

2) an organization focusing on the improvement of the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, using the proportional method for offsetting - with regard to turnovers from the acquisition, ownership and (or) sale of:

pledged assets (goods) received from a bank as a result of the purchase from such a bank of the rights of claim;

assets (goods) transferred into the ownership of a bank as a result of foreclosure on pledged assets and received by an organization focusing on the improvement of the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the

Republic of Kazakhstan, as a result of the purchase from such a bank of the rights to claim doubtful and bad assets;

Note!

Subparagraph 3) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

3) a subsidiary bank acquiring doubtful and bad assets of its parent bank – with regard to turnovers from the acquisition, ownership and (or) sale of:

pledged assets (goods) received as a result of foreclosure on the rights to claim doubtful and bad assets acquired from the parent bank;

assets (goods) transferred into the ownership of the parent bank as a result of foreclosure on pledged assets and acquired by a subsidiary bank from its parent bank;

4) a lessor – with regard to turnover from the transfer of property into financial lease. The costs of the lessor associated with the acquisition of property to be transferred into financial lease are considered as costs incurred for the purposes of taxable turnover;

5) Islamic Bank – with regard to financing individuals and legal entities as a trade intermediary by way of granting a commercial loan without the term of subsequent sale of goods to a third party in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity;

6) a VAT payer – with regard to transactions for the purchase and sale of goods as part of financing individuals and legal entities as a trade intermediary by way of granting a commercial loan on terms of subsequent sale of goods to a third party in accordance with the legislation of the Republic of Kazakhstan on banks and banking activity;

7) individual entrepreneurs and legal entities holding a tour operator license (a license for the tour operator activity), in accordance with the legislation of the Republic of Kazakhstan on tourism activity, maintain accounting for goods, works, services for the purposes of providing tour operator services separately from other activities. Accounting for goods, works , services for the purposes of providing tour operator services is maintained separately for turnover exempt from VAT in accordance with subparagraph 15) of Article 394 of this Code and taxable turnover.

3. A person constructing buildings, turnovers from the sale of which are exempt from VAT in accordance with paragraph 1 of Article 396 of this Code, is obliged to maintain separate accounting for amounts of VAT on goods, works, services that are used or will be used:

for the purposes of turnovers exempt from VAT in accordance with paragraph 1 of Article 396 of this Code and other turnovers;

in the process of construction of each building - for the purposes of applying paragraph 3 of Article 402 and Article 410 of this Code.

With regard to other turnovers, such a VAT payer is entitled to determine the amount of VAT allowed to be offset using the proportional method in accordance with Article 408 of this Code.

Footnote. Article 407 as amended by Law of the Republic of Kazakhstan № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020).

Article 408. The order for determining amounts of VAT allowed to be offset using the proportional method

1. According to the proportional method, the amount of VAT allowed to be offset for a taxable period is determined using the following formula:

VATabo = VATtbo x Ttax/ Ttot, where:

VATabo - the amount of VAT allowed to be offset. This amount may have a negative value;

VATtbo - the amount of VAT to be offset inclusive of the adjustment. This amount may have a negative value;

Ttax - the amount of taxable turnover;

Ttot - total amount of turnover determined as the sum of taxable and non-taxable turnovers.

In this case, when determining the values of Ttax и Ttot, the persons, specified in paragraph 2 of Article 407 of this Code, do not take into account the turnovers, for which separate accounting is maintained in accordance with Article 409 of this Code.

If there is no turnover from sale in a taxable period, the amount of VAT allowed to be offset is determined as the amount of VAT to be offset inclusive of the adjustment.

2. VAT not allowed to be offset for a taxable period is determined using the following formula:

VATna = VATtbo – VATabo, where:

VATna - the amount of VAT not allowed to be offset. This amount may have a negative value;

VATtbo - the amount of VAT to be offset inclusive of the adjustment. This amount may have a negative value;

VATabo - the amount of VAT allowed to be offset, determined in accordance with paragraph 1 of this article. This amount may have a negative value.

The amount of VAT not allowed to be offset as well as its negative value is accounted for in the manner specified in paragraph 9 of Article 243 of this Code.

Article 409. The order for determining amounts of VAT allowed to be offset by maintaining separate accounting

1. When determining the amount of VAT allowed to be offset by maintaining separate accounting, a VAT payer shall maintain separate accounting for VAT on received goods, works, services that are used for the purposes of taxable and non-taxable turnovers.

2. Except for the cases provided for by Article 410 of this Code, when maintaining separate accounting:

1) the amount of VAT allowed to be offset is determined as the amount of VAT to be offset on received goods, works, services that are used for the purposes of taxable turnover with account of adjustment;

2) the amount of VAT not allowed to be offset is determined as the amount of VAT not subject to offset on received goods, works, services that are used for the purposes of non-taxable turnover;

3) the amount of VAT on received goods, works, services that are simultaneously used for the purposes of taxable and non-taxable turnovers, is distributed among the amount of VAT allowed to be offset and that not allowed to be offset, which are determined using the following formulas:

VATabo = VATtbo x Ttax/ Ttot;

VATna = VATtbo - VATabo, where:

VATabo - the amount of VAT allowed to be offset. This amount may have a negative value;

VATtbo - the amount of VAT subject to offset inclusive of the adjustment for goods, works, services that are simultaneously used for the purposes of taxable and non-taxable turnovers. This amount may have a negative value;

Ttax - the amount of taxable turnover for a taxable period. In this case, the persons, specified in paragraph 2 of Article 407 of this Code, determine О обл as turnovers, for which separate accounting is maintained in accordance with this article;

Ttot - the total amount of turnover determined as the sum of taxable and non-taxable turnovers;

VATna - the amount of VAT not allowed to be offset. This sum may have a negative value.

The amount of VAT not allowed to be offset is accounted for in the manner established by paragraph 9 of Article 243 of this Code.

Article 410. The procedure for determination of the amount of VAT allowed to be offset, by VAT payers constructing residential building (part of a residential building) or the activity for provision of services of casino, slot machine hall, a totalizator and bookmaker

Footnote. Heading of Article is in new wording – by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019).

1. In case of sale of an unfinished residential building, VAT allowed to be offset on goods , works, services used in the process of construction of this building is determined in accordance with this article and accounted for in the taxable period of sale of the construction-in-progress asset:

1) in case of sale of a construction-in-progress asset earlier intended for sale in the form of turnover exempted from VAT in accordance with Article 396 of this Code - as the amount of

VAT subject to offset on the specified goods at a rate effective as of the date of their acquisition;

2) in case of sale of a construction-in-progress asset that is a part of a construction-in-progress asset earlier intended for sale in the form of turnovers both exempt from and subject to VAT - as the amount of VAT attributable to the realizable part of the construction-in-progress asset, which is calculated using the following formula:

VATabocp = VATas x Spcp / Scp, where:

VATabocp – VAT allowed to be offset with regard to a construction-in-progress asset earlier intended for sale in the form of turnovers both exempt from and subject to VAT;

VATas - the amount of VAT on goods, works, services used for construction, accounted for separately as of the date of sale in accordance with paragraph 3 of Article 402 of this Code ;

Spcp - the area of a construction-in-progress asset according to design estimates, which is a part of a construction-in-progress asset earlier intended for sale in the form of turnovers both exempt from and subject to VAT;

Scp - the total area of a construction-in-progress asset earlier intended for sale in the form of turnovers both exempt from and subject to VAT.

2. A VAT payer constructing a residential building (part of a residential building) is entitled, in the taxable period of sale or lease of a part of a residential building consisting exclusively of non-residential units, but not prior to the date of commissioning a residential building, to determine the amount of VAT allowed to be offset on goods, works, services used for the construction of a non-residential unit that is a part of such a residential building (part of a residential building), using the following formula:

VATabo = (VATtbo – VATabocp) x Snr / Srb, where:

VATabo - the amount of VAT allowed to be offset on a non-residential unit that is a part of a residential building (part of a residential building);

VATtbo - the amount of VAT subject to offset on goods, works, services used for the construction of a residential building (part of a residential building) that is accounted for separately. The amount of tax is determined as of the date of sale or lease of a part of a residential building consisting exclusively of non-residential units, but not prior to the date of commissioning a residential building in accordance with the legislation of the Republic of Kazakhstan on architectural, town-planning and construction activity;

VATabocp – VAT allowed to be offset with regard to a part of a construction-in-progress asset earlier intended for sale in the form of turnovers both exempt from and subject to VAT. The amount of tax is determined in the case and in the manner provided for in paragraph 1 of this article;

Snr - the area of non-residential units in a residential building (part of a residential building);

Srb – the total area of a residential building (part of a residential building).

In this case, the amount of VAT not allowed to be offset is accounted for in the manner specified in paragraph 9 of Article 243 of this Code and is determined using the following formula:

VATna = VATtbo – VATabocp - VATabo, where:

VATna - the amount of VAT not allowed to be offset on a residential unit that is a part of a residential building (part of a residential building) including also a non-residential unit.

3. VAT allowed to be offsetin the activity for provision of services of a casino, slot machine hall, totalizator and bookmaker shall be determined at 85 percent of the amount of VAT from the taxable turnover determined in accordance with Paragraph 16 of Article 381 of this Code.

Value added tax that is not allowed to be offset shall not be taken into account for the purposes of paragraph 9 of Article 243 of this Code.

Footnote. Article 410 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 411. Additional amount of VAT subject to offset

1. The following persons are entitled to offset additional amount of VAT:

1) producers of agricultural products, products of aquaculture (fish farming), including peasant or farm enterprises – with regard to turnovers from the sale of goods that are a result of agricultural production activity, products of aquaculture (fish farming), processing of these own-produced products;

2) legal entities – on turnover of the sales of goods resulting from the processing of agricultural products, fish farming products or commercial fishing. Processing of agricultural products, fish products includes the following types of activities, with the exception of activities in public catering:

production of meat and meat products;
processing and canning of fruits and vegetables;
production of vegetable and animal oils and fats;
milk processing and cheese production;
production of flour and cereal industry products;
production of prepared animal feed;
bread production;
production of baby food and dietary foods;
production of starch products;
processing of hides and wool of farm animals;
processing of live fish;
yeast production;

production of chocolate, sugary confectionery foods, biscuits and long-term storage confectionery, subject to the conclusion of an agreement by the taxpayer in the manner determined by the authorized body in the agro-industrial complex development;

sugar production;

3) agricultural cooperatives on turnovers from:

the sale of own-produced agricultural products, products of aquaculture (fish farming), as well as those produced by members of such a cooperative;

the sale of products that are a result of processing of own-produced agricultural products, products of aquaculture (fish farming), purchased from a domestic producer of such products and (or) produced by members of such a cooperative;

the performance of works, rendering of services to members of such a cooperative, according to the list approved by the authorized body for the agro-industrial complex development in coordination with the central authorized body for state planning and the authorized body, for the purposes of their turnovers indicated in this subparagraph.

The provisions of this paragraph do not apply to turnovers from the sale of excisable goods and products of their processing.

For the purposes of applying this paragraph, the types of activities are identified in accordance with General Classification of Economic Activities, approved by the state body for state technical regulation.

4) established legal entities within two years from the date of state registration - in terms of sales turnover of goods resulting from the implementation of activities for the production of products in the manufacturing industry (with the exception of metallurgical industry).

At the same time, the manufactured products must meet the criteria for sufficient processing and be confirmed by a certificate of origin in accordance with the legislation of the Republic of Kazakhstan.

The provisions of this subparagraph shall be applied to products, the production of which is not available on the territory of the Republic of Kazakhstan or does not cover the needs of the Republic of Kazakhstan.

The authorized body in the field of state support for industrial activity, based on the information of relevant authorized bodies shall publish a list of products, the production of which is not available on the territory of the Republic of Kazakhstan or does not cover the needs of the Republic of Kazakhstan, in accordance with the classifier of products by type of economic activity, approved by the authorized state body exercising state regulation in the field of technical regulation, as of July 1, 2021, no later than July 20, 2021, and subsequently - annually as of January 1, no later than January 10 of the corresponding year.

The provisions of this subparagraph shall be applied to legal entities that put into operation for the first time on the territory of the Republic of Kazakhstan buildings, structures , machinery and equipment for carrying out activities for the production of products in the manufacturing industry (with the exception of metallurgical industry).

The provisions of this paragraph shall not be applied to turnovers for the sale of excisable goods and products of their processing.

The definition of types of activities for the purposes of applying this paragraph shall be carried out in accordance with the General classifier of types of economic activities, approved by the authorized state body exercising state regulation in the field of technical regulation.

2. The taxpayers, specified in paragraph 1 of this article, may apply the provisions of this article, provided that they maintain separate accounting for:

turnovers from the sale with regard to activities provided for in paragraph 1 of this article and other activities;

goods, works, services (to be) received that are used or will be used in the activities specified in paragraph 1 of this article and other activities.

The amount of VAT on goods received, work, services used simultaneously in the activity provided by Paragraph 1 of this Article, and other activity shall be allocated to the amount of VAT allowed to be offset and not allowed to be offset, determined according to the following formulas:

VATao 1 = VAToffx T txl / O tot;

VATao 2 = VAToff – VATao 1, where:

VATao 1 - the amount of VAT allowed to be offset, for the activity provided by Paragraph 1 of this Article. This amount may have a negative value;

VAToff - the amount of VAT to be offset, taking into account the adjustment for goods, work, services used simultaneously in the activity provided by Paragraph 1 of this Article, and other activity. This amount may have a negative value;

T txl - the amount of taxable turnover for taxable period for which separate accounting shall be carried out in accordance with this Article;

O tot - the total amount of turnover, defined as the amount of turnover of the activity specified in Paragraph 1 of this Article, and other activity;

VATao 2 - the amount of VAT allowed to be offset, for other activity. This amount may have a negative value.

In the presence of non-taxable turnovers, the amount of VAT allowed to be offset for other activities shall be determined taking into account Articles 408 and 409 of this Code.

For other turnover, such a payer of VAT shall has the right to determine the amount of VAT allowed to be offset by the proportional method in accordance with Article 408 of this Code.

3. The taxpayers specified in subparagraphs 1), 3) and 4) of part one of paragraph 1 of this Article shall not be entitled to apply the provisions of this Article if the person is a foreigner, a legal entity-non-resident carrying out activity in the Republic of Kazakhstan through a permanent establishment.

4. The additional amount of VAT subject to offset is calculated using the following formula:

VATao = (VATtax – VATabo– VATex) x 70%, where:

VATao - additional amount of VAT subject to offset;

VATtax - the amount of VAT accrued on the activity, provided for in paragraph 1 of this article, from taxable turnover from the sale;

VATabo - the amount of VAT allowed to be offset, determined in accordance with Articles 408, 409 and 410 of this Code. Such an amount is determined for the goods, works, services (to be) received, which are used or will be used in the activities specified in paragraph 1 of this article;

VATex - the amount of VAT subject to offset in excess over the amount of the tax assessed on an accrual basis, as of the beginning of a reporting taxable period, on the activity provided for in paragraph 1 of this article.

The obtained zero or negative value is not accounted for when calculating VAT for a taxable period.

Footnote. Article 411 as amended by the Law of the Republic of Kazakhstan dated 24.05. 2018 № 156-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 24.06. 2021 № 53-VII (shall be enforced from 01.07.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Chapter 47. INVOICE

Article 412. General provisions

1. In case of turnover from the sale of goods, works, services, an invoice shall be issued by:

1) VAT payers specified in Subparagraph 1) of Paragraph 1 of Article 367 of this Code;

2) taxpayers in cases provided by regulatory legal acts of the Republic of Kazakhstan adopted to implement international treaties ratified by the Republic of Kazakhstan;

3) a commission agent who is not a VAT payer in the cases established by Article 416 of this Code;

4) a freight forwarder who is not a VAT payer in the cases established by Article 415 of this Code;

5) taxpayers in case of sale of imported goods;

6) a structural unit of the authorized agency in the field of the state material reserve when it releases goods from the state material reserve;

7) taxpayers who are not payers of value added tax, in case of the goods sale that have arrived in the "Virtual warehouse" module of the information system of electronic invoices to such taxpayers;

8) legal entities-residents (with the exception of state institutions and state organizations of secondary education), non-residents, carrying out activity in the Republic of Kazakhstan through a branch, representative office, individual entrepreneurs, persons engaged in private practice, not registered as a payer of value added tax in the Republic Kazakhstan, under a

civil law transaction, the value of which exceeds 1,000 times the monthly calculation index established by the law on the republican budget and valid on the date of such transaction.

This subparagraph shall be applied in civil-legal transactions between business entities, except for cases when the buyer is a person applying a special tax regime based on a patent, a simplified declaration or for peasant or farm enterprises;

9) taxpayers - for the services of international transportation of goods;

10) a legal entity duly accredited to carry out conformity assessment activities, determined by the legislation of the Republic of Kazakhstan on technical regulation;

11) a taxpayer who is a customs representative, a customs carrier, an owner of temporary storage warehouses, an owner of customs warehouses and an authorized economic operator in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

12) taxpayers applying special retail tax regime at the request of the buyer of goods, works, services to comply with the provisions of paragraph 3-2 of Article 242 of this Code.

The provisions of this paragraph shall not be applied to the sale of personal property by an individual, including an individual who is an individual entrepreneur or a person engaged in private practice.

2. An invoice shall be issued in electronic form, with the exception of the following cases when the taxpayer shall has the right to issue an invoice as hard copy form:

1) the absence at the location of the taxpayer within the boundaries of administrative and territorial units of the Republic of Kazakhstan of a public telecommunications network.

Information on administrative and territorial units of the Republic of Kazakhstan without public telecommunications networks shall be posted on the Internet resource of the authorized agency;

2) confirmation of information on the Internet resource of the authorized body on the impossibility of issuing invoices in the information system of electronic invoices due to technical errors.

After the elimination of technical errors, the invoice issued on paper must be entered into the information system of electronic invoices within fifteen calendar days from the date of elimination of technical errors.

2-1. When issuance of electronic invoices is restricted in the information system of electronic invoices in accordance with Article 120-1 of this Code, an invoice shall be issued on paper.

At the same time, an invoice issued on paper must be entered into the information system of electronic invoices within fifteen calendar days from the date of cancellation of the restriction on issuing invoices in electronic form in the information system of electronic invoices in accordance with Article 120-1 of this Code.

3. An invoice in electronic form shall be issued in the information system of electronic invoices in the manner and in the form determined by the authorized agency.

3-1. The list of goods for which electronic invoices shall be issued through the Virtual Warehouse module of the electronic invoices information system shall be approved by the authorized agency and shall be posted on its Internet resource.

4. An invoice shall be issued as hard copy in the manner specified by Paragraphs 5-12 of this Article in a form determined by the taxpayer independently.

5. An invoice shall indicate:

1) the serial number of the invoice;

2) identification number of a supplier and a recipient of goods, works, services;

3) as to individuals who are recipients of goods, works, services – their last name, first name, patronymic (if it is indicated in an identity document);

as to individual entrepreneurs who are suppliers or recipients of goods, works, services – their last name, first name, patronymic (if it is indicated in an identity document) and (or) the name of the taxpayer;

as to legal entities (structural units of legal entities) that are suppliers or recipients of goods, works, services - their names. In this case, with regard to the indication of the type of a business legal structure, it is possible to use abbreviations used in common practices, also in customary business practices;

4) the date of issuance of the invoice;

5) in cases, specified in Article 416 of this Code, the status of a supplier - the principal or the commission agent;

6) in case of sale of excisable goods - additionally the amount of excise tax, if such sale is subject to excise taxation in accordance with the provisions of Section 11 of this Code;

7) names of realizable goods, works, services;

8) the amount of taxable (non-taxable) turnover;

9) the VAT rate;

10) the amount of VAT;

11) the value of goods, works, services inclusive of VAT;

12) in relation to goods - the code of commodity nomenclature of foreign economic activity;

13) in case of the sale of goods, works, services under a public procurement contract - the date and number of the public procurement contract.

6. The amount of taxable turnover is indicated in an invoice separately for each item of goods, works, services.

In case of issuing paper-based invoices, it is allowed to indicate the total amount of turnover if a document containing the data specified in subparagraphs 7) - 11) of paragraph 5 of this article is attached to such an invoice. In this case, the invoice must indicate the document’s number and date, as well as its name.

7. The value and sum in a paper-based invoice are indicated in the national currency of the Republic of Kazakhstan.

The value and sum in an electronic invoice are indicated in the national currency of the Republic of Kazakhstan, except for below mentioned cases, where they may be indicated in a foreign currency:

1) on transactions (operations) concluded (accomplished) within the framework of a production sharing agreement (contract), a subsoil use contract approved by the President of the Republic of Kazakhstan;

2) with regard to transactions (operations) for export sale of goods subject to zero-rated VAT in accordance with Articles 386, 447 and 449 of this Code;

3) with regard to turnovers from the sale of international carriage services subject to zero-rated VAT in accordance with Article 387 of this Code;

4) with regard to turnovers from sales subject to zero-rated VAT in accordance with paragraph 3 of Article 393 of this Code.

8. In case a structural unit of a legal entity acts on behalf of the latter as a supplier of goods, works and services and, pursuant to the legal entity's decision, invoices are issued by such a structural unit, and also in case the structural unit acts as a recipient goods, works, services on behalf of the legal entity in order to meet:

1) the requirements established by subparagraphs 3) and 5) of paragraph 5 of this article, it is allowed to indicate details of the structural unit of the legal entity in the invoice;

2) the requirement established by subparagraph 2) of paragraph 5 of this article, the invoice shall indicate the identification number of the legal entity. In case of indication of the details of the structural unit of the legal entity in accordance with subparagraph 1) of this paragraph, it is necessary to indicate the identification number of such a structural unit.

9. Taxpayers, in an invoice or another document provided for by paragraph 1 of Article 400 of this Code, shall indicate:

1) the amount of VAT – with regard to turnovers subject to VAT;

2) "ex VAT" – with regard to non-taxable turnover, including those exempt from VAT.

10. Taxpayers may indicate additional information, not provided for in this article, in a paper-based invoice.

11. A paper-based invoice shall be issued in two copies, one of which is given to a recipient of goods, works, services.

12. A paper-based invoice shall be certified:

with regard to legal entities – with signatures of the head and chief accountant, as well as a seal bearing the name and indication of the type of a business legal structure, if the person is required to have a seal in accordance with the legislation of the Republic of Kazakhstan;

with regard to individual entrepreneurs – with a seal (if any) indicating the last name, first name, patronymic (if it is indicated in an identity document) and (or) the name, as well as the signature of an individual entrepreneur.

An invoice can also be certified with the signature of an employee authorized thereto by a taxpayer's order. In this case, a copy of the order shall be available for the perusal of recipients of goods, works, services.

A recipient of goods, works, services may request a supplier of these goods, works, services for a certified copy of the order entitling the authorized person to sign invoices, and the supplier is obliged to satisfy this request on the day it is received from the recipient of goods, works, services.

A structural unit of a legal entity that is a supplier of goods, works, services is entitled by the taxpayer's decision to certify invoices issued by it with the seal of such a structural unit indicating the name and the type of a business legal structure if this person is required to have a seal in accordance with the legislation of the Republic of Kazakhstan.

An invoice issued by an authorized representative of participants in a simple partnership (consortium), in the cases provided for by paragraph 2 of Article 200 of this Code, is certified with the seal of the authorized representative indicating the name and the type of a business legal structure, as well as with signatures of the head and chief accountant of such an authorized representative.

If a head or an individual entrepreneur keeps records personally in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and his/her own accounting policy, "n/a" is indicated instead of the signature of a chief accountant.

An electronic invoice is certified with an electronic digital signature.

13. Issuance of an invoice, except for the cases provided for in subparagraphs 2), 5) and 7) of part one of paragraph 1 of this Article, shall not be required in the following cases:

1) sale of goods, works, services that are paid for:

in cash and a buyer receives a cash register check, and (or) paid through self-service payment terminals;

use of equipment (device) intended for making payments using payment cards;

with the presentation to the buyer of goods, works, services of a check of a special mobile application containing the identification number of such a buyer of goods, works, services;

2) sale of goods, works, services to individuals that are paid for with electronic money or using electronic payment facilities;

3) making settlements for utility services, communications services, provided to an individual, via second-tier banks, a postal operator;

4) issuance of a paper ticket, an electronic ticket or an electronic travel document for passenger carriage by train or air;

5) gratuitous transfer of goods, gratuitous performance of works, provision of services to an individual who is not an individual entrepreneur or a person engaged in private practice;

6) rendering of services provided for by Article 397 of this Code;

7) provision of services for activities of casinos, slot machines, totalizator and bookmaker.

The provisions of subparagraphs 1) and 2) of part one of this paragraph shall not apply in case of sale of goods, works, services to the persons specified in paragraph 1 of Article 436 of this Code.

In the cases provided for by subparagraphs 2), 5) and 7) of part one of paragraph 1 of this Article, an invoice shall not be required when selling:

1) to the individuals who use the purchased goods for personal, family, household or other use not related to entrepreneurial activity (final consumption);

2) to the individuals or legal entities that are subjects of micro-entrepreneurship in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

14. In the cases provided for by subparagraphs 1) and 2) of part one and part three of paragraph 13 of this article, the recipient of goods, works, services shall have the right, within one hundred and eighty calendar days from the date of the turnover on sales accomplished by the supplier, to contact the supplier of these goods, works, services with the request to issue an invoice, and the supplier shall be obliged to fulfill such a request subject to the provisions of this article, including in terms of specifying in the information about the recipient of goods, works, services the details of the legal entity through whose authorized representative the goods, works, services are purchased, or an individual entrepreneur purchasing goods, works, services.

In the case provided for by subparagraph 4) of part one of paragraph 13 of this article, the recipient of services has the right, within one hundred and eighty calendar days from the date of the supplier's turnover on sales, to apply with a request to issue a document confirming the fact of the passage of an individual, or an invoice to the supplier of such services , and the supplier is obliged to fulfill such a request, taking into account the provisions of this article, including in terms of specifying in the information about the recipient of work, services, the details of the individual to whom the transportation service was provided.

In the event of acquiring goods, works, services from a taxpayer specified in subparagraph 8) of part one of paragraph 1 of this article, the recipient of goods, works, services has the right, within one hundred and eighty calendar days from the date of the supplier’s turnover on sales, to contact the supplier of these goods, works , services with the request to issue an invoice, and the supplier is obliged to comply with such a request.

An invoice shall be issued in accordance with the provisions of this paragraph at the place of sale of goods, works, services.

15. Features of issuance of invoices in individual cases are established by Articles 414 - 418 of this Code.

Footnote. Article 412 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023)

; dated 20.03.2023 № 213-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 413. Deadlines for issuing invoices

1. An invoice is issued:

1) when selling electric and (or) heat power, water, gas, utilities, communications services , rail carriage services, passenger carriage services, carriage of baggage and cargo by air, services under a freight forwarding agreement, services of a rail car (container) operator, services for goods transportation through the trunk pipeline system, with the exception of gas pipelines, system services provided by a system operator, services for granting a credit (loan, microcredit), banking operations subject to VAT, and also when selling goods, works, services under contracts concluded for one year and more to the persons specified in Paragraph 1 of Article 436 of this Code – based on the results of the month, in which goods are delivered, services are rendered, not later than the 20 day of a month following the month of the turnover from sale of such goods and services;

2) in case of exportation of goods under the customs export procedure, an invoice is issued within twenty calendar days of the effective date of the turnover from sale;

3) when transferring property into financial lease with regard to the accrued amount of remuneration – based on the results of a calendar quarter on or before the 20th day of a month following the quarter, at the end of which the invoice is to be issued;

3-1) when selling goods on the basis of documents of title confirming provision of the identified goods to the buyer, no later than the 20 day of the month following the month of the effective date of turnover from the sale.

4) in other cases – on or after the effective date of turnover from sale and within fifteen calendar days of such a date.

2. To fulfill the requirements of paragraph 14 of Article 412 of this Code, an invoice shall be issued on the day or within one hundred ninety-five calendar days after the effective date of the turnover.

3. An amended invoice is issued in case of a need to make changes in and additions to an earlier issued invoice.

4. Deadlines for the issuance of an additional invoice are established by Article 420 of this Code.

In case of a failure to meet the requirements of Article 197 of this Code, a lessor shall issue an additional invoice within fifteen calendar days of the date of occurrence of such a case.

Footnote. Article 413 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 414. Features of issuance of invoices when selling print publications and other mass media products

In case of selling print periodicals or other media products, including those posted on an Internet resource in public telecommunications networks, an invoice is issued within fifteen calendar days of the effective date of turnover from the sale.

A taxpayer has the right to issue an invoice before the date of turnover for the entire turnover from the sale, the effective date of which falls on a calendar year. In this case, the invoice indicates the amount of turnover from the sale and the relevant VAT amount separately for each taxable period included in such a calendar year.

Article 415. Features of issuance of invoices by freight forwarders

1. When performing works, rendering services under a freight forwarding agreement, an invoice to a party that is a client under such an agreement is issued by a freight forwarder.

A freight forwarder issues an invoice on the basis of invoices issued by carriers and other suppliers of works and services that are VAT payers.

If a carrier (supplier) is not a VAT payer, a freight forwarder issues an invoice on the basis of a document confirming the value of works and services.

2. An invoice issued by a freight forwarder shall indicate taxable (non-taxable) turnover including the value of works performed and services rendered under a freight forwarding agreement by carriers and (or) suppliers that are:

VAT payers;

not VAT payers.

To meet the requirements of subparagraphs 2) and 3) of paragraph 5 of Article 412 of this Code, an invoice issued by a freight forwarder shall indicate the details:

of a supplier – in this case the details of the freight forwarder are indicated;

of a recipient – in this case the details of the taxpayer being the client under the freight forwarding agreement are indicated.

3. When operating under a freight forwarding agreement, a freight forwarder shall draw up a tax register in accordance with Article 215 of this Code, which discloses information on carriers and (or) suppliers of works, services rendered under such an agreement, as well as their value.

4. An invoice issued in accordance with these requirements is a ground for offsetting the VAT amount by a party that is a client under a freight forwarding agreement.

Article 416 Features of issuance of invoices under agreements, the terms of which correspond to the terms of the commission agreement

1. When selling goods, performing works, rendering services on terms corresponding to the terms of the commission agreement, if the committent and (or) commission agent are payers of value added tax, the issuance of invoices to the buyer of goods, works, services shall be carried out by the commission agent.

The amount of turnover for the sale of goods, works, services in the invoice issued by the commission agent shall be indicated based on the cost of goods, works, services, for which the commission agent sells them to the buyer.

The invoice shall be issued by the commission agent, taking into account the following data:

invoice issued to the commission agent by the committent who is a payer of value added tax (in this case, the amount of taxable (non-taxable) turnover indicated in the invoice issued to the commission agent by the committent shall be included in the taxable (non-taxable) turnover in the invoice issued by the commission agent to the buyer);

a document confirming the cost of goods, works, services issued by a committent who is not a payer of value added tax (in this case, the cost of goods, works, services indicated in such a document shall be included in the non-taxable turnover in the invoice issued by the commission agent to the buyer).

The amount of turnover in the invoice issued by the committent to the commission agent shall be indicated based on the cost of goods, works, services for which they were provided to the commission agent for the purpose of sale.

The amount of turnover in the invoice issued by the commission agent to the committent shall be indicated based on the amount of the commission agent's commission and the cost of works, services, which are the commission agent's turnover for the purchase of works, services from a non-resident.

2. When the committent issues an invoice to the commission agent for the sale of goods, works, services on terms corresponding to the terms of the commission agreement, in order to fulfill the requirements of subparagraphs 2) and 3) of paragraph 5 of Article 412 of this Code as details of:

a supplier - the details of the committent shall be indicated with the status "committent";

recipient - the details of the commission agent shall be indicated with the status " commission agent".

When the commission agent issues an invoice to the recipient of goods, works, services in order to fulfill the requirements of subparagraphs 2) and 3) of paragraph 5 of Article 412 of this Code, the details of the commission agent indicating the status "commission agent" shall be indicated as the details of the supplier.

3. When the commission agent transfers to the committent the goods purchased for the committent on the terms corresponding to the terms of the commission agreement, as well as in the performance of work, rendering services by a third party for the committent under a transaction concluded by such a third party with the commission agent, the issuance of invoices to the committent shall be carried out by the commission agent.

The provisions of this paragraph shall be applied if the commission agent and (or) the person from whom the commission agent purchases goods, works, services for the committent is the payer of value added tax.

The amount of turnover for the sale of goods, works, services in the invoice issued by the commission agent shall be indicated taking into account the cost of goods, works, services purchased by the commission agent for the committent under the terms of the commission agreement.

The invoice shall be issued by the commission agent, taking into account the following data:

invoice issued to the commission agent by a third party who is a payer of value added tax (in this case, the amount of taxable (non-taxable) turnover specified in the invoice issued by the third party to the commission agent shall be included in the taxable (non-taxable) turnover in the invoice issued by the commission agent to the committent);

a document confirming the cost of goods, works, services issued by a third party who is not a payer of value added tax (in this case, the cost of goods, works, services indicated in such a document shall be included in the non-taxable turnover in the invoice issued by the commission agent to the committent, except for works, services, which are the turnover of the commission agent for the purchase of works, services from a non-resident);

a document confirming the cost of works, services, which are the turnover of the commission agent for the purchase of works, services from a non-resident;

a declaration for goods drawn up in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan or in an application for the import of goods and payment of indirect taxes - in the case of import of goods.

The amount of the commission agent's commission fee and the cost of works, services, which are the commission agent's turnover for the purchase of works, services from a non-resident, in the invoice issued to the committent shall be indicated in separate lines. At the same time, if the commission agent is not a payer of value added tax, the amount of remuneration shall be indicated with the mark “Without VAT”

4. When the commission agent issues an invoice to the committent for goods, works, services purchased for the committent on the terms of a commission agreement in order to fulfill the requirements of subparagraphs 2) and 3) of paragraph 5 of Article 412 of this Code as details of:

a supplier - the details of the commission agent shall be indicated with the status " commission agent";

a beneficiary - the details of the committent shall be indicated with the status " committent ".

When a third party, which is a supplier of goods, works, services, issues an invoice to a commission agent in order to fulfill the requirements of subparagraphs 2) and 3) of paragraph 5 of Article 412 of this Code, the details of the commission agent shall be indicated as the details of the recipient.

5. An invoice issued in accordance with the specified requirements, as well as the requirements of Article 400 of this Code shall be the basis for offsetting the amount of value added tax by the committent or buyer of goods, works, services under a commission agreement.

Footnote. Article 416 is in the wording of the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018).

Article 417. Features of issuance of invoices when selling (purchasing) goods, works, services under joint activity agreements

1. If goods, works, services are sold by a designated agent on behalf of and (or) on instructions from a party (parties) to a joint activity agreement:

1) an invoice is issued on behalf of a party to the joint activity agreement or on behalf of the designated agent, indicating the details of the party (parties) to the joint activity agreement in a line reserved for a supplier (seller);

2) total turnover is indicated when issuing invoices, as well as the amount of turnover attributable to each party in accordance with the terms of the joint activity agreement.

2. In case of issuance of a paper-based invoice, an original invoice is issued both to a buyer of goods, works and services and to each party to a joint activity agreement.

3. If a party (parties) to a joint activity agreement or a designated agent purchases goods, works or services as part of such an activity, invoices received from a supplier (seller) shall indicate:

1) the details of the party (parties) to the joint activity agreement, depending on the number of participants in a joint activity or a designated agent;

2) the amount of the purchase, including the amount of VAT attributable to each party to the joint activity agreement.

4. In case of issuance of a paper-based invoice, the number of original copies of invoices shall be equal to that of the parties to the joint activity agreement under which goods, works or services are purchased.

5. The provisions of this article shall not apply to the sale (purchase) of goods, works, services by the operator in the cases provided for by paragraph 3 of Article 426 of this Code.

Article 418. Features of issuance of invoices in individual cases

1. In case of sale (purchase) of goods, works, services by the operator in the cases provided for in paragraph 3 of Article 426 of this Code, an invoice is issued in accordance with the requirements of this Chapter indicating the details of the operator as those of a supplier (buyer).

2. An invoice to a buyer of goods, works and services sold on the terms consistent with those of an agency agreement shall be issued by the principal and in cases provided for by paragraph 2 of Article 374 of this Code - by a designated agent in the manner specified in this Section.

Article 419. Making amendments and additions to an invoice

1. An amended invoice is issued if it is necessary to make changes in and (or) additions to an earlier issued invoice, to correct errors not requiring the replacement of a supplier and (or) a recipient of goods, works, services.

When issuing a corrected invoice, the previously issued invoice shall be canceled, and additional invoices, if any shall also be canceled.

To restore the cancelled additional invoices, additional invoices shall be issued to the corrected invoice.

2. An amended invoice must:

1) meet the requirements for the issuance of invoices set forth in this chapter;

2) contain the following information:

a note stating that the invoice is amended;

the serial number and the date of issue of the amended invoice;

the serial number and the date of issue of the canceled invoice.

3. With regard to an amended paper-based invoice, it is mandatory to have any of the below mentioned confirmations of the receipt of such an invoice by a recipient of goods, works, services:

1) certification of such an invoice with signatures and seals by the recipient of the goods, works, services in accordance with paragraph 12 of Article 412 of this Code;

2) the sending of such an invoice by the supplier of goods, works, services to the recipient of the goods, works, services by registered mail and notification of its receipt;

3) a letter from the recipient of goods, works, services confirming the receipt of such an invoice with the signature and seal:

containing the name and indication of its business legal structure, in case such a person shall have a seal in accordance with the legislation of the Republic of Kazakhstan – with regard to legal entities;

if any, containing the last name, first name, patronymic (if it is indicated in an identity document) and (or) the name – with regard to individual entrepreneurs.

4. With regard to an amended electronic invoice, a recipient of goods, works, services is entitled, within ten calendar days of the receipt of such an amended invoice, to express his/her /its disagreement with the issuance of such an invoice according to the procedure for electronic invoice workflow.

The provisions of this article shall not be applied in the cases provided for in Article 420 of this Code.

Footnote. Article 419 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force).

Article 420. Issuance of an additional invoice

1. An additional invoice is issued by a supplier in case of:

1) adjusting the amount of turnover in accordance with Article 383 of this Code;

2) non-compliance with the requirements of Article 197 of this Code.

2. An additional invoice must:

1) meet the requirements set forth in this Chapter for the issuance of invoices;

2) contain the following information:

a note stating that the invoice is an additional one;

the serial number and date of issue of the additional invoice;

the serial number and the date of issue of an invoice, in addition to which an additional invoice is issued;

the amount of the turnover adjustment in case of its change;

the amount of VAT adjustment in case of its change;

the effective date of turnover from the amount of turnover adjustment – when issued in electronic form;

a note of "non-compliance with Article 197 of the Tax Code" in the case established by subparagraph 2) of paragraph 1 of this article.

3. An additional invoice is issued no earlier than the date of the turnover for the amount of the adjustment and no later than fifteen calendar days after such date.

4. With regard to an amended paper-based invoice, it is mandatory to have any of the below mentioned confirmations of the receipt of such an invoice by a recipient of goods, works, services:

1) certification of such an invoice with signatures and seals of this Code by the recipient of the goods, works, services in accordance with paragraph 12 of Article 412;

2) the sending of such an invoice by the supplier of goods, works, services to the recipient of the goods, works, services by registered mail and notification of its receipt;

3) a letter from the recipient of goods, works, services confirming the receipt of such an invoice with the signature and seal:

containing the name and indication of its business legal structure, in case such a person shall have a seal in accordance with the legislation of the Republic of Kazakhstan – with regard to legal entities;

if any, containing the last name, first name, patronymic (if it is indicated in an identity document) and (or) the name – with regard to individual entrepreneurs.

5. With regard to an amended electronic invoice, a recipient of goods, works, services is entitled, within ten calendar days of the receipt of such an amended invoice, to express his/her /its disagreement with the issuance of such an invoice according to the procedure for electronic invoice workflow.

Footnote. Article 420 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Chapter 48. THE ORDER FOR THE CALCULATION AND PAYMENT OF TAXES

Article 421. VAT calculation

1. VAT for a taxable period, except for VAT on taxable imports, is calculated as follows:

the amount of VAT assessed on taxable turnover

minus

the amount of VAT allowed to be offset, which is determined in accordance with Articles 408, 409 and 410 of this Code,

minus

additional amount of VAT subject to offset, which is determined in accordance with Article 411 of this Code.

2. The amount of VAT assessed on taxable turnover is determined as follows:

the product of the rate, established by paragraph 1 of Article 422 of this Code, and taxable turnover, except for turnovers from sale, specified in Chapter 44 of this Code, reduced and (or) increased by the amount of turnovers provided for in Articles 383 and 384 of this Code

plus

the product of the rate, established by paragraph 2 of Article 422 of this Code, and turnovers from the sale, specified in Chapter 44 of this Code, reduced and (or) increased by the amount of turnovers provided for in Articles 383 and 384 of this Code.

2-1. The amount of VAT on activities for the provision of services of casino, slot machine hall, totalizator and bookmakers for the taxable period shall be calculated in the following order:

the amount of VAT from taxable turnover determined in accordance with Paragraph 16 of Article 381 of this Code,

minus

the amount of VAT allowed to be offset, determined in accordance with Paragraph 3 of Article 410 of this Code.

3. If the result of the calculation provided for in paragraph 1 of this article has:

1) a positive value, such a result is the amount of the tax payable to the state budget in the manner prescribed by this Code;

2) a negative value, such a result is the amount of VAT to be offset in excess over the amount of assessed tax.

4. The amount of VAT for a non-resident is calculated by applying the rate, provided for in paragraph 1 of Article 422 of this Code, to the amount of turnover from the purchase of works, services from a non-resident.

Footnote. Article 421 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019).

Article 422. VAT rates

1. The VAT rate is 12 percent and it is applied to the amount of taxable turnover and taxable import.

2. Turnovers from the sale of goods, works, services, specified in Chapter 44 of this Code, are liable to zero-rated VAT.

In case of a failure to confirm that turnover from the sale of goods, works, services is zero-rated in accordance with Chapter 44 of this Code, this turnover from the sale of goods and services is liable to VAT at the rate specified in paragraph 1 of this article.

The amount of and procedure for the payment of uniform rates of customs duties, taxes, as well as the aggregate customs payment are established by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

3. When a person deregisters for VAT, the amount of taxable turnover, determined in accordance with paragraph 4 of Article 380 of this Code, is subject to the VAT rate, which,:

1) with regard to inventories, is effective as of the date of the person's deregistration for VAT;

2) with regard to fixed assets, intangible and biological assets, investments in immovable property, was effective as of the date of their purchase.

Article 423. Taxable period

A taxable period for VAT is a calendar quarter.

Article 424. Tax declaration

1. The VAT payer specified in subparagraph 1) of paragraph 1 of Article 367 of this Code is obliged to submit a VAT declaration for each taxable period to the tax authority at the location on or before the 15th day of the second month following the reporting taxable period, unless otherwise provided for by this article.

The obligation to submit a declaration for value added tax shall not be applied to the persons specified in subparagraphs 2) and 3) of paragraph 1 of Article 367 of this Code, for which registration for value added tax has not been made.

In the cases specified in paragraph 3 of Article 426 of this Code, the operator shall submit a VAT declaration of contract activity of all participants in a simple partnership (consortium).

2. Along with the declaration, it is necessary to submit the registers of invoices for the goods, works and services purchased and sold during the taxable period, which are an annex to the declaration. The forms of registers of invoices for purchased and sold goods, works, services are approved by the authorized body.

The number of cells for indicating invoice numbers is not limited in case of electronic form of:

1) a register of invoices (documents on the release of goods from the state material reserve) for purchased goods, works, services during the reporting taxable period;

2) a register of invoices for goods, works, services sold during the reporting taxable period.

If a VAT payer:

issues invoices both in electronic and paper form during the taxable period, the register of invoices for goods, works and services sold during the taxable period shall reflect paper-based invoices;

receives invoices both in electronic and paper form during the taxable period, the register of invoices for goods, works and services sold during the taxable period shall reflect paper-based invoices.

If a VAT payer:

issues only electronic invoices during the taxable period, the register of invoices for goods , works and services sold during the taxable period is not submitted to tax authorities;

receives only electronic invoices during the taxable period, the register of invoices for goods, works, services received during the taxable period is not submitted to tax authorities.

3. Is excluded – by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019)

4. A taxpayer deregistered by a decision of a tax authority in the cases provided for in paragraph 4 of Article 85 of this Code shall be obliged to submit a liquidation declaration for value added tax to the tax authority at the location no later than the 15th day of the month following the month in which deregistration has been carried out. The liquidation declaration shall be drawn up for the period from the beginning of the tax period in which the taxpayer is deregistered until the date of deregistration.

The provision of this paragraph shall not apply to the persons referred to in subparagraph 4), eighth and ninth paragraphs of subparagraph 6) of paragraph 4 of Article 85 of this Code.

5. VAT payers carrying out the provision of services of casino, slot machine hall, totalizator and bookmakers shall submit tax reports in accordance with the provisions of Section 16 of this Code.

Footnote. Article 424 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 425. Time limits for VAT payment

VAT shall be paid to the state budget at the location of a taxpayer within the following time limits:

1) no later than the 25th day of the second month following the reporting tax period - the amount of VAT payable to the budget for each tax period, as well as the calculated VAT for a non-resident, except for the VAT specified in subparagraphs 2) and 3) of the first part of this article;

1-1) was valid until 26.02. 2021 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2020 № 354-VI;

2) within the time limits specified by the customs legislation of the Republic of Kazakhstan - the amount of VAT on imported goods;

3) within ten calendar days of the day of submission of a liquidation VAT declaration to the tax authority - the amount of VAT indicated in such a declaration, in case of VAT payer’s deregistration for VAT in accordance with Article 85 of this Code.

If a deadline for VAT payment specified in a VAT declaration submitted for the taxable period preceding the taxable period, for which a liquidation declaration for such a tax is submitted, is due after the expiry of the period specified in subparagraph 3) of part one of this article, the tax shall be paid within ten calendar days of the day of submission of the liquidation declaration to the tax authority.

Footnote. Article 425 as amended by the Law of the Republic of Kazakhstan dated 02.07.2020 № 354-VI (shall be enforced from 01.07.2020 and valid until 26.02.2021).

Article 426. Features of fulfillment of VAT obligation by subsoil users operating under a production sharing agreement (contract) within a simple partnership (consortium)

1. The tax obligation for drawing up and filing VAT returns as part of the activity under a production sharing agreement (contract) must be fulfilled either by:

each participant in a simple partnership with respect to the share of VAT attributable to that participant; or

the operator for the overall activity carried out under the production sharing agreement (contract), in case the fulfillment of such a tax obligation by the operator is stipulated by the production sharing agreement (contract).

2. In case of fulfillment of the tax obligation to draw up and file VAT returns by each participant in a simple partnership (consortium):

invoices for the sale (purchase) of goods, works, services are issued in accordance with the requirements of Article 417 of this Code;

a VAT declaration and registers of invoices that are an annex thereto are submitted by each participant in a simple partnership (consortium) with respect to the share attributable to such a participant;

calculated, assessed (reduced), transferred and paid amounts of VAT (with account of the offset and returned ones) are stated in the personal account of each participant in a simple partnership with respect to the share attributable to that person;

the amount of overpaid VAT is refunded to a participant in a simple partnership (consortium) that submitted the declaration;

the tax administration procedure, including the delivery of a tax audit prescription, notification and report, shall be applied to each participant in a simple partnership (consortium) in the manner prescribed by this Code.

3. In case of fulfillment of the tax obligation to draw up and file VAT returns by the operator for the overall activity carried out under a production sharing agreement (contract):

invoices for the sale (purchase) of goods, works, services are issued in accordance with the generally established procedure as required by Article 412 of this Code, with indication of the operator’s details;

a VAT declaration and registers of invoices that are an annex thereto are submitted by the operator for the overall activity carried out under the production sharing agreement (contract);

calculated, assessed (reduced), transferred and paid amounts of VAT (with account of the offset and returned ones) are stated in the operator's personal account;

the amount of overpaid VAT is returned to the operator;

the tax administration procedure, including the delivery of a tax audit prescription, notification and report, shall be applied to the operator in accordance with the procedure for taxpayers (tax agents), provided for by this Code, and these documents shall be deemed to be handed to each participant in a simple partnership (consortium) that is a taxpayer under a production sharing agreement (contract).

4. The method selected to fulfill the tax obligation to draw up and file VAT returns in accordance with this article shall be reflected in the tax accounting policy and remain unchanged within the validity period of a production sharing agreement (contract).

Article 427. Payment of VAT on imported goods using the method of offsetting

Footnote. Article 427 was in effect until 01.01.2025 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

Article 428. Payment of VAT on goods imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union using the method of offsetting

Footnote. Article 428 was in effect until 01.01.2025 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

Article 428-1. Payment of value added tax on imported goods by means of offset

1. Value added tax shall be paid by the method of offsetting in the manner specified in this article by the value added tax payers mentioned in sub-paragraph 1) of paragraph 1 of Article 367 of this Code on the following goods placed under the customs procedure for release for domestic consumption:

1) equipment;

2) agricultural machinery;

3) motor vehicle rolling stock;

4) helicopters and aeroplanes;

5) railway locomotives and carriages;

6) sea-going vessels;

7) spare parts;

8) pesticides;

9) breeding animals and artificial insemination equipment;

10) live cattle.

The list of specified goods and the procedure for its formation shall be established by the authorised body in the field of tax policy.

This list shall include goods that are not produced in the territory of the Republic of Kazakhstan.

This list shall cover the goods referred to in sub-paragraphs 8), 9) and 10) of the first part of this paragraph, which do not meet the needs of the Republic of Kazakhstan.

2. The provisions of this article regarding the payment of value added tax using the offset method shall apply to goods imported by a value added tax payer listed in sub-paragraph 1) of paragraph 1 of Article 367 of this Code:

1) not intended for further sale;

2) for the purpose of transfer to financial leasing, excluding transfer to international financial leasing;b

3) mentioned in sub-paragraph 7) of part one of paragraph 1 of this article, used in the production of agricultural machinery included in the list established by the authorised body in the field of agro-industrial complex development in agreement with the central authorised body for state planning and the authorised body.

3. Goods mentioned in paragraph 1 of this article shall be released for domestic consumption without actual payment of value added tax, provided that customs duties and excise taxes on excisable goods are paid as stipulated.

4. The amount of value added tax paid by the offset method shall be reflected in the value added tax return simultaneously in the accrual and offset in the order established by the tax laws of the Republic of Kazakhstan.

Should the requirements set forth in paragraphs 1 and 2 of this article be violated within five years from the date of release of goods for domestic consumption into the territory of the Republic of Kazakhstan, value added tax on imported goods shall be payable with interest accruing from the date of violation, established for the payment of value added tax on imported goods, in the manner and amount specified by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Hereby, the following shall not be considered violations of the requirements established by this article:

1) the sale of meat and meat products obtained as a result of the forced slaughter of animals listed in sub-paragraphs 9) and 10) of part one of paragraph 1 of this article, or the loss (death) of such animals within the limits of natural loss.

The procedure for compulsory slaughter and natural loss rates shall be approved by the authorised body in the field of agro-industrial complex development;

2) export under the procedure for re-export of previously imported goods;

3) removal from VAT registration after the release of goods;

4) disposal (write-off) of goods as a result of an accident, crash and/or malfunction, provided there is a document confirming the impossibility of restoring the specified goods.

5. The sale of goods for which value added tax on imported goods has been paid by means of offset shall not be subject to value added tax on imported goods after five years from the date of their release for domestic consumption in the territory of the Republic of Kazakhstan.

The provisions of this paragraph shall also apply to the sale after 31 December 2008 of goods imported by 31 December 2008 for own production needs, on the importation of which value added tax was paid by the offset method.

6. Turnover from the sale of goods referred to in paragraph 1 of this article, on which value added tax has been paid by the offset method, shall be exempt from value added tax when transferred under a finance lease.

The provisions of this paragraph shall also apply to the transfer after 31 December 2008 under a finance lease of goods imported before 31 December 2008 for own production needs, on which value added tax has been paid by the offset method.

Footnote. Chapter 48 has been supplemented with Article 428-1 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Article 428-2. Payment of value added tax on goods imported into the territory of the Republic of Kazakhstan from the territory of member states of the Eurasian Economic Union by means of offset

1. Value added tax shall be paid by the method of set-off in the order established by this Article by value added tax payers referred to in sub-paragraph 1) of paragraph 1 of Article 367 of this Code on the following goods imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union:

1) equipment;
2) agricultural machinery;
3) motor vehicle rolling stock;
4) helicopters and aeroplanes;
5) railway locomotives and carriages;
6) sea-going vessels;
7) spare parts;
8) pesticides;
9) breeding animals and artificial insemination equipment;
10) live cattle.

The list of specified goods and the procedure for its formation shall be established by the authorised body in the field of tax policy.

This list shall cover goods that are not produced in the territory of the Republic of Kazakhstan.

This list shall encompass the goods referred to in sub-paragraphs 8), 9) and 10) of part one of this paragraph, that do not satisfy the needs of the Republic of Kazakhstan.

2. The provisions of this article regarding the payment of value added tax by the offset method shall apply to goods imported by a value added tax payer listed in sub-paragraph 1) of paragraph 1 of Article 367 of this Code.:

1) not intended for further sale;

2) for the purpose of transfer to financial leasing, excluding transfer to international financial leasing;

3) specified in sub-paragraph 7) of part one of paragraph 1 of this article, used in the production of agricultural machinery included in the list established by the authorised body in the field of agro-industrial complex development in agreement with the central authorised body for state planning and the authorised body.

3. A value added tax payer mentioned in sub-paragraph 1) of paragraph 1 of Article 367 of this Code shall, simultaneously with the declaration of importation of goods and payment of indirect taxes, file with the tax authority:

1) the documents listed in paragraph 2 of Article 456 of this Code;

2) documents describing the main technical and commercial characteristics of goods, allowing the goods to be classified under a specific subheading of the Eurasian Economic Union's unified Commodity Nomenclature for Foreign Economic Activity. If required, photographs, drawings, blueprints, product specifications, samples, product samples and other documents shall be filed as well.

4. Goods referred to in paragraph 1 of this article shall be imported without actual payment of value added tax, provided that excise duties on excisable goods are paid in due order.

5. The amount of value added tax paid by the offset method shall be reflected in the value added tax return simultaneously in the accrual and offset in a manner established by the tax legislation of the Republic of Kazakhstan.

Should the requirements set forth in paragraphs 1 and 2 of this article be breached within five years from the date of importation of goods into the territory of the Republic of Kazakhstan, value added tax on imported goods shall be payable with interest calculated from the date established for the payment of value added tax on imported goods, under the procedure and in the amount established by the tax legislation of the Republic of Kazakhstan.

Herewith, the following shall not constitute violations of the requirements established by this article:

1) the sale of meat and meat products obtained as a result of the forced slaughter of animals listed in sub-paragraphs 9) and 10) of part one of paragraph 1 of this article, or the loss (death) of such animals within the limits of natural loss.

The procedure for compulsory slaughter and natural loss rates shall be approved by the authorised body in the field of agro-industrial complex development;

2) deregistration for value added tax purposes after the date of registration of imported goods, specified in accordance with Article 442 of this Code;

3) disposal (write-off) of goods as a result of an accident, crash and/or malfunction, provided there is a document confirming that the goods cannot be restored.

6. Turnover from the sale of goods referred to in paragraph 1 of this article, on which value added tax has been paid by the offset method, shall be exempt from value added tax when transferred under a financial lease.

7. The provisions of this article shall also apply to goods imported into the territory of the Republic of Kazakhstan from the territory of member states of the Eurasian Economic Union under leasing agreements (contracts) in respect of the amount of value added tax attributable to the amount of the leasing payment envisaged by the leasing agreement, excluding remuneration.

Footnote. Chapter 48 has been supplemented with Article 428-2 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall come into force since 01.01.2025).

Chapter 49. RELATIONS WITH THE STATE BUDGET WITH REGARD TO VAT

Article 429. Excess of the amount of VAT subject to offset over the amount of a tax assessed for a taxable period

1. Unless otherwise provided for by this Chapter, the amount of VAT subject to offset in excess over the amount of the tax assessed on an accrual basis according to the declaration at the end of the reporting taxable period (hereinafter referred to as excess VAT) is applied against future VAT payments.

Excess VAT is not applied against the payment of VAT on imported goods and (or) when purchasing works, services from a non-resident.

2. Excess VAT at the end of the taxable period of zero-rated sales turnovers shall be returned with regard to purchased goods, works and services used for the purposes of taxable sales turnovers in the manner prescribed by Article 431 of this Code, provided that all of the following requirements are met:

1) a VAT payer continuously sells zero-rated goods, works, services;

2) zero-rated sales turnover for the taxable period of continuous sale of goods, works, services makes up at least 70 percent of total taxable sales turnover.

For the purposes of this paragraph, continuous sale of zero-rated goods, works and services includes zero-rated sale of goods, performance of works, rendering of services for three consecutive taxable periods, at least once in each quarter. In addition, continuous sale shall mean such sale in each of the specified taxable periods.

3. In case of a failure to observe the conditions specified in paragraph 2 of this article, the excess VAT amount shall be refunded with regard to the amount of the tax that was offset on the goods (works, services) used for the purposes of zero-rated sales turnover.

With regard to international carriage, the excess VAT amount subject to refund is calculated by applying the unit weight of physical volume of international carriage in the total volume of carriage to the amount of VAT offset in the taxable period, for which the refund of excess VAT amount is claimed in a VAT declaration.

4. Excess VAT arising from the purchase of goods, works and services not used for the purposes of zero-rated sales turnovers shall be refunded up to the amounts of VAT that was offset, paid at the purchase of works, services from a non-resident in accordance with Article 373 of this Code.

5. Excess of VAT specified in Paragraph 1 of this Article, which has developed with the payer of VAT, having the right to a simplified procedure for the return of VAT, shall be refunded.

Exceeding the value added tax established by this paragraph is returned at the choice of the taxpayer of the procedure and terms established by Articles 431 and (or) 434 of this Code.

In the case of choosing Article 434 of this Code for the remaining part of the excess of value added tax, the taxpayer has the right to apply Article 431 of this Code.

6. The provisions of Paragraphs 2, 3 and 4 of this Article shall not be applied:

to the amount of value added tax, which is returned in accordance with Article 432 of this Code;

to the taxpayers specified in subparagraph 1) of paragraph 2 of Article 434 of this Code, having the right to apply the simplified procedure for the return of excess of value added tax.

7. When determining the excess VAT amount subject to refund from the state budget, one shall not account for the amount of VAT that was offset:

on invoices issued by a procurement organization in the field of the agro-industrial complex;

on goods, works, services for minerals transferred to fulfill the tax obligation in kind (including goods, works, services associated with the sale of such minerals).

8. For the taxpayers deregistered for value added tax, the excess of value added tax that has developed shall be subject to write-off:

as of the date of the tax authority’s decision, in case of non-fulfillment of the conditions provided for by paragraph 4 of Article 424 of this Code;

after fulfilling the requirements specified in subparagraph 3) of paragraph 1 of Article 369 of this Code.

The excess of value added tax shall be written off from the personal accounts of taxpayers in the manner determined by the authorized body.

9. Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

10. Rules for the refund of excess VAT shall be approved by the authorized body.

Footnote. Article 429 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.01.2018); dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 430. Refund of VAT on certain grounds

VAT subject to refund from the state budget is that:

1) paid to suppliers of goods, works, services that were purchased for the money of a grant in the manner prescribed by Article 435 of this Code;

2) paid by diplomatic missions and equivalent foreign representative offices, by consular offices of foreign states accredited in the Republic of Kazakhstan and by persons belonging to the diplomatic and administrative and technical staff of these missions, including their family members living with them, consular officers, consular employees, including their family members living with them, suppliers of goods, works, services, purchased in the territory of the Republic of Kazakhstan, in the manner prescribed by Article 436 of this Code;

3) paid to the state budget in excess in the manner prescribed by Articles 101 and 102 of this Code.

Article 431. The order and time limits for the refund of excess VAT

1. The refund of excess VAT shall be carried out by the taxpayer:

1) in the manner and terms established by this article, unless otherwise provided by Articles 432 and 434 of this Code;

2) on the basis of his requirement to refund the amount of excess VAT specified in VAT declaration for the taxable period.

2. Unless otherwise provided by Articles 432 and 434 of this Code, a refund of the excess amount of value added tax, confirmed by the results of the audit, is made to the taxpayer in the next period:

within fifty-five business days – to a taxpayer, whose zero-rated sales turnovers make up at least 70 percent of total taxable sales turnover in the taxable period, for which the refund of excess VAT amount is claimed;

in other cases - within seventy - five business days.

In this case, the period for the return of the amount of excess of value added tax begins after the expiration of thirty calendar days from the period established for the submission of a declaration on value added tax in accordance with paragraph 1 of Article 424 of this Code.

For the purposes of this paragraph, grounds for the refund of excess VAT amount are as follows:

1) a tax audit report confirming the reliability of excess VAT amount claimed for refund, taking into consideration the outcome of the appeal of the report (if appealed by the taxpayer) ;

2) an opinion on the tax audit report executed in the case specified in paragraph 13 of Article 152 of this Code.

3. Excess VAT is not refunded:

1) to a taxpayer carrying out settlements with the state budget under special tax regimes for:

small business entities;

peasant or farm enterprises;

producers of agricultural products, products of aquaculture (fish farming) and agricultural cooperatives;

2) to the taxpayer for the tax periods on which he applied the provisions of Article 411 of this Code.

4. The excess VAT amount, approved for refund from the state budget, shall be returned to the taxpayer in the manner specified in Article 104 of this Code.

5. The excess VAT amount, the refund of which a taxpayer claims in his/her/its declaration, which was returned from the state budget but not confirmed by the results of subsequent tax control, shall be paid to the state budget by the taxpayer in case of his/her/its consent in accordance with subparagraph 1) of part two of paragraph 2 of Article 96 of this Code pursuant to a notice on elimination of violations identified by the results of an in-house audit or an audit findings report.

If the excess VAT amount was refunded to a taxpayer with the accrual and transfer of a penalty for the benefit of this taxpayer in accordance with paragraph 4 of Article 104 of this Code, the penalty earlier transferred to the taxpayer and accrued on the excess VAT amount, returned but not confirmed by tax control results, shall be paid to the state budget in case of his/her/its consent in accordance with subparagraph 1) of part two of paragraph 2 of Article 96 of this Code pursuant to a notice on elimination of violations identified by the results of an in-house audit or an audit findings report.

6. The amounts specified in paragraph 5 of this article shall be paid to the state budget inclusive of penalties accrued for each day from the date of refund from the state budget, in the amount specified in paragraph 4 of Article 104 of this Code.

Footnote. Article 431 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 432. Features of refunding excess VAT to certain categories of taxpayers

1. In case of excess VAT with regard to goods, works, services purchased by a taxpayer in connection with the construction of buildings and structures for industrial purposes put into operation in the territory of the Republic of Kazakhstan for the first time, the excess VAT amount for the period of construction is refunded to such a taxpayer in accordance with the procedure and within the time limits established by paragraph 3 of this article.

For the purposes of this article, buildings for industrial purposes are:

1) industrial buildings and warehouses;

2) transport, communications buildings;

3) non-residential agricultural buildings.

For the purposes of this article, structures for industrial purposes are structures other than those for sports and recreation, administrative purposes, parking facilities or car parks, as well as for cultural, entertainment, hotel, restaurant purposes.

Industrial buildings and structures shall be classified as the buildings and structures specified in parts two and three of this paragraph in accordance with the classification approved by the authorized state body for state technical regulation.

The provisions of part one of this paragraph are also applied to the “turnkey” construction in accordance with the legislation of the Republic of Kazakhstan.

In this case, a period of construction is understood to mean a period of time between the beginning of construction and the date of putting buildings and structures into operation.

For the purposes of this article, the earliest of the dates below shall be considered the beginning of construction:

1) the date of conclusion of an agreement (contract) on (for) the construction;

2) the date of conclusion of an agreement (contract) on (for) the execution of design works.

The provisions of this paragraph apply, provided all of the following requirements are met :

1) a taxpayer is an entity operating in the territory of a special economic zone or a start-up implementing a priority investment project;

2) construction is carried out under a long-term contract specified in paragraph 1 of Article 282 of this Code;

3) buildings and structures are recognized as fixed assets;

4) buildings and structures were commissioned.

A claim for the refund of excess VAT amount provided for in this paragraph shall be indicated in the next scheduled VAT declaration for taxable periods following the taxable period, in which the buildings and structures were put into operation, with account of the provisions of Article 48 of this Code.

2. In case of excess VAT with regard to goods, works, services purchased by the taxpayer in a period of geological exploration and site development, such excess VAT amount shall be refunded in accordance with the procedure and within the time limits specified in paragraph 3 of this article.

In this case, the period of geological exploration and site development is a period of time between the date of concluding a relevant subsoil use contract in the manner prescribed by the legislation of the Republic of Kazakhstan and the date of commencement of export of minerals mined under a relevant subsoil use contract, except for common minerals, groundwater and therapeutic muds.

The provision of this paragraph applies to taxpayers operating under a subsoil use contract (except for contracts of exploration and (or) extraction of common minerals, groundwater and therapeutic muds), concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

A claim for the refund of excess VAT amount specified in part one of this paragraph shall be indicated by a taxpayer in the next scheduled VAT declaration for taxable periods

following the taxable period including the date of commencement of export of minerals mined under a relevant subsoil use contract, except for common minerals, groundwater and therapeutic muds, with account of the provisions of Article 48 of this Code.

3. Excess VAT specified in paragraphs 1 and 2 of this Article shall be refunded within twenty taxable periods in equal installments, starting from the taxable period, in which the reliability of accumulated excess VAT amount claimed for refund was confirmed.

4. The provisions of this article do not apply to the excess amount of value added tax, which is returned in accordance with Article 429 of this Code, as well as when returning the excess of value added tax to taxpayers who have the right to apply the simplified procedure for refund of the excess added value tax, provided for in Article 434 of this Code.

Footnote. Article 432 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 433. Features of refunding excess of VAT to a VAT payer using VAT control account

Footnote. Article 433 is excluded, in accordance with the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 434. Simplified procedure for the refund of excess VAT

1. The simplified procedure for the refund of excess VAT means the refund of excess VAT without conducting a tax audit.

2. The following value-added tax payers who have submitted value-added tax declarations indicating the requirement to refund the amount of excess of value-added tax and who do not have an unfulfilled tax obligation to submit tax reports on the date of submission of the value-added tax declaration shall have the right to apply a simplified procedure for the refund of excess of value-added tax:

1) being on tax monitoring for at least twelve consecutive months;

2) manufacturers of goods of own production, the list of which is approved by the authorized body in the field of regulation of trading activities in agreement with the authorized body and the authorized body in the field of tax policy;

3) exporters of raw materials when converting at least 50 percent of the foreign exchange gains received during the taxable period.

The list of exporters of raw materials provided for by this subparagraph shall be approved by the Government of the Republic of Kazakhstan.

The submission of the conclusion to the tax authorities on the conversion of currency revenue is carried out by the National Bank of the Republic of Kazakhstan and second -tier banks in the manner and in the form approved by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

To obtain the conclusion specified in part two of this paragraph, the tax authorities send the corresponding request for the conversion of currency revenue as of the date of the preparation of such a conclusion.

In case of reorganization through division, separation, transformation of a taxpayer that is subject to tax monitoring, meets the requirements provided for in this paragraph, the right to apply the simplified procedure for the refund of excess VAT is transferred to a successor (successors) of the reorganized person.

Unless otherwise provided by this paragraph, in the event of reorganization by merger or accession of the taxpayers specified in subparagraph 1) of part one of this paragraph, the right to apply a simplified procedure for the refund of excess value added tax shall passe to the legal successor, provided that all legal entities reorganized by merger or accession were taxpayers who met the requirements provided for by this paragraph before the reorganization.

In case of reorganization through merger or incorporation of a taxpayer that is a legal entity subject to tax monitoring in accordance with the decision of the Government of the Republic of Kazakhstan, the right to apply the simplified procedure for the refund of excess VAT is transferred to its successor.

The provisions of part four of this paragraph shall apply, provided all of the following requirements are met:

one of the legal entities under reorganization through merger and (or) incorporation is a taxpayer subject to tax monitoring and meets the requirements provided for in part one of this paragraph;

controlling interest in one of the legal entities under reorganization through merger and (or) incorporation belongs to the national management holding as of the date of reorganization.

During the reorganization by merging or joining of taxpayers specified in subparagraphs 2) and 3 of part one of this paragraph, such taxpayers have the right to apply a simplified procedure for return of the excess of value added tax after a tax audit in the manner established by Article 152 of this Code. At the same time, the tax period is included in the tax period in which the reorganization is carried out.

The right to apply the simplified procedure for the refund of excess VAT with regard to the successor (successors) specified in parts two, three and four of this Paragraph is valid, while the list of taxpayers subject to monitoring of large taxpayers, or horizontal monitoring agreements is in force.

In this case, subject to refund in the simplified procedure is excess VAT:

in the amount not exceeding 70 percent of the amount of excess VAT for the reporting taxable period – with regard to taxpayers subject to monitoring of large taxpayers;

in the amount not exceeding 90 percent of the amount of excess VAT for the reporting taxable period – with regard to taxpayers that are in horizontal monitoring;

for taxpayers who are manufacturers of goods of their own production in the manufacturing industry:

corresponding to the conditions of paragraph 2 of Article 429 of this Code - in the amount of no more than 50 percent of the amount of excess value added tax that has developed for the reporting tax period;

corresponding to the conditions of paragraph 3 of Article 429 of this Code - in the amount of no more than 50 percent of the part of the amount of VAT credited for goods (work, services) used for the purposes of sales turnover, taxable at a zero rate, but not more than 50 percent of the amount of excess value added tax that has developed for the reporting tax period;

for raw materials exporters, when converting at least 50 percent of the foreign exchange gains received for the tax period, which comply with the conditions of paragraph 2 of Article 429 of this Code - in the amount of no more than 80 percent of the amount of excess value added tax established for the reporting tax period.

3. The refund of the amount of excess value added tax under a simplified procedure shall be made within fifteen working days after the expiration of the last date established by this Code for submission of the declaration on value added tax for the tax period to the tax authority, which indicates the requirement to return the amount of excess value added tax.

In case of an extension of the deadline for submitting tax reporting on value added tax in accordance with subparagraphs 2) and 3) of paragraph 3 of Article 212 of this Code, the refund of the amount of excess value added tax shall be made taking into account the extension period.

Footnote. Article 434 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII shall be enforced from 01.01.2023).

Article 435. Refund of VAT on goods, works, services purchased with grant funds

1. Excess VAT on goods, works, services purchased with grant funds is refunded to:

1) a grant recipient that is a state body, which is a beneficiary in accordance with an international treaty providing for a grant to the Republic of Kazakhstan, and assigns a contractor, unless otherwise provided for by the said international treaty of the Republic of Kazakhstan;

2) a contractor that is a person assigned by a grantee for the purposes of grant implementation (hereinafter referred to as the contractor).

2. Tax authorities shall refund the VAT provided for in paragraph 1 of this article, paid to suppliers of goods, works, services purchased with grant funds, within thirty business days of the date of submission of a tax application for the refund of VAT on goods, works, services purchased with grant funds, provided all of the following requirements are met:

1) a grant, with the funds of which goods, works, services were purchased, was provided in the line of states, national governments, international organizations;

2) goods, works, services are purchased exclusively for the purposes of grant implementation;

3) goods are sold, works are performed, services are rendered under an agreement (contract) concluded with a grantee or a contractor, assigned by the grantee, for the purposes of grant implementation.

3. In accordance with this article, VAT shall be refunded to grantees or contractors in the manner established by Articles 101 and 102 of this Code on the basis of documents confirming the payment of VAT with grant funds.

4. To refund VAT in accordance with this article, a grantee or a contractor shall submit to the tax authority at the location, along with a tax application for the refund of VAT on goods, works, services purchased with grant funds, the following documents:

1) a copy of a treaty on grant giving concluded by the Republic of Kazakhstan and a foreign state, a foreign national government or an international organization included in the list approved by the Government of the Republic of Kazakhstan;

2) a copy of an agreement (contract) concluded by the grantee or the contractor with a supplier of goods, works, services;

3) a copy of the document confirming authorizing the contractor to act as such, when the latter submits a tax application for the refund of VAT;

4) documents confirming the shipment and receipt of goods, works, services;

5) an invoice issued by the supplier that is a VAT payer, in which the amount of VAT is indicated in a separate line;

6) a delivery note, consignment note;

7) a document confirming the receipt of goods by the financially liable person of the grantee or the contractor;

8) certificates for works performed, services rendered and their acceptance by the grantee or the executor, issued in accordance with the established procedure;

9) documents confirming the payment for received goods, works, services, including the payment of VAT.

The refund of VAT provided for in this article shall also be made to grantees or contractors that are not VAT payers.

Article 436. Refund of VAT to diplomatic missions and equivalent representative offices of foreign states, consular offices of a foreign state accredited in the Republic of Kazakhstan and to their staff

1. VAT shall be refunded to diplomatic missions and equivalent foreign representative offices, consular offices of a foreign state accredited in the Republic of Kazakhstan (hereinafter referred to as the mission) and persons that are diplomatic, administrative and technical staff of these missions, including their family members living with them, consular officials, consular employees, including their family members living with them (hereinafter referred to as the staff), for goods purchased, works performed and services rendered in the

territory of the Republic of Kazakhstan, provided that such a refund is provided for by international treaties to which the Republic of Kazakhstan is a party, or by documents confirming the principle of reciprocity in applying VAT reliefs.

VAT is refunded by tax authorities at the location of the missions included in the list approved by the Ministry of Foreign Affairs of the Republic of Kazakhstan.

2. Based on the principle of reciprocity, restrictions on the amount of VAT and conditions of its refund may be established in respect of some missions.

The list of the missions, in whose respect restrictions on the refund of VAT are established, are approved by the Ministry of Foreign Affairs of the Republic of Kazakhstan in coordination with the authorized body.

3. Unless otherwise established by paragraph 2 of this article, VAT is refunded to the missions provided that the amount of goods purchased, works performed, services rendered, including VAT, in each separate invoice, issued in the manner established by this Code, and documents, confirming the fact of payment, is equal to or exceeds 8 times the monthly calculation index established by the law on the national budget and effective as of the date of issuance of an invoice.

Restrictions established by this paragraph shall not apply to services for telecommunications, electricity, water, gas and other utilities.

4. Tax authorities shall refund VAT on the basis of spreadsheets (registers) and copies of documents confirming the payment of VAT (invoices issued in the manner established by this Code, documents confirming the payment) prepared by the missions.

With respect to staff members of the mission, they are required to submit copies of accreditation documents, issued by the Ministry of Foreign Affairs of the Republic of Kazakhstan, in addition.

Paper-based spreadsheets (registers) for goods purchased, works performed, services rendered shall be prepared by the missions for a reporting quarter on a quarterly basis in the form established by the authorized body, certified with the seal and signed by the head or another authorized person of the mission.

Spreadsheets (registers) prepared by the missions are forwarded to the organization for work with diplomatic missions of the Ministry of Foreign Affairs of the Republic of Kazakhstan along with copies of documents confirming the payment of VAT (invoices issued in the manner established by this Code, documents confirming the fact of payment), within the month following a reporting quarter, except for cases of expiration of the term of stay in the Republic of Kazakhstan of a staff member (staff members) of the mission.

5. With the principle of reciprocity confirmed, the organization for work with diplomatic missions of the Ministry of Foreign Affairs of the Republic of Kazakhstan shall submit spreadsheets (registers) with copies of documents confirming the payment of VAT (invoices

issued in the manner established by this Code, documents confirming the fact of payment), along with an accompanying document, to the tax authority at the location of the missions accredited in the Republic of Kazakhstan.

6. Tax authorities refund VAT to the missions within thirty business days of the receipt of spreadsheets (registers) and documents, confirming the payment of VAT, from the organization for work with diplomatic missions of the Ministry of Foreign Affairs of the Republic of Kazakhstan and notify thereof in writing.

Having checked spreadsheets (registers) and copies of documents confirming the payment of VAT, tax authorities notify the organization for work with diplomatic missions of the Ministry of Foreign Affairs of the Republic of Kazakhstan of the refund of VAT and (or) refusal to refund it.

If the refund of VAT is refused, tax authorities shall inform on the violations and specify documents, in which they were committed.

7. In case of detecting violations in the documents submitted by the missions, including the failure to indicate a VAT amount in a separate line, tax authorities conduct a third-party audit of a supplier of goods, works, services.

In case of a failure to eliminate violations, found in the course of a third-party audit, during a period of refund established by paragraph 6 of this article, those amounts of VAT shall be refunded, with respect to which violations were not identified or were eliminated.

If violations are eliminated after a third-party audit is completed, VAT is refunded on the basis of an additional spreadsheet (register) submitted along with copies of documents confirming the payment of VAT (invoices issued in the manner established by this Code, documents confirming the payment).

The amount of VAT not claimed for refund for a quarter, in which goods were purchased, works were performed, services were rendered, may be claimed for refund by the missions on the basis of a spreadsheet (register) submitted along with copies of documents confirming the payment of VAT (invoices issued in the manner established by this Code, documents confirming the fact of payment).

8. Missions shall submit documents to tax authorities in Kazakh and (or) Russian.

If some documents are drawn up in foreign languages, it is required to produce their Kazakh and (or) Russian translation, certified with the seal of a mission.

9. Tax authorities refund VAT to relevant accounts of the missions and (or) staff members of the missions, which were opened with banks of the Republic of Kazakhstan in the manner prescribed by the legislation of the Republic of Kazakhstan.

Chapter 50. FEATURES OF IMPOSING VAT IN CASE OF EXPORT AND IMPORT OF GOODS, PERFORMANCE OF WORKS, RENDERING OF SERVICES IN THE EURASIAN ECONOMIC UNION

Article 437. General provisions

1. The provisions of this Chapter are underpinned by international treaties concluded between the member states of the Eurasian Economic Union and regulate the taxation in respect of VAT in case of export and import of goods, performance of works, rendering of services, as well as its tax administration in mutual trade of the member states of the Eurasian Economic Union.

If this Chapter establishes rules for imposing VAT in case of export and import of goods, performance of works, rendering of services and its tax administration, which differ from those in other chapters of this Code, the rules of this Chapter shall apply.

Issues, not addressed in this Chapter, relating to the imposition of VAT in case of export and import of goods, performance of works, rendering of services, as well as its tax administration, are regulated by other chapters of this Code, as well as the Law of the Republic of Kazakhstan on the enactment of this Code.

The definitions used in this Chapter are provided for in international treaties ratified by the Republic of Kazakhstan, concluded between the member states of the Eurasian Economic Union.

If the definitions used in this Chapter are not provided for in international treaties ratified by the Republic of Kazakhstan and concluded between the member states of the Eurasian Economic Union, one shall apply the definitions provided for in relevant articles of this Code, the civil and other legislation of the Republic of Kazakhstan.

Tax authorities impose VAT on goods imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union at the rate established by paragraph 1 of Article 422 of this Code, which is applied to the value of taxable import.

Tax authorities carry out control over the taxpayer's fulfillment of the tax obligation for VAT on exports and imports of goods, performance of works, rendering of services in mutual trade of the member states of the Eurasian Economic Union on the basis of tax returns filed by the taxpayer, as well as information and (or) documents on the taxpayer's activity they receive from state bodies and other persons.

For the purposes of this Chapter, the value of goods, works, services in foreign currency is recalculated in tenge at the market exchange rate set on the last business day preceding the effective date of the turnover from the sale of goods, works, services, taxable imports.

2. For the purposes of this Chapter, a lease shall be understood to mean the conveyance of property (leased asset) under a lease agreement for a period of more than three years if it meets one of the following requirements:

1) property (leased asset) is transferred into the ownership of the lessee at a fixed price under a lease agreement;

2) a lease term exceeds 75 percent of useful life of the leased property (leased asset);

3) current (discounted) value of lease payments for the entire lease term exceeds 90 percent of the value of the leased property (leased asset).

For the purposes of this Chapter, such transfer is treated as the sale of property (leased asset) by the lessor and the purchase of property (leased asset) by the lessee. In this case, the lessee is deemed as the owner of the leased asset, and lease payments - as payments of a loan granted to the lessee, with regard to a part of the value of the goods.

For the purposes of this Chapter, a lease payment shall be understood to mean a part of the value of the goods (leased asset) inclusive of remuneration provided for in the lease agreement (contract).

For the purposes of this Chapter, leasing transactions are not recognized as a lease in case of non-observance of the above conditions or termination of a lease agreement (termination of obligations under a lease agreement) prior to expiration of three years from the date of conclusion of such agreements.

For the purposes of this Chapter, remuneration under a lease agreement shall be understood to mean all payments related to leasing the property (leased asset) out, except for the value at which such property (leased asset) is received (transferred), payments to a person who, with regard to the lessee, is not a lessor, a related party.

Article 438. VAT payers in the Eurasian Economic Union

VAT payers in the Eurasian Economic Union are:

1) persons specified in subparagraph 1) of paragraph 1 of Article 367 of this Code;

2) persons importing goods into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union:

a resident legal entity;

a structural unit of a resident legal entity if it is a party to an agreement (contract);

a structural unit of a resident legal entity on the basis of a relevant decision of such a legal entity if this structural unit of a resident legal entity is a recipient of goods under an agreement (contract) between the resident legal entity and a taxpayer of a member state of the Eurasian Economic Union;

a non-resident legal entity operating through a permanent establishment without setting up a structural unit and registered as a taxpayer with tax authorities of the Republic of Kazakhstan;

a non-resident legal entity operating in the Republic of Kazakhstan through a structural unit;

a non-resident legal entity operating without setting up a permanent establishment;

trust managers importing goods as part of their activity under trust management agreements with trust management founders or beneficiaries in other cases of trust management;

a diplomatic mission and equivalent representative office of a foreign state accredited in the Republic of Kazakhstan, diplomatic, administrative and technical staff of these missions,

including their family members living with them; a consular office of a foreign state accredited in the Republic of Kazakhstan, consular officials, consular employees, including their family members living with them;

private practice owners importing goods for carrying out the notarial activity, executing enforcement documents, conducting the advocacy activity;

mediators importing goods for carrying out the mediation activity;

an individual importing goods for business purposes. Criteria for classifying goods as those imported for business purposes are established by the authorized body.

Article 439. Taxable items, determination of taxable turnover

Unless otherwise established by Article 440 of this Code, items liable to VAT in the Eurasian Economic Union, as well as taxable turnover, are identified in accordance with Articles 368, 369 and 373 of this Code.

Article 440. Determination of turnover from the sale of goods, works, services and taxable import in the Eurasian Economic Union

1. Turnover from the sale of goods is exportation of goods from the territory of the Republic of Kazakhstan into the territory of another member state of the Eurasian Economic Union.

2. Temporary exportation from the territory of the Republic of Kazakhstan of goods, which subsequently will be imported into the territory of the Republic of Kazakhstan with their properties and characteristics unchanged, into the territory of the member states of the Eurasian Economic Union is not a turnover from sale.

3. Turnover from the sale of works and services in the Eurasian Economic Union is turnovers in accordance with paragraph 2 of Article 372 of this Code, if, on the basis of paragraph 2 of Article 441 of this Code, the Republic of Kazakhstan is recognized as a place of sale of works, services.

4. Taxable import is:

1) goods imported into the territory of the Republic of Kazakhstan (except for those exempted from VAT in accordance with paragraph 2 of Article 451 of this Code).

The provision of this subparagraph shall also apply in respect of vehicles imported (being imported) and subject to state registration with state bodies of the Republic of Kazakhstan;

2) goods, which are products of processing of customer-supplied raw materials, imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union.

5. None of the following is taxable import:

1) temporary importation into the territory of the Republic of Kazakhstan of goods, which subsequently will be exported from the territory of the Republic of Kazakhstan with their properties and characteristics unchanged, from the territory of the member states of the Eurasian Economic Union;

2) importation into the territory of the Republic of Kazakhstan of goods, which were earlier temporarily exported to the territory of the member states of the Eurasian Economic Union, with their properties and characteristics unchanged, from the territory of the member states of the Eurasian Economic Union.

The provisions of this paragraph apply to temporary importation of goods:

1) under agreements on property lease (rent) of movable property and vehicles;

2) to exhibitions and fairs.

The provisions of this paragraph shall not apply to vehicles used for international carriage services provided for in paragraph 2 of Article 387 of this Code.

In case of sale of goods specified in this paragraph, the importation of such goods is recognized as taxable import and is liable to VAT on imported goods from the date of registration of such goods in the manner and in the amount determined by this Code.

If temporarily imported goods are located in the territory of the Republic of Kazakhstan for more than two years from the date of import, the import of such goods shall be recognized as taxable import and is subject to VAT on imported goods from the registration date of such goods in the manner and amount determined by this Code.

6. Indirect taxes are not imposed in case of importation into the territory of the Republic of Kazakhstan of:

1) goods not imported for business purposes by individuals;

2) goods imported from the territory of a member state of the Eurasian Economic Union in connection with their transfer within one legal entity.

7. A taxpayer is obliged to notify tax authorities of importing (exporting) the goods specified in subparagraphs 1) and 2) of part 2 of paragraph 5 and subparagraph 2) of paragraph 6 of this article.

If goods are temporarily imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union by a non-resident legal entity operating without setting up a permanent establishment in the Republic of Kazakhstan, it is an obligation of the taxpayer of the Republic of Kazakhstan that received goods for temporary use to submit a notification.

The form of a notification of importation (exportation) of goods, the procedure and time limits for its submission to tax authorities are approved by the authorized body.

Footnote. Article 440 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII shall be enforced from 01.01.2023).

Article 441. Place of sale of goods, works, services

1. A place of sale of goods is identified in accordance with paragraph 1 of Article 378 of this Code.

2. The territory of a member state of the Eurasian Economic Union shall be recognized as a place of sale of works, services if:

1) works, services are directly related to immovable property located in the territory of this state.

The provisions of this subparagraph shall also apply to services for leasing, renting and providing immovable property for use on other grounds.

For the purposes of this subparagraph, immovable property is recognized to be land plots, subsoil plots, isolated water bodies and everything, which is firmly fixed to the earth, i.e., items that cannot be moved without causing incommensurate damage to their intended use, including forests, perennial plantations, buildings, structures, pipelines, power lines, enterprises as property complexes and space facilities;

2) works, services are directly related to movable property, vehicles located in the territory of this state (except for services for leasing, renting and providing movable property and vehicles for use on other grounds).

For the purposes of this subparagraph, movable property shall be deemed as things unrelated to the immovable property specified in subparagraph 1) of this paragraph, vehicles.

For the purposes of this subparagraph, vehicles are sea-going vessels and aircraft, inland navigation vessels, mixed navigation (river-sea) vessels; units of railway or tramway rolling stock; buses; cars, including trailers and semi-trailers; freight containers; dump trucks;

3) services in the field of culture, art, education (training), physical education, tourism, recreation and sports are provided in the territory of this state;

4) a taxpayer of this state purchases:

consulting, legal, accounting, auditing, engineering, advertising, design, marketing services, information processing services, as well as research, experimental and technological works;

works, services for the development of computer programs and databases (computer software and information products), their adaptation and modification, maintenance of such programs and databases;

outstaffing services if the staff work at the place of business of a buyer.

The provisions of this subparagraph shall also apply in case of:

transfer, granting, assignment of patents, licenses, other documents certifying the rights to state-protected industrial property, trademarks, brand marks, trade names, service marks, copyright, related rights or other similar rights;

renting, leasing and provision of movable property for use on other grounds, except for renting, leasing and provision of vehicles for use on other grounds;

rendering of services by a person involving another person, on behalf of the main party to an agreement (contract), in the performance of works, services provided for in this subparagraph;

5) works are performed, services are rendered by a taxpayer of this state, unless otherwise provided for by subparagraphs 1), 2), 3) and 4) of this paragraph.

The provisions of this subparagraph shall also apply when renting, leasing and granting vehicles for use on other grounds.

3. Documents confirming the place of sale of works, services are:

an agreement (contract) on (for) performance of works, rendering of services concluded between a taxpayer of the Republic of Kazakhstan and a taxpayer of a member state of the Eurasian Economic Union;

documents confirming the fact of performance of works, rendering of services;

other documents provided for by the legislation of the Republic of Kazakhstan.

4. If a taxpayer performs several types of works, renders several types of services that are subject to taxation under this Section, and some of these works and services are auxiliary in relation to other works, services, the place of sale of main works, services is recognized as that of auxiliary works and services.

5. The provisions of this Article shall not be applied in the cases established by Section 25 of this Code.

Footnote. Article 441 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022).

Article 442. Effective date of turnover from the sale of goods, works, services, taxable imports

1. In case of export sale of goods, for the purposes of calculating VAT, the date of sale of goods is that of shipment, which is the date of the first, in terms of time, source accounting (recording) document confirming the shipment of goods, which is issued in the name of a buyer of goods (first carrier).

2. Unless otherwise established by this article, effective date of taxable import is the date of the taxpayer's recognition of imported goods (including goods, which are the outcome of performance of works under agreements (contracts) on (for) their production), as well as goods received under an agreement (contract) providing for granting of loans in the form of items, goods that are products of processing of customer-supplied raw materials.

Unless otherwise established by this paragraph, for the purposes of this Chapter, the date of recognition of imported goods is:

1) the earliest of the dates of recognition (reflection) of such goods in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) the date of importation of such goods into the territory of the Republic of Kazakhstan.

If the taxpayer has both dates specified in subparagraphs 1) and 2) of part two of this paragraph, the date of recognition of imported goods shall be the latest of the specified dates.

For the purposes of this paragraph, the date of importation of goods into the territory of the Republic of Kazakhstan is:

that of delivery at an airport or a seaport in the territory of the Republic of Kazakhstan – in case of carriage of goods by air or sea;

that of crossing the State border of the Republic of Kazakhstan – in case of international carriage of goods by road.

At the same time, the date of crossing the State Border of the Republic of Kazakhstan shall be determined on the basis of a coupon on passing state control (or a copy of a coupon on passing state control) issued by structural subdivisions of the territorial division of the Border Service of the Committee for National Security of the Republic of Kazakhstan, which form and procedure for submitting shall be established jointly by the authorized body and the Committee for National Security of the Republic of Kazakhstan. For the purposes of tax administration, the authorized body and the Committee for National Security of the Republic of Kazakhstan shall organize interaction on the transfer of information through a single information system;

that of delivery at the first border crossing point (station) established by the Government of the Republic of Kazakhstan – in case of international and interstate carriage of goods by rail;

that of delivery at a point of delivery of goods – in case of transporting goods through the trunk pipeline system or power lines;

that of a postmark stamped in the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on mail – in case of mailing goods as international postal items.

In case of no information on the date of importation of goods into the territory of the Republic of Kazakhstan, the date of recognition of imported goods is that specified in subparagraph 1) of part two of this paragraph.

In the absence of recognition (reflection) of goods in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, the date of acceptance of imported goods for accounting shall be the date specified in subparagraph 2) of part two of this paragraph.

In other cases not specified in parts two - seven of this paragraph, and also concerning persons that are not obliged to maintain accounting records by the legislation of the Republic of Kazakhstan, the date of recognition of imported goods is that of issuance of a document confirming the receipt (or purchase) of such goods. At the same time, if there are documents confirming the delivery of goods, the date of recognition of imported goods is that of the carrier’s transfer of goods to the buyer.

3. Effective date of taxable imports in case of importing goods (leased assets) into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union under a lease agreement providing for the transfer of ownership of these goods (leased assets) to the lessee is that of payment of a part of the value of the goods (leased assets) provided for by the lease agreement (regardless of the actual amount and date of payment) exclusive of remuneration.

If, under a lease agreement, the date of payment of a part of the value of goods (leased assets) is fixed prior to the date of importation of goods (a leased asset) into the territory of the Republic of Kazakhstan, the date of recognition of imported goods (leased assets) is the first effective date of taxable imports.

In case of the lessee's early payment of lease payments provided for in a lease agreement after expiration of three years, the final settlement date is the last effective date of taxable import under this lease agreement.

In case of a failure to meet the requirements established by paragraph 2 of Article 437 of this Code, and also in case of termination of a lease agreement (contract) after expiration of three years from the date of transfer of property (leased asset), the date of recognition of imported goods (leased assets) is the effective date of taxable imports.

4. Effective date of a turnover from the sale of works, services is the day of performance of works, rendering of services, unless otherwise provided for by this paragraph.

The day of performance of works, rendering of services is the date of signing of a document confirming the fact of performance of works, rendering of services.

If works and services are sold on a permanent (continuous) basis, the effective date of turnover from sale shall be the date that comes first:

the date of issuance of an invoice;

the date of receipt of each payment (regardless of the form of payment).

Sale on a permanent (continuous) basis means performance of works, rendering of services under a long-term contract concluded for a period of twelve or more months, provided that a recipient of works, services can use their outcomes in his/her/its business activity on the day of performance of works, rendering of services.

If a taxpayer of the Republic of Kazakhstan purchases works and services from a non-resident that is not a VAT payer in the Republic of Kazakhstan, does not operate through a structural unit and is a taxpayer (payer) of a member state of the Eurasian Economic Union, the effective date of turnover is that of signing documents confirming the fact of performance of works, rendering of services.

Footnote. Article 442 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force).

Article 443. Determination of the amount of taxable turnover in case of export of goods

1. The amount of taxable turnover in case of export of goods is the value of goods sold on the basis of prices and tariffs applied by parties to a deal, unless otherwise provided for by this article and the legislation of the Republic of Kazakhstan on transfer pricing.

2. The amount of taxable turnover in case of export of goods (leased assets) under a lease agreement (contract) providing for the transfer of ownership of them to the lessee is determined as of the date fixed in the lease agreement (contract) for each lease payment in the amount of the initial value of the goods (leased assets) per each lease payment.

In this case, the initial value of goods (leased asset) shall be understood to mean the value of the leased asset, specified in the agreement, exclusive of remuneration.

3. The amount of taxable turnover in case of export of goods under agreements (contracts) providing for a loan in the form of items is the value of goods being transferred (provided) under an agreement (contract), in case the agreement (contract) does not specify the value - the value indicated in shipping documents, in case agreements (contracts) and shipping documents do not specify the value - the value of goods according to accounting documents.

For the purposes of this Chapter, shipping documents shall be understood to mean: a CMR, a rail waybill, a consignment note, a uniform waybill, a hold baggage manifest, a mailing list, a baggage ticket, an air waybill, a bill of lading, and also documents used when moving goods by pipeline transport and power transmission lines, and other documents used when moving certain types of excisable goods and accompanying goods and vehicles in shipping operations provided for by the laws of the Republic of Kazakhstan and international treaties to which the Republic of Kazakhstan is a party; invoices, specifications, shipping and packing lists, as well as other documents confirming information on goods, including the goods' value, and used in accordance with international agreements to which the Republic of Kazakhstan is a party.

4. Unless otherwise established by this article, in case of increase (decrease) in the price of goods sold or in case of decrease in the quantity (volume) of goods sold due to their return because of improper quality and (or) incomplete set, the amount of taxable turnover in case of export of goods is adjusted in the taxable period, in which parties to an agreement (contract) changed the price (agreed on the return) of the exported goods.

Article 444. Determination of the amount of taxable import

1. The amount of taxable import of goods, including those that are an outcome of the performance of works under an agreement (contract) on (for) their production, is determined on the basis of the value of purchased goods.

2. For the purposes of this article, the value of purchased goods is determined on the basis of the principle of price determination for tax purposes.

The principle of price determination for tax purposes means determination of the value of purchased goods on the basis of the transaction price payable for the goods under the terms of an agreement (contract).

If under the terms of an agreement (contract), the transaction price consists of the value of purchased goods, as well as other expenses, and the value of the purchased goods and (or) that of other expenses are indicated separately, the value of taxable import is exclusively that of the purchased goods.

If the transaction price consists of the value of purchased goods, as well as other expenses , and the value of the purchased goods and (or) that of other expenses are specified separately, the amount of taxable import is the transaction price specified in the agreement (contract).

For certain types of imported goods, the minimum price level shall be applied to determine the cost of purchased goods in accordance with the procedure established by the authorized body in trade activity regulation.

The list of certain types of goods for which the minimum price level is applied, shall be approved by the Government of the Republic of Kazakhstan.

3. The amount of taxable import of goods shall include an excise tax on excisable goods.

The calculated excise tax on excisable goods is included in the amount of taxable import of goods (leased assets) under lease agreements as of the date of recognition of imported excisable goods (leased assets).

4. The amount of taxable import of goods received under countertrade (barter) agreements (contracts), as well as agreements (contracts) providing for a loan in the form of items, is determined on the basis of the value of goods with account of the principle of price determination for tax purposes provided for in paragraph 2 of this article.

In this case, the value of goods is determined on the basis of the price of goods provided for by an agreement (contract), in case the price of goods is not specified in an agreement (contract) – on the basis of the price of goods specified in shipping documents, in case the price of goods is not specified in agreements (contracts) and shipping documents – on the basis of the price of goods indicated in accounting documents.

5. The amount of taxable import of goods that are products of processing of customer-supplied raw materials is determined on the basis of the value of works on processing these customer-supplied raw materials, including excise duties payable on excisable products of processing.

6. The amount of taxable import of goods (leased assets) under a lease agreement providing for the transfer of ownership of them to the lessee is determined in the amount of a part of the value of goods (leased asset) provided for as of the date established by paragraph 3 of Article 442 of this Code, exclusive of remuneration based on the principle of price determination for tax purposes provided for in paragraph 2 of this article.

If under a lease agreement, the date of payment of a part of the value of goods (leased assets) is fixed prior to the date of importation of goods (a leased asset) into the territory of the Republic of Kazakhstan, the amount of taxable import as of the first effective date of taxable import of goods (leased assets) is determined as the sum of all lease payments under the lease agreement (contract) exclusive of remuneration, the date of maturity of which under the lease agreement (contract) is fixed prior to the date of transfer of the goods (leased assets) to the lessee.

In case of the lessee’s early payment of lease payments under a lease agreement (contract) complying with the conditions of paragraph 2 of Article 437 of this Code, the amount of taxable import as of its last effective date is determined as the difference between the sum of all lease payments under the lease agreement (contract) exclusive of remuneration and settled payments exclusive of remuneration.

In case of non-compliance with the requirements established by paragraph 2 of Article 437 of this Code, as well as in case of termination of a lease agreement (contract) after expiration of three years from the date of transfer of property (leased asset), the amount of taxable import is determined on the basis of the value of goods (leased assets) imported into territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, with account of the principle of price determination for tax purposes, reduced by the sum of lease payments (exclusive of remuneration) under a lease agreement (contract), on which indirect taxes were earlier paid. In this case, the amount of taxable import includes the remuneration provided for in a lease agreement (contract) before such cases occur.

7. When exercising control over the fulfillment of VAT obligations in the importation of goods into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, tax authorities are entitled to adjust the amount of taxable import in the manner determined by the authorized body and (or) legislation of the Republic of Kazakhstan on transfer pricing.

In this case, the taxpayer independently adjusts the amount of taxable import with account of the above procedure, determined by the authorized body, and (or) the requirements of the legislation of the Republic of Kazakhstan on transfer pricing.

8. If parties to an agreement (contract) increase the price of imported goods after expiration of the month, in which such goods are accounted for, the amount of taxable import shall be adjusted accordingly.

Footnote. Article 444 as amended by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2023).

Article 445. Determination of the amount of taxable turnover from the sale of works, services

Unless otherwise established by this Chapter, the amount of taxable turnover from the sale of works, services is determined in accordance with Articles 380, 381 and 382 of this Code.

Article 446. Export of goods in the Eurasian Economic Union

1. Zero rate of VAT is applied when exporting goods from the territory of the Republic of Kazakhstan to the territory of another member state of the Eurasian Economic Union.

Unless otherwise established by this Chapter, when exporting goods from the territory of the Republic of Kazakhstan to the territory of another member state of the Eurasian Economic Union, a VAT payer has the right to offset VAT in accordance with Chapter 46 of this Code.

2. The provisions of this article shall also apply to goods that are the outcome of performance of works under contracts for their production, exported from the territory of the Republic of Kazakhstan, in the territory of which the works on their production were performed, to the territory of another member state of the Eurasian Economic Union. These goods do not include goods that are the outcome of performance of works on processing customer-supplied raw materials.

3. Zero rate of VAT is applied when exporting goods (leased assets) from the territory of the Republic of Kazakhstan to the territory of another member state of the Eurasian Economic Union under a lease agreement (contract) providing for the transfer of ownership of them to the lessee under an agreement (contract) providing for a loan in the form of items, under an agreement (contract) on (for) the production of goods.

Article 447. Confirmation of export of goods

1. Documents confirming the export of goods are as follows:

1) agreements (contracts) with amendments, additions and annexes thereto (hereinafter referred to as agreements (contracts) on the basis of which goods are exported, and in case of leasing of goods or granting of loans in the form of items – lease agreements (contracts), agreements (contracts) providing for granting loans in the form of items, agreements (contracts) for the production of goods;

2) an application for the import of goods and payment of indirect taxes with a mark of the tax authority of the member state of the Eurasian Economic Union, into the territory of which the goods are imported, for the payment of indirect taxes and (or) exemption and (or) other method of payment (on paper in the original or copies or in electronic form);

3) copies of shipping documents confirming the movement of goods from the territory of one member state of the Eurasian Economic Union to the territory of another member state of the Eurasian Economic Union.

In case of export of goods through the trunk pipeline system or through power transmission lines, a certificate of acceptance of goods is presented instead of copies of shipping documents;

4) confirmation of the authorized state body for the protection of intellectual property rights of the right to an intellectual property object, as well as its value - in case of export of an intellectual property object.

2. In case of sale in the territory of the member states of the Eurasian Economic Union of products of processing of customer-supplied raw materials that were earlier exported from the territory of the Republic of Kazakhstan into the territory of the member states of the Eurasian Economic Union for processing, except for cases provided for in paragraph 3 of Article 393 of this Code, the export of products of processing is confirmed by the following documents:

1) agreements (contracts) on (for) processing of customer-supplied raw materials;

2) agreements (contracts) that are the basis for the export of products of processing;

3) documents confirming the performance of works on the processing of customer-supplied raw materials;

4) copies of shipping documents confirming the exportation of customer-supplied raw materials from the territory of the Republic of Kazakhstan to the territory of another member state of the Eurasian Economic Union.

In case of exportation of customer-supplied raw materials through the trunk pipeline system or through power transmission lines, a certificate of acceptance of goods is presented instead of copies of shipping documents;

5) applications for the import of goods and payment of indirect taxes (with a mark of the tax authority of the member state of the Eurasian Economic Union, into the territory of which the processed products are imported, for the payment of indirect taxes and (or) exemption and (or) other method of payment (on paper in the original or copies or in electronic form);

6) copies of shipping documents confirming the exportation of products of processing from the territory of a member state of the Eurasian Economic Union.

If products of processing are sold to a taxpayer of a member state of the Eurasian Economic Union, where works on the processing of customer-supplied raw materials were performed, - on the basis of documents confirming the shipment of such products of processing.

In case of export of products of processing through the trunk pipeline system or through power transmission lines, a certificate of acceptance of goods is presented instead of copies of shipping documents;

7) documents confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in the manner determined by the legislation of the Republic of Kazakhstan.

In case of export of products of processing under foreign trade (barter) transactions, the existence of an agreement (contract), as well as documents confirming the import of goods (performance of works, rendering of services) received for the specified transaction, is taken into account when determining the amount of VAT subject to refund.

3. In case of subsequent export to the territory of a state that is not a member of the Eurasian Economic Union, of products of processing of customer-supplied raw materials that were earlier exported from the territory of the Republic of Kazakhstan for processing in the territory of another member state of the Eurasian Economic Union, the export of products of processing is confirmed by the following documents:

1) agreements (contracts) on (for) processing of customer-supplied raw materials;

2) agreements (contracts) that are the basis for the export of products of processing;

3) documents confirming the performance of works on the processing of customer-supplied raw materials;

4) copies of shipping documents confirming the exportation of the customer-supplied raw materials from the territory of the Republic of Kazakhstan into the territory of another member state of the Eurasian Economic Union.

In case of exportation of customer-supplied raw materials through the trunk pipeline system or through power transmission lines, a certificate of acceptance of goods is presented instead of copies of shipping documents;

5) copies of shipping documents.

In case of exportation of products of processing through the trunk pipeline system or through power transmission lines, a certificate of acceptance of goods is presented instead of copies of shipping documents;

6) declarations of goods bearing the marks of a customs body of a member state of the Eurasian Economic Union releasing goods under the customs export procedure, as well as the marks of the customs body of a member state of the Eurasian Economic Union located at the border crossing point at the customs border of the Eurasian Economic Union, specified in subparagraph 7) of this paragraph;

7) a full declaration of goods bearing the marks of a customs body of a member state of the Eurasian Economic Union that conducted a customs declaration procedure, in case of:

exportation of goods under the customs export procedure through the trunk pipeline system or through power transmission lines;

exportation of goods under the customs export procedure using the temporary declaration procedure;

7-1) a copy of the goods declaration with amendments (additions) made after the end of the declared period for delivery of goods, containing information on the actual quantity of goods exported, in case of export of goods under the customs procedure of export using periodic customs declaration;

8) a goods declaration in the form of an electronic document, about which tax authorities have a notification in their information systems from customs bodies concerning actual exportation of goods, is also a document confirming the export of goods. If a goods declaration is in the form of an electronic document provided for in this paragraph, it is not required to submit documents specified in subparagraphs 6) and 7) of this paragraph;

9) documents confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in the manner prescribed by the legislation of the Republic of Kazakhstan.

4. In case of export of products of processing under foreign countertrade (barter) transactions, the existence of an agreement (contract), as well as documents confirming the import of goods (performance of works, rendering of services) received for the specified transaction, is taken into account in the determination of the amount of VAT subject to refund

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Footnote. Article 447 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 448. Taxation of international carriage in the Eurasian Economic Union

1. Unless otherwise established by this article, international carriage in the Eurasian Economic Union is taxed in accordance with Article 387 of this Code.

2. Transportation of exported or imported goods through the system of main pipelines in the customs territory of the Eurasian Economic Union shall be considered international if the

registration of transportation is carried out by documents confirming the transfer of exported or imported goods to the buyer or other persons carrying out further delivery of these goods to the buyer in the customs territory of the Eurasian Economic Union.

3. For the purposes of paragraph 2 of this article, supporting documents are as follows:

1) a copy of an application for the importation of goods and payment of indirect taxes, which an exporter receives from an importer of goods - in case of export;

2) a copy of an application for the importation of goods and payment of indirect taxes, which is received from a taxpayer that imported goods into the territory of the Republic of Kazakhstan - in case of import;

3) certificates for performed works, certificates of acceptance of goods from the seller or other persons who earlier delivered the said goods to the buyer or other persons carrying out subsequent delivery of these goods;

4) invoices.

4. The carriage of goods through the trunk pipeline system from the territory of one member state of the Eurasian Economic Union to the territory of the same or another member state of the Eurasian Economic Union through the territory of the Republic of Kazakhstan is considered international if the carriage is registered by the following documents:

1) certificates for performed works, rendered services, certificates of acceptance of goods from the seller or other persons who earlier delivered the said goods to the buyer or other persons carrying out subsequent delivery of these goods;

2) invoices.

Footnote. Article 448 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 449. Taxation of works on the processing of customer-supplied raw materials in the Eurasian Economic Union

1. Works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union with subsequent exportation of products of processing to the territory of another state are subject to zero-rated VAT given the observance of conditions for goods' processing and time limits for the processing of customer-supplied raw materials specified in paragraph 7 of this article and Article 450 of this Code.

2. If a taxpayer of the Republic of Kazakhstan performs works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of a member state of the Eurasian Economic Union with subsequent exportation of products of processing to the territory of the same member state of the Eurasian Economic Union, the performance of works on the processing of customer-supplied raw materials by the taxpayer of the Republic of Kazakhstan shall be confirmed by:

1) agreements (contracts) concluded between taxpayers of the member states of the Eurasian Economic Union;

2) documents confirming the performance of works on the processing of customer-supplied raw materials;

3) documents confirming the importation of customer-supplied raw materials into the territory of the Republic of Kazakhstan (including a statement of obligation to import (export) products of processing);

4) documents confirming the exportation of products of processing from the territory of the Republic of Kazakhstan (including a statement of fulfillment of the obligation to import (export) products of processing);

5) an application for the import of goods and payment of indirect taxes (on paper in the original or copies or in electronic form), confirming the payment of value added tax from the cost of processing raw materials supplied by customer.

In case of the export of processing products of raw materials supplied by customer to the territory of a state that is not a member of the Eurasian Economic Union, the application specified in part one of this subparagraph shall not be submitted;

6) documents specified in paragraph 7 of Article 152 of this Code, confirming the receipt of foreign currency earnings to the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in the manner prescribed by the legislation of the Republic of Kazakhstan;

7) an opinion of a relevant authorized state body on the conditions forgoods' processing.

3. If a taxpayer of the Republic of Kazakhstan performs works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of one member state of the Eurasian Economic Union with subsequent sale of products of processing to the territory of another member state of the Eurasian Economic Union, the performance of works on the processing of customer-supplied raw materials by the taxpayer of the Republic of Kazakhstan is confirmed by:

1) agreements (contracts) on (for) the processing of customer-supplied raw materials, the supply of finished goods, concluded between taxpayers of the member states of the Eurasian Economic Union;

2) documents confirming the performance of works on the processing of customer-supplied raw materials;

3) certificates of acceptance and delivery of customer-supplied raw materials and finished products;

4) documents confirming the importation of customer-supplied raw materials into the territory of the Republic of Kazakhstan (including a statement of obligation to import (export) products of processing);

5) documents confirming the exportation of products of processing from the territory of the Republic of Kazakhstan (including a statement of fulfillment of the obligation to import (export) products of processing);

6) an application for the importation of goods and the payment of indirect taxes, confirming the payment of VAT on the value of works on the processing of customer-supplied raw materials received from their owner;

7) an opinion of a relevant authorized state body on the conditions of goods' processing;

8) documents specified in paragraph 7 of Article 152 of this Code, confirming the receipt of foreign currency earnings to the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in the manner prescribed by the legislation of the Republic of Kazakhstan;

4. If a taxpayer of the Republic of Kazakhstan performs works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union with subsequent sale of products of processing to the territory of a state that is not a member of the Eurasian Economic Union, the performance of works on the processing of customer-supplied raw materials by the taxpayer of the Republic of Kazakhstan is confirmed by:

1) agreements (contracts) concluded between taxpayers of the member states of the Eurasian Economic Union;

2) documents confirming the performance of works on the processing of customer-supplied raw materials;

3) documents confirming the importation of customer-supplied raw materials into the territory of the Republic of Kazakhstan (including a statement of obligation to import (export) products of processing);

4) documents confirming the exportation of products of processing from the territory of the Republic of Kazakhstan (including a statement of fulfillment of the obligation to import (export) products of processing);

5) a copy of a goods declaration issued when exporting goods to the territory of a state that is not a member of the Eurasian Economic Union under the customs export procedure, certified by the customs body of a member state of the Eurasian Economic Union that carried out the customs declaration procedure;

6) a goods declaration in the form of an electronic document, about which tax authorities have a notification in their information systems from customs bodies concerning actual exportation of goods, which is also a document confirming the export of goods. If a goods declaration is in the form of an electronic document provided for in this paragraph, it is not required to submit documents specified in subparagraph 5) of paragraph 4 of this article;

7) documents specified in paragraph 7 of Article 152 of this Code, confirming the receipt of foreign currency earnings to the taxpayer's bank accounts with second-tier banks in the territory of the Republic of Kazakhstan, opened in the manner prescribed by the legislation of the Republic of Kazakhstan;

8) an opinion of a relevant authorized state body on the conditions forgoods' processing.

5. Works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union with subsequent sale of products of processing in the territory of the Republic of Kazakhstan shall be subject to VAT at the rate established by paragraph 1 of Article 422 of this Code.

6. In case of importation (exportation) of customer-supplied raw materials for processing by a taxpayer of the Republic of Kazakhstan, it is required to produce a statement of obligation to export (import) products of processing, and also a statement of its fulfillment in the manner and in the form approved by the authorized body in coordination with the central authorized body for state planning.

7. The processing of customer-supplied raw materials must meet the conditions forgoods' processing set by the authorized body.

8. An opinion of a relevant authorized state body on the conditions forgoods' processing shall contain the following information:

1) the names, classification of goods and products of processing in accordance with the single Commodity Nomenclature for Foreign Economic Activity of the Eurasian Economic Union, their quantity and value;

2) the date and number of the agreement (contract) on (for) processing, time limits for processing;

3) output standards for products of processing;

4) the nature of processing;

5) information on the person that performs the processing.

9. Upon a reasoned request of a person, with the permission of a tax authority, it is allowed to replace products of processing with goods earlier produced by the processor if their description, quantity, value, quality and technical characteristics coincide with those of the products of processing.

Footnote. Article 449 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 450. Time limit for the processing of customer-supplied raw materials

1. Time limit for the processing of customer-supplied raw materials exported from the territory of the Republic of Kazakhstan to the territory of a member state of the Eurasian Economic Union, and also of that imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, is determined in accordance with the terms of an agreement (contract) on (for) the processing of customer-supplied raw materials and may not exceed two years from the date of customer-supplied raw materials' recognition in accounting records and (or) their shipment.

2. In case of a failure to observe the time limit specified in paragraph 1 of this article, customer-supplied raw materials imported into the territory of the Republic of Kazakhstan for processing, for tax purposes, shall be recognized as taxable import and subject to VAT from

the date of importation of the goods into the territory of the Republic of Kazakhstan in accordance with this Chapter.

3. In case of a failure to observe the time limit specified in paragraph 1 of this article, customer-supplied raw materials exported from the territory of the Republic of Kazakhstan to the territory of a member state of the Eurasian Economic Union for processing, for tax purposes, shall be recognized as taxable sales turnover and subject to VAT from the date of exportation of customer-supplied raw materials from the territory of the Republic of Kazakhstan at the rate established by paragraph 1 of Article 422 of this Code, except for cases specified in paragraph 3 of Article 393 of the Code and paragraphs 2 and 3 of Article 447 of this Code.

For the purposes of this paragraph, the amount of taxable turnover on raw materials supplied by customer attributable to the volume of products of processing of raw materials supplied by customer not imported back into the territory of the Republic of Kazakhstan within the established time limits shall be determined in the amount of the cost of raw materials supplied by customer included in the cost of such processed products, based on the accounting policy developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

For the purposes of applying this article, the method of determining the production cost, fixed in the taxpayer's accounting policy, shall remain unchanged within a calendar year.

Footnote. Article 450 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018).

Article 451. Turnovers and import exempted from VAT in the Eurasian Economic Union

1. Subject to exemption from VAT are turnovers from the sale of:

1) works, services, specified in Chapter 45 of this Code, if the place of their sale is the Republic of Kazakhstan;

2) services for the repair of goods imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, including their reconditioning, replacement of components.

Documents that confirm the rendering of services, specified in this subparagraph, are those provided for in paragraph 3 of Article 441 of this Code.

The list of services, specified in this subparagraph, shall be approved by the authorized body;

3) international communications services rendered by a taxpayer of the Republic of Kazakhstan to a taxpayer of another member state of the Eurasian Economic Union.

2. Subject to exemption from VAT is the import of such goods as those:

1) specified in subparagraphs 1), 2), 4) - 13) and 15) of paragraph 1 of Article 399 of this Code.

The VAT exemption order for the import of goods, specified in this subparagraph, within the Eurasian Economic Union shall be determined by the authorized body;

2) imported for the warranty service provided for by an agreement (contract).

The import of goods for warranty service shall be confirmed by an agreement (contract) providing for the warranty service under which the goods were purchased, shipping documents, a claim and a defects certificate confirmed by the parties to the agreement (contract);

3) raw materials and (or) materials under an investment contract, provided all of the following requirements are met:

raw materials and (or) materials are included in the list of raw materials and (or) materials , the import of which is exempt from VAT under the investment contract approved by the authorized state body for investment in coordination with the central authorized body for state planning and the central authorized body for budget planning;

a VAT payer will only use imported raw materials and (or) materials within the limitation period for carrying out the activity under the investment contract.

Legal entities of the Republic of Kazakhstan are exempted from VAT on the import of raw materials and (or) materials under an investment contract for a period of five consecutive years, the running of which begins on 1st day of the month of putting into operation of fixed assets, included in the work program that is an annex to the investment contract concluded in accordance with the legislation of the Republic of Kazakhstan on entrepreneurship. If the work program provides for the putting of two or more fixed assets into operation, the period of exemption from VAT on the import of raw materials and (or) materials under the investment contract shall be calculated from the 1st day of the month ofputting into operation of the first fixed asset as required by the work program.

In case of violation of the requirements, specified in this subparagraph, within five years of the date of the taxpayer’s recognition of imported goods in accounting records, VAT on imported raw materials and (or) materials shall be paid with the accrual of a penalty for the period established for the payment of VAT on imported goods at their importation, in the manner and in the amount determined by the tax legislation of the Republic of Kazakhstan;

4) raw materials and (or) materials in the composition of vehicles and (or) agricultural machinery, as well as their components, placed under the customs procedure of a free warehouse or free customs zone of the special economic zone "Qyzyljar" by a legal entity within the framework of a special investment contract concluded with an authorized body for the conclusion of special investment contracts, determined by the Government of the Republic of Kazakhstan, subject to the following conditions:

in relation to vehicle manufacturers – availability of an agreement on the industrial assembly of motor vehicles or an agreement on the industrial assembly of vehicles with the authorized body in the field of state support for industrial activities;

in relation to manufacturers of agricultural machinery – availability of an agreement on the industrial assembly of agricultural machinery with the authorized body in the field of state support for industrial activities;

in relation to component manufacturers – availability of an agreement on the industrial assembly of components for vehicles and (or) agricultural machinery with the authorized body in the field of state support for industrial activities.

3. If goods earlier imported into the territory of the Republic of Kazakhstan are used for purposes other than those in connection with which their import wasexempted from VAT in accordance with the legislation of the Republic of Kazakhstan, VAT on the import of such goods is subject to payment as of the last date of the time period established by this Code for the payment of VAT when importing goods.

4. The remuneration paid by a lessee that is a taxpayer of the Republic of Kazakhstan to a lessor of another member state of the Eurasian Economic Union under a lease agreement is VAT-exempt.

5. A legal entity that has concluded a special investment contract with the authorized body for the conclusion of special investment contracts, determined by the Government of the Republic of Kazakhstan, shall have the right to apply the exemption from paying value added tax when importing goods as part of finished products produced on the territory of a special economic zone or free warehouse under compliance with the following conditions:

1) the goods are placed under the customs procedure for free customs zone or free warehouse;

2) the customs procedure for free customs zone or free warehouse is followed up by the customs procedure for release for domestic consumption;

3) goods are identified as part of a finished product in accordance with the customs legislation of the Republic of Kazakhstan.

Footnote. Article 451 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 24.06. 2021 № 53-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication);

Article 452. The order for offsetting VAT amounts in the Eurasian Economic Union

1. Unless otherwise provided for by this article, VAT shall be offset in the manner established by Chapter 46 of this Code.

2. When importing goods in the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, the amount of VAT on imported goods paid in accordance with the established procedure to the budget of the Republic of Kazakhstan is subject to offset to the extent of calculated and (or) assessed amounts.

The amount of VAT subject to offset when importing goods under a lease agreement (contract) is that of VAT paid to the state budget, but not exceeding the VAT amount attributable to the amount of taxable import for a taxable period, determined in accordance

with paragraph 6 of Article 444 of this Code. At the same time, the amounts of VAT assessed (calculated) for previous taxable periods and paid, also by way of offsetting in the manner specified in Articles 101, 102 and 103 of this Code, in a current taxable period are subject to offset in the current taxable period.

3. If a lessor that is a taxpayer of the Republic of Kazakhstan leases out goods (leased assets) to be received by a lessee that is a taxpayer of another member state of the Eurasian Economic Union, the VAT amount to be offset by the lessor that is a taxpayer of the Republic of Kazakhstan is determined with regard to the value of goods (leased assets) attributable to each lease payment, exclusive of remuneration.

Article 453. Invoice

1. The procedure for issuing invoices is determined in accordance with Chapter 47 of this Code, unless otherwise established by this article.

2. In case of export of goods from the territory of the Republic of Kazakhstan to the territory of another member state of the Eurasian Economic Union, an invoice shall be issued no later than twenty calendar days after the date of the sale turnover.

3. In case of performance of works on the processing of customer-supplied raw materials imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union with subsequent exportation of the products of processing to the territory of another state, an invoice shall be issued as of the date of signing a document confirming the performance of works on the processing of customer-supplied raw materials.

4. An invoice issued in the cases, specified in paragraphs 2 and 3 of this article, shall comply with the requirements established by paragraph 5 of Article 412 of this Code, and also indicate:

1) effective date of the turnover from sale;

2) the number identifying a person as a buyer that is a taxpayer in a member state of the Eurasian Economic Union.

5. When a lessor that is a taxpayer of the Republic of Kazakhstan leases out goods (leased assets) to be received by a lessee that is a taxpayer of another member state of the Eurasian Economic Union, an invoice is issued as of the date of each lease payment, exclusive of remuneration, for the amount of a part of the initial value of the goods (leased asset) provided for by a lease agreement, but not exceeding the amount of actually received payment.

The invoice shall indicate the amount of remuneration of a lessor that is a taxpayer of the Republic of Kazakhstan in a separate line.

6. When the importer sells goods imported from the territory of the Eurasian Economic Union member states to the territory of the Republic of Kazakhstan in one tax period, an electronic invoice shall be issued no later than the 20th day of the month following the taxable period.

In other cases, when the importer sells goods imported from the territory of the Eurasian Economic Union member states into the territory of the Republic of Kazakhstan the invoice shall be issued within the time frames established by Chapter 47 of this Code.

Footnote. Article 453 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII shall be enforced from 01.01.2023).

Article 454. Features of identification of VAT payers in case of import of goods

1. If a taxpayer of the Republic of Kazakhstan purchases goods under an agreement (contract) with a taxpayer of another member state of the Eurasian Economic Union, VAT shall be paid by the taxpayer of the Republic of Kazakhstan (an owner of goods or a commission agent, designated agent, operator),where the goods were imported.

For the purposes of this Chapter, an owner of goods shall be understood to mean a person with the title to goods or the one acquiring the title to goods under an agreement (contract).

2. If a taxpayer of the Republic of Kazakhstan purchases goods under an agreement (contract) with a taxpayer of another member state of the Eurasian Economic Union, and the goods are imported from the territory of a third member state of the Eurasian Economic Union, VAT shall be paid by the owner of goods that is a taxpayer of the Republic of Kazakhstan, where the goods were imported.

3. If a taxpayer of one member state of the Eurasian Economic Union sells goods under a commission agreement, on the basis of instructions to a taxpayer of the Republic of Kazakhstan and the goods are imported from the territory of a third member state of the Eurasian Economic Union, VAT shall be paid by the commission agent, designated agent that are taxpayers of the Republic of Kazakhstan, where the goods were imported.

4. If a taxpayer of the Republic of Kazakhstan purchases goods, earlier imported into the territory of the Republic of Kazakhstan by a taxpayer of another member state of the Eurasian Economic Union, on which no VAT was paid, at a trade fair organized by another taxpayer of the Republic of Kazakhstan, VAT shall be paid by the taxpayer of the Republic of Kazakhstan that is anowner of goods or a commission agent, designated agent (operator), unless otherwise provided for in this paragraph.

If a taxpayer of the Republic of Kazakhstan purchases goods, earlier imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, on which no VAT was paid, at a trade fair organized by a taxpayer of the Republic of Kazakhstan, VAT shall be paid by anowner of goods, provided that he/she/ it has agreements (contracts) on (for) their purchase and sale with a non-resident.

In case of no agreements (contracts) on (for) the purchase and sale of goods, VAT on such goods shall be paid by the taxpayer of the Republic of Kazakhstan that organized the trade fair.

A taxpayer of the Republic of Kazakhstan organizing a trade fair shall notify the tax authority at the place of his/her/its location thereof in writing, ten business days prior to its

commencement, and attach a list of trade fair participants from the member states of the Eurasian Economic Union.

The procedure for control over the payment of VAT on a fair trade is determined by the authorized body.

5. If goods are purchased under an agreement between a taxpayer of the Republic of Kazakhstan and a taxpayer of a state that is not a member of the Eurasian Economic Union, and at the same time goods are imported from the territory of another member state of the Eurasian Economic Union, VAT shall be paid by the owner of goods or the commission agent , designated agent (operator) that are taxpayers of the Republic of Kazakhstan, where the goods were imported.

Article 455 Features of the calculation of value added tax when importing goods into the territory of the Republic of Kazakhstan under commission agreements (order) from the territories of the member states of the Eurasian Economic Union

Footnote. The heading of Article 455 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

1. When goods are imported into the territory of the Republic of Kazakhstan by a commission agent (designated agent) under commission (agency) agreements, it is the obligation of the commission agent (designated agent) to calculate VAT on imported goods and transfer it to the state budget.

At the same time, the amounts of value added tax paid by the commission agent (attorney) for goods imported into the territory of the Republic of Kazakhstan shall be subject to offset by the buyer of such goods on the basis of an invoice issued by the commission agent (attorney) to the buyer, as well as a copy of the application for import of goods and payment of indirect taxes, containing the mark of the tax authority, provided for in paragraph 7 of Article 456 of this Code.

2. The sale of goods, performance of works or rendering of services by the commission agent on his/her/its own behalf and at the expense of the principal are not the commission agent’s turnover from sale.

3. The sale of goods, performance of works or rendering of services by the designated agent on his/her/its own behalf and at the expense of the principal are not the designated agent ’s turnover from sale.

4. Invoices for goods imported into the territory of the Republic of Kazakhstan under commission (agency) agreements concluded between the principal that is a taxpayer of a member state of the Eurasian Economic Union and the commission agent (designated agent) that is a taxpayer of the Republic of Kazakhstan, selling goods in the territory of the Republic Kazakhstan, are issued by the commission agent (designated agent). In this case, an invoice shall indicate the “commission agent” (“designated agent”) status of a supplier.

An invoice, issued by the commission agent (designated agent) to a buyer, shall indicate the details specified in subparagraphs 1) - 7) of paragraph 5 of Article 412 of this Code, the

value of goods exclusive of VAT, as well as the number and date of the application for importation of goods and payment of indirect taxes attached to the invoice.

An invoice shall indicate VAT amount paid by the commission agent (designated agent) for imported goods in a separate line.

Such an invoice shall be attached by a copy of the application received from the commission agent (attorney) for the import of goods and payment of indirect taxes, which is the basis for offsetting the value added tax paid when importing goods by the commission agent (attorney).

VAT on imported goods, paid by the commission agent (designated agent) when importing goods into the territory of the Republic of Kazakhstan, is not subject to offset by the commission agent (designated agent).

5. The effective date of taxable import when importing goods into the territory of the Republic of Kazakhstan under commission (agency) agreements is the date of imported goods ' recognition in accounting records by the commission agent (designated agent).

For the purposes of this paragraph, the date of recognition in accounting records is that of a source document drawn up by the principal to the commission agent (designated agent), which confirms the goods' transfer.

6. in case of sale of goods, performance of works, rendering of services on conditions consistent with those of a commission (agency) agreement, the amount of taxable turnover of the commission agent (designated agent) is determined on the basis of remuneration under the commission (agency) agreement.

Footnote. Article 455 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 456. Procedure for calculating and paying value added tax when importing goods in the Eurasian Economic Union

1. Unless otherwise is established by this Article, the procedure for calculating and paying value added tax in the Eurasian Economic Union shall be determined in accordance with Chapter 48 of this Code.

2. When importing goods, including goods that are products of processing of raw materials supplied by customer into the territory of the Republic of Kazakhstan from the territory of member states of the Eurasian Economic Union, the taxpayer shall be obliged to submit to the tax authority at the place of location (residence) an application for the import of goods and payment of indirect taxes, including under agreements (contracts) of leasing, on paper and in electronic form or only in electronic form no later than the 20th day of the month following the tax period, unless otherwise provided by this paragraph.

Simultaneously with the application for the import of goods and payment of indirect taxes , the taxpayer shall submit the following documents to the tax authority:

1) a bank statement confirming the actual payment of indirect taxes on imported goods, and (or) another payment document provided for by the legislation of the Republic of

Kazakhstan on banks and banking activities, confirming the fulfillment of the tax obligation to pay indirect taxes on imported goods, or documents confirming exemption from value added tax, subject to the requirements of Article 451 of this Code.

At the same time, these documents shall not be submitted in case of a different procedure for paying value added tax, as well as in case of an overpayment on personal accounts for value added tax on imported goods, which is subject to offset against future payments on value added tax on imported goods, provided that the taxpayer has not filed an application for the offset of the specified amounts of overpayment for other types of taxes and payments to the budget or a refund to the current account.

Under leasing agreements (contracts), the documents specified in this subparagraph shall be submitted within the time period established in this paragraph for the term of the lease payment provided for by the leasing agreement (contract) falling on the reporting tax period;

2) shipping and (or) other documents confirming the movement of goods from the territory of one member state of the Eurasian Economic Union to the territory of the Republic of Kazakhstan (these documents shall not be submitted if registration of these documents for certain types of goods movement, including the movement of goods without the use of vehicles, are not provided for by the legislation of the Republic of Kazakhstan);

3) invoices drawn up in accordance with the legislation of a member state of the Eurasian Economic Union upon shipment of goods, if their submission (extract) is provided by the legislation of a member state of the Eurasian Economic Union.

If the submission (extract) of an invoice is not provided for by the legislation of a member state of the Eurasian Economic Union or the goods are purchased from a taxpayer of a state that is not a member state of the Eurasian Economic Union, another document submitted (issued) by the seller shall be presented instead of the invoice confirming the value of imported goods;

4) agreements (contracts) on the basis of which the goods imported into the territory of the Republic of Kazakhstan from the territory of a member state of the Eurasian Economic Union are purchased, in case of leasing goods (leasing items) - leasing agreements (contracts) , in case of a loan in the form of things - loan agreements, agreements (contracts) for the manufacture of goods, agreements (contracts) for the processing of raw materials supplied by customer;

5) an information message (in the cases provided for by paragraphs 2, 3, 4 and 5 of Article 454 of this Code) submitted to the taxpayer of the Republic of Kazakhstan by a taxpayer of another member state of the Eurasian Economic Union or a taxpayer of a state that is not a member of the Eurasian Economic Union, signed by the head (individual entrepreneur) and certified by the seal of an organization that sells goods imported from the territory of a third member state of the Eurasian Economic Union, containing information

about the taxpayer of the third member state of the Eurasian Economic Union and the agreement (contract) concluded with the taxpayer of this third member state of the Eurasian Economic Union on the purchase of imported goods:

number identifying the person as a taxpayer of a member state of the Eurasian Economic Union;

the name of a taxpayer (organization, individual entrepreneur) of the member state of the Eurasian Economic Union;

location (residence) of a taxpayer of the member state of the Eurasian Economic Union;

number and date of the contract (agreement);

specification number and date.

If a taxpayer of the member state of the Eurasian Economic Union from which the goods are purchased is not the owner of the goods being sold (is a commission agent, attorney), then the information specified in paragraphs two-six of part one of this subparagraph shall also be submitted in relation to the owner of the goods being sold.

In case of submission of an information message in a foreign language, a translation into Kazakh and Russian is required.

An information message shall not be submitted if the information provided for by this subparagraph is contained in the agreement (contract) specified in subparagraph 4) of part two of this paragraph;

6) agreements (contracts) of commission or order (in cases of their conclusion);

7) agreements (contracts) on the basis of which goods imported into the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union were purchased under commission or agency agreements (in the cases provided for in paragraphs 2 and 3 of Article 454 of this Code, except for cases when the value added tax is paid by the commission agent, attorney).

In case of retail sale and purchase, in the absence of the documents specified in subparagraphs 2), 3) and 4) of part two of this paragraph, the documents confirming the receipt (or purchase) of goods imported into the territory of the Republic of Kazakhstan (including receipts of a cash register, sales receipts, purchase acts) shall be submitted.

The documents specified in subparagraphs 1) - 7) of part two of this paragraph may be submitted in copies certified by the signatures of the head and chief accountant (if any) or other persons authorized to do so by the decision of the taxpayer, as well as the seal of the taxpayer, with the exception of cases when the taxpayer does not have a seal on the grounds provided for by the legislation of the Republic of Kazakhstan.

At the same time, these copies of documents can be presented in the form of a book (books), laced, numbered indicating the total number of sheets on the last sheet and certified on the last sheet by the signatures of the head and chief accountant (if any) or other persons

authorized to do so by the decision of the taxpayer, as well as by the seal of a taxpayer, except in cases when the taxpayer does not have a seal on the grounds provided for by the legislation of the Republic of Kazakhstan.

Under leasing agreements (contracts), the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of registration of imported goods (leasing items), simultaneously with the application for the import of goods and payment of indirect taxes, the documents provided for in subparagraphs 1) - 7) part two of this paragraph. Subsequently, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of the payment period provided for by the leasing agreement (contract), simultaneously with the application for the import of goods and payment of indirect taxes, the documents (copies thereof) provided for by subparagraph 1) of part two of this paragraph.

If the due date for payment of a part of the cost of goods (leasing items) provided for in the leasing agreement (contract) occurs after the import of goods (leasing items) into the territory of the Republic of Kazakhstan, the taxpayer shall submit to the tax authority no later than the 20th day of the month following tax period - the month of registration of imported goods (leasing items), simultaneously with the application for the import of goods and payment of indirect taxes, the documents provided for in subparagraphs 2), 3) and 4) of part two of this paragraph. At the same time, the taxpayer in the application for the import of goods and payment of indirect taxes does not reflect the tax base for value added tax.

If, under a leasing agreement (contract), the due date for payment of a part of the cost of goods (leasing items) is set before the date of import of goods (leasing items) into the territory of the Republic of Kazakhstan, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of registration of imported goods (leasing items), simultaneously with the application for the import of goods and payment of indirect taxes, the documents provided for in subparagraphs 1) - 4) of part two of this paragraph.

Subsequently, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of the payment period provided for by the leasing agreement (contract), simultaneously with the application for the import of goods and payment of indirect taxes, the documents (copies thereof) provided for by subparagraph 1) of part two of this paragraph.

The application form for the import of goods and payment of indirect taxes, the rules for its completion and submission shall be approved by the authorized body.

3. An application for the import of goods and payment of indirect taxes on paper (in four copies) and in electronic form shall be submitted:

1) by the persons importing goods into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union with exemption from

paying value added tax in accordance with paragraph 2 of Article 451 of this Code and (or) paying value added tax by the offset method in accordance with Article 428 of this Code;

2) by a taxpayer in case of making changes and additions to the application for the import of goods and payment of indirect taxes, provided for in paragraph 2 of Article 459 of this Code.

4. When submitting an application for the import of goods and payment of indirect taxes only in electronic form, the documents specified in subparagraphs 1) - 7) of part two of paragraph 2 of this Article shall not be submitted.

The provision of this paragraph shall not be applied in the cases established by paragraph 3 of this Article.

5. Value added tax on imported goods shall be paid at the location (residence) of taxpayers no later than the 20th day of the month following the tax period.

In case of an upward change in the price of imported goods in accordance with paragraph 8 of Article 444 of this Code, the value added tax on imported goods shall be paid no later than the 20th day of the month following the month in which the parties to the agreement (contract) changed the price of imported goods.

6. The tax period for the calculation and payment of indirect taxes when importing goods, including goods that are products of processing of raw materials supplied by customer, goods (leasing items) under leasing agreements (contracts) into the territory of the Republic of Kazakhstan from the territory of member states of the Eurasian Economic Union shall be the calendar month in which such imported goods are registered or the payment due date stipulated by the leasing agreement (contract) comes.

In this case, the fulfillment of the tax obligation during the tax period shall be allowed.

7. Confirmation by the tax authorities of the fact of payment of value added tax on imported goods in the application for the import of goods and payment of indirect taxes by putting down an appropriate mark or a reasoned refusal to confirm shall be carried out in the cases and in the manner provided by the authorized body.

According to applications submitted on paper and in electronic form, confirmation of the fact of payment of value added tax shall be carried out by the tax authority within ten working days from the date of receipt of the application on paper by putting an appropriate mark on such an application.

According to applications submitted in accordance with paragraph 4 of this Article, confirmation of the fact of payment of value added tax shall be carried out by the tax authority within three working days from the date of receipt of the application in electronic form by sending a notification to the taxpayer confirming the fact of payment of indirect taxes in electronic form.

8. According to applications submitted on paper and in electronic form, the refusal to confirm the fact of payment of value added tax shall be made by the tax authority within ten

working days from the date of receipt of the application on paper by sending a reasoned refusal to the taxpayer on paper.

According to applications submitted in accordance with paragraph 4 of this Article, a refusal to confirm the fact of payment of value added tax shall be made by the tax authority within three working days from the date of receipt of the application in electronic form by sending a reasoned refusal to the taxpayer in electronic form.

9. In the cases specified in paragraph 8 of this Article, the taxpayer shall be obliged to submit to the tax authority an application for the import of goods and payment of indirect taxes with the elimination of violations within fifteen calendar days from the date of receipt of a reasoned refusal.

10. In case of an upward change in the price of imported goods in accordance with paragraph 8 of Article 444 of this Code, an application for the import of goods and payment of indirect taxes in electronic form shall be submitted no later than the 20th day of the month following the month in which the parties to the agreement (contract) changed the price of imported goods.

In this case, the application for the import of goods and payment of indirect taxes reflects the changed value of the purchased imported goods.

The documents confirming the increase in the price of imported goods shall be: an agreement (contract) on price changes, an additional invoice, which contains the changed value for taxable imports and value added tax (if the submission (extract) of an invoice is provided for by the legislation of a member state of the Eurasian Economic Union), and (or) another document confirming the change in the price of imported goods.

Footnote. Article 456 is in the wording of the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 457. The order for VAT calculation and payment in case of export of goods in the Eurasian Economic Union

1. Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

2. In case of receipt of electronic applications for importation of goods and payment of indirect taxes from tax authorities of the member states of the Eurasian Economic Union, whose taxpayers imported goods, a tax authority of the Republic of Kazakhstan shall notify a taxpayer of the Republic of Kazakhstan, who exported the goods, of the receipt of such an application.

The notification, specified in this paragraph, shall be sent within ten business days of the receipt of such an application in the form established by the authorized body.

3. If the tax authority of the Republic of Kazakhstan does not receive an application for the import of goods and payment of indirect taxes in electronic form within one hundred and eighty calendar days from the date of turnover on the sale of goods when they are exported, on the sale of works, services in the event of works on the processing of raw materials

supplied by customer, the payer of the value added tax specified in subparagraph 1) of paragraph 1 of Article 367 of this Code shall be obliged to pay the tax at the rate established by paragraph 1 of Article 422 of this Code within the period provided for by Article 425 of this Code.

A tax authority accrues VAT amounts indicated in this paragraph in the manner determined by the authorized body.

4. In case of untimely and incomplete payment of VAT amount calculated in accordance with paragraph 3 of this article, a tax authority applies methods of ensuring the fulfillment of an overdue tax obligation and takes measures of enforced collection in the manner prescribed by this Code.

5. In cases of receipt of an electronic application for importation of goods and payment of indirect taxes by a tax authority of the Republic of Kazakhstan after expiration of the period provided for in paragraph 3 of this article, the paid VAT amounts shall be offset and returned in accordance with Articles 101 and 102 of this Code.

In this case, the paid penalty amounts accrued in accordance with paragraph 4 of this article are not refundable.

Footnote. Article 457 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 458. Withdrawal of an application for importation of goods and payment of indirect taxes in case of import of goods in the Eurasian Economic Union

1. An application for the import of goods and payment of indirect taxes shall be subject to withdrawal from the tax authorities by the taxpayer independently, as well as on the basis of a tax application for the withdrawal of tax reporting submitted by the taxpayer to the tax authority at the location (residence) of the taxpayer.

2. The withdrawal of an application for the import of goods and payment of indirect taxes shall be carried out by the taxpayer independently in case of making changes and additions to the information previously indicated in the application for the import of goods and payment of indirect taxes that do not affect the size of the tax base for calculating the amounts of indirect taxes.

3. The withdrawal of an application for the import of goods and payment of indirect taxes shall be made by the taxpayer by filing a tax application with the tax authority in the following cases:

1) erroneous submission of an application for the import of goods and payment of indirect taxes;

2) establishment of the fact of absence of goods import by the tax authority;

3) making changes and additions to the information previously indicated in the application for the import of goods and payment of indirect taxes that affect the size of the tax base for calculating the amounts of indirect taxes, including in the cases provided for in paragraphs 2 and 3 of Article 459 of this Code.

4. The withdrawal of an application for the import of goods and payment of indirect taxes shall be made by one of the following methods:

1) removal from the central node of the system for receiving and processing tax reporting, which is applied on applications for the import of goods and payment of indirect taxes, submitted erroneously or submitted for imported goods that were fully returned due to inadequate quality and (or) configuration, and also when the tax authority establishes the fact of absence of goods import.

For the purposes of part one of this subparagraph, an application for the import of goods and payment of indirect taxes shall be considered erroneously submitted if the obligation to submit such an application is not provided for by this Code;

2) replacement, in which amendments and additions to the application for the import of goods and payment of indirect taxes shall be made by the taxpayer by withdrawing the previously submitted application with the simultaneous submission of a new application;

3) changes in case of sending an application for the import of goods and payment of indirect taxes to a tax authority not at the place of location (residence).

For the purposes of subparagraphs 2) and 3) of part one of this paragraph, when withdrawing an application for the import of goods and payment of indirect taxes by replacing or changing in the personal accounts of the taxpayer, the tax authority at the place of registration shall reverse the amounts reflected in the withdrawn application for the import of goods and payment of indirect taxes, with subsequent reflection in the personal account of data on the application for the import of goods and payment of indirect taxes, taking into account the declared amendments and (or) additions.

5. A taxpayer is not allowed to introduce amendments and additions to an application for importation of goods and payment of indirect taxes for:

1) a taxable period under audit - within the period of comprehensive audits and thematic audits with respect to VAT and excise duties specified in a tax audit prescription;

2) a taxable period complained of - within the period of submission and consideration of a complaint about an audit findings report with account of the renewal term for filing a complaint about VAT and excise duties specified in the taxpayer's complaint.

6. The procedure for withdrawing an application for importation of goods and payment of indirect taxes shall be determined by the authorized body.

Footnote. Article 458 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 459. The order for adjusting VAT amounts paid in case of import of goods

1. In case of a partial and (or) complete return of goods imported into the territory of the Republic of Kazakhstan from the territory of member states of the Eurasian Economic Union, due to inadequate quality and (or) completing before the expiration of the month in which such goods were imported, reflection of information on such goods in the application for the import of goods and payment of indirect taxes shall not be made.

2. In case of a partial return of goods due to inadequate quality and (or) completing after the expiration of the month in which such goods were imported, information on such goods shall be reflected in the application for the import of goods and payment of indirect taxes submitted instead of the withdrawn application.

3. In case of full return of goods due to inadequate quality and (or) completing after the expiration of the month in which such goods were imported, the application for the import of goods and payment of indirect taxes submitted for such goods shall be withdrawn by the deletion method in accordance with subparagraph 1) of paragraph 3 Article 458 of this Code.

4. For the purposes of this article, documents proving full and (or) partial return of goods imported in the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, because of their low quality and (or) incomplete set, are as follows:

1) a claim agreed on by an exporting taxpayer and an importing taxpayer, which contains information on the quantity of imported goods subject to return due to their low quality and (or) incomplete set;

2) certificates of acceptance and transfer of goods (in case of no transportation of returned goods);

3) transport (shipping) documents (in case of transportation of returned goods);

4) certificates of destruction (in case of destruction of goods).

Copies of the documents specified in this paragraph shall be submitted on paper to the tax authority simultaneously with the documents provided for in subparagraphs 1) - 7) of part two of paragraph 2 of Article 456 of this Code.

5. Not subject to VAT is:

1) loss of goods incurred by a taxpayer within the limits of natural loss standards established by the legislation of the Republic of Kazakhstan;

2) deterioration of goods as a result of natural and man-made disasters.

For the purposes of this article, the loss of goods shall be understood to mean an event resulting in the destruction or loss of goods. Deterioration of goods means the downgrading of all or some characteristics (properties) of the goods, as a result of which this product cannot be used for the purposes of taxable turnover.

Footnote. Article 459 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

SECTION 11. EXCISE DUTIES Chapter 51. GENERAL PROVISIONS

Article 460. Application of excise duties

Excise duties are imposed on goods produced in the territory of the Republic of Kazakhstan and imported in the territory of the Republic of Kazakhstan, specified in Article 462 of this Code.

Article 461. Payers

1. Payers of excise duties are individuals and legal entities that:

1) produce excisable goods on the territory of the Republic of Kazakhstan, with the exception of goods envisaged by sub-paragraph 6) of part one of Article 462 of this Code, the production, assembly (completion) of which is carried out on the territory of a free warehouse ;

2) import excisable goods in the territory of the Republic of Kazakhstan;

3) carry out wholesale, retail sale of gasoline (except for aviation fuel) and diesel fuel in the territory of the Republic of Kazakhstan;

4) realize excisable goods, specified in subparagraphs 5)- 7) of part one of Article 462 of this Code, which were confiscated, are ownerless, were inherited by the state and transferred into state ownership free of charge in the territory of the Republic of Kazakhstan, and for which an excise duty in the territory of the Republic of Kazakhstan has not been paid in accordance with the legislation of the Republic of Kazakhstan;

5) realize assets subject to excise duty, specified in Article 462 of this Code,and for which an excise duty in the territory of the Republic of Kazakhstan has not been paid in accordance with the legislation of the Republic of Kazakhstan;

6) assemble (complete) excisable goods envisaged by sub-paragraph 6) of part one of Article 462 of this Code, excluding their assembly (completion) on the territory of a free warehouse.

2. Payers of excise duties are also individuals importing excisable goods from the territory of the member states of the Eurasian Economic Union for business purposes.

The criteria for classifying excisable goods as those imported for business purposes are established by the authorized body.

3. Non-resident legal entities and their structural units are also payers of excise duties with account of the provisions of paragraph 1 of this article.

4. Authorized state bodies realizing excisable goods, specified in subparagraphs 5), 6) and 7) part one of Article 462 of this Code, which were confiscated, are ownerless, were inherited by the state and transferred into state ownership free of charge, allocating material assets to and releasing them from the state material reserve in the territory of the Republic of Kazakhstan are not payers of excise duties.

Footnote. Article 461 as amended by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force since 01.01.2025).

Article 462. The list of excisable goods

Unless otherwise established by this article, excisable goods are:

1) all types of alcohol;

2) alcohol products;

3) tobacco products;

4) heated tobacco products, nicotine-containing liquids for e-cigarettes;

5) gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, light hydrocarbons mixture, ecological fuel;

6) motor vehicles for the transport of 10 or more people with an engine having a capacity greater than 3000 cc, except for minibuses, buses and trolleybuses;

passenger cars and other motor vehicles with an engine capacity of more than 3000 cubic centimeters (except for cars with manual control or a manual control adapter specially designed for persons with a disability);

motor vehicles on car chassis with a cargo platform and a driver's cabin separated from the cargo compartment by a rigid stationary partition, with an engine capacity of more than 3000 cubic centimeters (except for vehicles with manual control or a manual control adapter specially designed for persons with a disability);

7) crude oil, gas liquid;

8) alcohol-containing medical products registered as medicinal products in accordance with the legislation of the Republic of Kazakhstan.

The authorized body for trade regulation approves an additional list of imported goods that will be subject to excise duties in the country of origin in the manner determined by the Government of the Republic of Kazakhstan.

The rates of excise duties on goods indicated in the additional list of imported goods, determined in accordance with part two of this article, are set by the Government of the Republic of Kazakhstan pursuant to proposals from the authorized body for trade regulation.

Footnote. Article 462 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022).

Article 463. Excise duty rates

1. Excise duty rates are set in absolute terms per unit of measurement in physical terms.

1-1. The amount of excise tax on excisable goods for which combined tax rates are established (consisting of a fixed (specific) and ad valorem (as a percentage) tax rate) shall be calculated as the amount obtained by adding the amounts of excise calculated as the product of a fixed (specific) tax rate and the volume of sold (transferred, imported) excisable goods in physical terms, and as a percentage of the maximum retail price of such goods corresponding to the ad valorem (as a percentage) tax rate.

2. The rates of excise duties on alcohol products shall be approved in accordance with paragraph 1 of this article or depending on the volume of anhydrous (one hundred percent) alcohol in it.

3. For all types of alcohol and wine with bulk, excise rates are differentiated depending on the purposes of further use of alcohol and wines with bulk.

4. The amount of an excise duty is calculated using the following rates:

1) for excisable goods specified in subparagraphs 1) – 4), 6), 7) and 8) of part one of Article 462 of this Code:

Item №	Code of Commodity Nomenclature forForeign Economic Activity of the Eurasian Economic Union	Types of excisable goods	Excise duty rates (in tenge per unit of measurement)
1	2	3	4
1.	of 2207	Undenatured ethyl alcohol with an alcohol concentration of 80 volume percent or more (except for undenatured ethyl alcohol sold or used for the production of alcoholic products sold to state medical institutions within established quotas), ethyl alcohol and other denatured alcohols, of any concentration (except for ethyl alcohol (ethanol)) denatured fuel alcohol (not colorless, colored) for consumption on the domestic market)	KZT 600 /liter
2.	of 2207	Denatured fuel ethyl alcohol (ethanol) (not colorless, dyed for domestic consumption)	1,0 tenge/liter
3.	of 2208	Undenatured ethyl alcohol, alcohol tinctures and other alcoholic drinks with an alcohol concentration of less than 80 percent by volume (except for undenatured ethyl alcohol sold or used for the production of alcoholic products and sold to state medical institutions within established quotas), ethyl alcohol and other denatured alcohols of any concentration (except for ethyl alcohol (ethanol) denatured fuel alcohol (not colorless, colored) for consumption on the domestic market)	KZT 2550 /liter of 100 % alcohol
3-1.	of 2208	Ethyl alcohol, undenatured, sold or used for medicinal and pharmaceutical preparations	KZT 600 /liter of 100% alcohol

4.	of 2207	Undenatured ethyl alcohol with 80 or more volume percent of alcohol, realizable or used for production of alcohol products	0 tenge/liter
5.	of 2208	Undenatured ethyl alcohol, alcohol tinctures and other alcoholic beverages with less than 80 volume percent of alcohol, realizable or used for production of alcohol products	75 tenge/liter 100% alcohol
6.	of 3003, 3004	Alcohol-containing medicinal products registered as medicinal products in accordance with the legislation of the Republic of Kazakhstan	500 tenge/liter 100% alcohol
7.	from 2205, 2206 00 and 2208	Alcohol products (except for cognac, brandy, wine, wines with bulk, brewing products)	2550 tenge/litre 100 % of alcohol
8.	of 2208	Cognac, brandy	KZT 1000 /liter of 100% alcohol
9.	from 2204	Wine	35 tenge/litre
10.	from 2204	Wine with bulk (except for the ethyl alcohol and alcoholic products sold or used for the production)	170 tenge/litre
11.	from 2204	Wine with bulk sold or used for the production of ethyl alcohol and alcohol products	0 tenge/litre
12.	2203 00	Brewing products	90 tenge/liter
13.	2202 90 100 1	Brewery products with volumetric ethyl alcohol content of not more than 0.5 percent	0 tenge/litre
14.	of 2402	Filtered cigarettes	KZT 15 900 /1 000 pcs
15.	of 2402	Unfiltered cigarettes, papirosas	KZT 15 900 /1 000 pcs
16.	of 2402	Cigarillos	KZT 15 900 /1 000 pcs
17.	of 2402	Cigars	750 tenge/item
18.	of 2403	Pipe, smoking, chewing, sucking, sniffing, hookah and other tobacco, packaged in consumer packaging and intended for	

		final consumption, with the exception of pharmaceutical products containing nicotine	KZT 14 150 /kg
19.	of 2709 00	Crude oil, gasliquid	0 tenge/ton
20.	of 8702	Motor vehicles designed to transport 10 or more people , with an engine having a capacity greater than 3000 cc., except for minibuses, buses and trolleybuses	100 tenge/cc
	of 8703	Cars and other motor vehicles primarily intended for carrying people, with an engine capacity over 3,000 cubic centimeters (except vehicles with manual control or manual control adapter specially designed for persons with a disability)	
	of 8704	Motor vehicles on car chassis with a cargo platform and a driver's cabin separated from the cargo compartment by a rigid stationary partition, with an engine capacity of more than 3,000 cubic centimeters (except vehicles with manual control or manual control adapter specially designed for persons with a disability)	
21.	of 2403, 2404	Products with heated tobacco (heated tobacco stick, heated tobacco capsule and others)	KZT 11 130 /1 000 pcs
22.	of 2404	Nicotine-containing liquid in cartridges, tanks and other containers for use in electronic cigarettes	KZT 55 /milliliter of liquid

2) the rates of excise duties on excisable goods, specified in subparagraph 5) of part one of Article 462 of this Code, shall be approved by the Government of the Republic of Kazakhstan.

Note.

The nomenclature of goods is identified by a code of the single Commodity Nomenclature for Foreign Economic Activity of the Eurasian Economic Union and (or) the name of the goods.

Footnote. Article 463 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024); dated 12.12.2023 № 45-VIII (shall come into effect on 01.01.2025).

Chapter 52. TAXATION OF EXCISABLE GOODS PRODUCED, REALIZABLE IN THE REPUBLIC OF KAZAKHSTAN

Article 464. Taxable item

1. Subject to excise duty are:

1) transactions committed by an excise duty payer for excisable goods produced and (or) extracted and (or) dispensed by him/her/it, such as:

sale of excisable goods, excluding goods envisaged in sub-paragraph 6) of part one of Article 527 of this Code, the production, assembly (completion) thereof being carried out on the territory of a free warehouse;

transfer of excisable goods that are customer-supplied materials for processing;

transfer of excisable goods that are a product of the processing of customer-supplied raw materials and materials, including excisable ones;

a contribution to the authorized capital;

use of excisable goods in case of in-kind payment, except for cases of in-kind transfer of excisable goods as payment of the mineral extraction tax, the export rent tax;

shipment of excisable goods by a manufacturer to its structural units;

use of produced and (or) extracted and (or) dispensed excisable goods by a manufacturer for his/her/its own industrial needs and for own production of excisable goods;

transportation of excisable goods by a manufacturer from the production facility address, specified in his/her/its license;

2) wholesale of gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel;

3) retail sales of gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel;

4) sale of assets subject to excise duty, which were confiscated and (or) are ownerless, were inherited by the state and transferred into state ownership free of charge;

5) damage to, loss of excisable goods;

6) import of excisable goods in the territory of the Republic of Kazakhstan.

2. Damage, loss of identification means, accounting and control marks is considered as the sale of excisable goods.

3. Exempt from excise duty is:

1) export of excisable goods, if it meets the requirements established by Article 471 of this Code;

2) ethyl alcohol within the quotas determined by the authorized state body for control of the production and circulation of ethyl alcohol and alcoholic products, distributed to state healthcare organizations that have notified of commencement of their activities in the established procedure;

3) the excisable goods specified in paragraph 2 of Article 172 of this Code, subject to re-labeling with accounting and control marks of a new sample, if the excise tax was previously paid for the indicated goods;

4) alcohol-containing medicinal products (except for balsams) registered as medicinal products in accordance with the legislation of the Republic of Kazakhstan;

5) identification means withdrawn from circulation due to defects, loss, damage, accepted by the tax authorities on the basis of a write-off and destruction act.

Footnote. Article 464 as amended by Law of the Republic of Kazakhstan № 211-VI dated December 28, 2018 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 465. Transaction date

1. Unless otherwise provided for by this article, in any case, the transaction date is the day of shipment (transfer) of excisable goods to a recipient.

2. If a manufacturer sells own-produced excisable goods through the network of his/her/its structural units, the transaction date is the day of shipment of goods to structural units of the legal entity.

3. In case of transfer of excisable goods that are customer-supplied raw materials, the transaction date is the day the said goods are transferred to a contractor (processor).

When manufacturing excisable goods, specified in subparagraph 5) of Article 462 of this Code, which are a product of the processing of customer-supplied raw materials, the transaction date is the day of transfer of manufactured excisable goods to the customer, specified in a document issued in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting. The transfer of manufactured excisable goods to a customer shall be understood to mean actual shipment of excisable goods in kind by filling road tankers and (or) tank cars or flowing through a pipeline to an oil supplier's container or a filling station, which he/she/it owns or possesses on other legal grounds, confirmed by certificates of acceptance and delivery.

A time period for the processing of excisable customer-supplied raw materials, exported from the territory of the Republic of Kazakhstan into the territory of a member state of the

Eurasian Economic Union, as well as those imported into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union, is determined in accordance with the conditions of an agreement (contract) on (for) the processing of customer-supplied raw materials and may not exceed two years from the date of recognition of customer-supplied raw materials in accounting records and (or) their shipment.

In case of a failure to observe the time limits set for the processing of customer-supplied raw materials, the estimated volume of a product of processing in accordance with the conditions of the agreement (contract) shall be an excisable item at rates approved by the Government of the Republic of Kazakhstan.

In case of importation (exportation) of customer-supplied raw materials for processing by a taxpayer of the Republic of Kazakhstan, it is required to present a statement of obligation to export (import) products of processing, and also a statement of its fulfillment in accordance with the procedure, in the form and within the time limits approved by the authorized body in coordination with the central authorized body for state planning.

4. If excisable goods are used for own industrial needs and own production of excisable goods, the transaction date is the day of transfer of the said goods for such use.

5. In case of transportation of excisable goods by a manufacturer from his/her/its production facility address, the transaction date is the day of movement of excisable goods from the production facility address indicated in the license.

6. In the case of damage to excisable goods, excise stamps, accounting and control marks, the date of operation is the day of drawing up an act on writing off damaged excisable goods, an act on the write-off and destruction of identification means, accounting and control marks or a decision on their further use in production process.

In case of loss of excisable goods, excise stamps, accounting and control marks, the date of operation is the day when the loss of excisable goods, excise stamps, and accounting and control marks occurred.

7. In case of import of excisable goods in the territory of the Republic of Kazakhstan from the territory of another member state of the Eurasian Economic Union, the transaction date is that of the taxpayer’s recognition of imported excisable goods in his/her/its accounting records.

At the same time, for the purposes of this section, the date of acceptance for registration of imported excisable goods shall be the date of posting such goods in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

Footnote. Article 465 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 466. Tax base

The tax base for excisable goods shall be defined as the volume (quantity) of excisable goods produced, sold in kind.

For gasoline (except for aviation fuel), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel, which are products of tolling raw materials processing , the tax base shall be determined as the volume (quantity) of transferred excisable goods in physical terms.

Footnote. Article 466 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022).

Article 467. Features of taxation of all types of alcohol and wines with bulk in case of establishment of different rates

Footnote. The title of Article 467 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (enforced from 01.01.2022).

1. In the case of establishing in accordance with paragraph 3 of Article 463 of this Code of different excise rates for all types of alcohol and wine with bulk, the tax rate is determined separately for operations taxed at the same rates.

2. When using alcohol and wine with bulk, purchased by manufacturers of alcoholic beverages with an excise tax at a rate below the base rate is not for the production of ethyl alcohol and (or) alcohol products, the amount of excise tax on this alcohol and wine with bulk is subject to recalculation and payment to the budget under the basic rate of excise tax, established for all types of alcohol and wine with bulk sold to persons who are not manufacturers of alcoholic products. Recalculation and payment of excise taxes are made by the recipient of alcohol or wine with bulk.

3. The provisions of paragraph 2 of this article shall also apply in case of misuse of alcohol purchased for the production of medicinal and pharmaceutical products and the provision of medical services. Payers of the excise duty on this alcohol are manufacturers of medicinal and pharmaceutical products and state medical establishments that received alcohol without excise duty.

Footnote. Article 467 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 468. Damage to, loss of excisable goods

1. In case of damage, loss of excisable goods produced in the territory of the Republic of Kazakhstan and imported, and also brought into the customs territory of the Eurasian Economic Union, the excise duty shall be paid in full, except for cases arising as a result of emergency situations and (or) during the state of emergency.

This provision is also applied in case of damage to, loss of gasoline (except for aviation fuel), diesel fuel purchased for subsequent sale.

2. For the purposes of this article:

1) damage to excisable goods shall be understood to mean deterioration of all or some qualities (properties) of the goods, also at any technological stage of their production;

2) loss of excisable goods shall be understood to mean an event, as a result of which goods were destroyed or lost, also at any technological stage of their production;

The loss of excisable goods, incurred by a taxpayer within standard natural losses established by the legislation of the Republic of Kazakhstan, as well as losses within the limits set by regulatory and technical documentation of a manufacturer, is not considered to be a loss.

Footnote. Article 468 as amended by the Law of the Republic of Kazakhstan dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022).

Article 469. Damage, loss of identification means, accounting and control marks

Footnote. The title of Article 469 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (effective from 01.01.2022).

1. Unless otherwise provided by this article, in case of damage, loss of means of identification, accounting and control marks, excise tax is paid in the amount of the declared assortment.

The calculation of excise tax on damaged or lost (including stolen) accounting and control marks intended for labeling alcoholic products in accordance with Article 172 of this Code is made based on the established rates applied to the volume of the container (tare) indicated on the mark.

2. In case of damage, loss of identification means issued upon import of tobacco products, accounting and control marks, the paid excise amounts are subject to recalculation in the following cases:

1) damage, loss of identification means, accounting and control stamps resulted from emergency situations and (or) during the state of emergency;

2) the damaged means of identification, accounting and control marks are accepted by tax authorities on the basis of an act of write-off and destruction.

3. In case of damage, loss of identification means issued for tobacco products, excise tax is not paid in the following cases:

1) damage, loss of identification means arose as a result of emergency situations and (or) during the state of emergency;

2) the damaged means of identification were accepted by the tax authorities on the basis of the act of write-off and destruction.

Footnote. Article 469 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022).

Article 470. Criteria for referring gasoline (except for aviation), diesel fuel, gasohol, benzanol , nefras, a mixture of light hydrocarbons and ecological fuel to wholesale and retail sales carried out on the territory of the Republic of Kazakhstan

Footnote. The title as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022).

1. The sale of gasoline (except for aviation fuel), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel shall be referred to a wholesale sale, if under a purchase and sale (exchange) contract the buyer undertakes to accept the specified excisable goods and use them for further sale, provided that the suppliers under this contract of sale (exchange) are:

1) a manufacturer of gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel;

2) an oil supplier that has received gasoline (except for aviation fuel), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and (or) ecological fuel as a result of processing of tolling raw materials owned by him for the purpose of their further sale;

3) a taxpayer who is registered for certain types of activities in accordance with Article 88 of this Code and who brought (including imports) into the territory of the Republic of Kazakhstan his own gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and (or) ecological fuel for the purpose of their further sale.

The wholesale sales also scope the shipment of gasoline (except for aviation fuel), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel to structural units of a legal entity for further sale.

2. The scope of retail sales of gasoline (except for aviation fuel), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel includes the following operations carried out by the suppliers specified in paragraph 1 of this article:

1) the sale, as well as transfer by the producer of petroleum products made from tolling raw materials and materials supplied by the manufacturer, gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel to persons for their production needs;

2) sale of gasoline (except for aviation fuel), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel to individuals;

3) the use for own production needs of gasoline produced or purchased for further sale of gasoline (except for aviation), diesel fuel, gasohol, benzanol, nefras, a mixture of light hydrocarbons and ecological fuel.

Footnote. Article 470 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2022).

Article 471. Confirmation of export of excisable goods

1. Documents confirming the export of excisable goods are as follows:

1) an agreement (contract) on (for) the supply of exported excisable goods;

2) a goods declaration or a copy thereof, certified by a customs body, bearing the mark of the customs body that released excisable goods under the customs export procedure.

In case of export of excisable goods under the customs export procedure through the trunk pipeline system or under the procedure for incomplete periodic declaration, the export is confirmed by full declaration of goods bearing the mark of the customs body that carried out the customs declaration procedure;

3) copies of shipping documents bearing the mark of a customs body located at a checkpoint at the customs border of the Eurasian Economic Union.

In case of export of excisable goods under the customs export procedure through the trunk pipeline system, a certificate of goods' acceptance and delivery is presented instead of copies of shipping documents;

4) payment documents and a bank statement confirming actual receipt of earnings from the sale of excisable goods to the taxpayer's bank accounts in the Republic of Kazakhstan, opened in accordance with the legislation of the Republic of Kazakhstan.

2. When exporting excisable goods to the member states of the Commonwealth of Independent States (except for the member states of the Eurasian Economic Union), with which the Republic of Kazakhstan concluded international treaties providing for the exemption of the export of excisable goods from excise duty, an additional document confirming the export of excisable goods is a goods declaration registered in the country of import of excisable goods,which were exported from the customs territory of the Republic of Kazakhstan under the customs export procedure.

3. When exporting excisable goods to the territory of a member state of the Eurasian Economic Union, in order to confirm the validity of exemption from excise duties in accordance with paragraph 3 of Article 464 of this Code, a taxpayer shall submit to the tax authority at the location the documents, specified in Article 447 of this Code, except for those specified in subparagraph 4) of paragraph 1 of Article 447 of this Code, along with an excise duty declaration.

In this case, a taxpayer has the right to submit these documents, except for the excise duty declaration, to the tax authority within one hundred and eighty calendar days of the transaction date.

4. A goods declaration in the form of an electronic document, about which tax authorities have a notification in their information systems from customs bodies concerning actual exportation of goods, is also a document confirming the export of excisable goods. If a goods declaration is in the form of an electronic document provided for in this paragraph, it is not required to submit documents specified in subparagraph 2) of paragraph 1 of this article;

5. If the export sale of excisable goods in accordance with paragraphs 1, 2 and 3 of this article is not confirmed, such a sale shall be subject to excise duty in accordance with the procedure established by this Section for the sale of excisable goods in the territory of the Republic of Kazakhstan.

6. In case of confirmation of the export sale of excisable goods after expiration of the time limits set by paragraph 3 of this article, the amounts of excise duties, paid in accordance with paragraph 5 of this article, shall be offset and returned in accordance with Articles 101 and 102 of this Code.

At the same time, the paid amount of a penalty accrued in connection with a failure to confirm the export sale of excisable goods to the territory of a member state of the Eurasian Economic Union is not subject to return.

Article 472. Calculation of the excise duty amount

The amount of an excise duty is calculated by applying the established excise rate to the tax base.

Article 473. Tax base adjustment

1. Unless otherwise established by this article, the tax base is adjusted within the taxable period, in which excisable goods were returned.

The size of the tax base is adjusted in accordance with this article on the basis of an additional invoice, in which the amount of an excise duty subject to adjustment is indicated in a separate line, and also bilateral acts confirming a ground for the return of excisable goods, and other documents confirming the occurrence of cases of return specified in an agreement (contract).

In case of return of excisable goods to their producer at his/her/its production facility address, the size of the tax base is adjusted on the basis of the producer's shipping documents if excisable goods have been moved by the producer from his/her/its production facility address but have not been sold.

In case of import of excisable goods from the member states of the Eurasian Economic Union, the size of the tax base is adjusted in accordance with paragraphs 1, 2, 3 and 4 of Article 459 of this Code.

2. The tax base for excisable goods specified in subparagraphs 2) and 3) of Article 462 of this Code, with the exception of vodka, special vodka and other alcoholic products with a volume fraction of ethyl alcohol of more than fifteen percent shall be adjusted by the manufacturer of the excisable goods for the volume of excisable goods sold for export, in the event that excise tax was previously paid for such excisable goods in connection with its movement carried out by the manufacturer from the address of production specified in the license.

The tax base specified in this paragraph shall be adjusted in the taxable period, in which such excisable goods were sold for export.

In this case, the tax base with an allowance for such an adjustment may have a negative value.

Footnote. Article 473 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 474. Tax deduction

1. A taxpayer has the right to reduce the amount of an excise duty, calculated in accordance with Article 472 of this Code, by the deductions, specified in this article.

2. In accordance with this article, amounts of excise duties, paid in the Republic of Kazakhstan, on excisable goods, used as basic raw materials for the production of other excisable goods, shall be allocated to deductibles.

3. Amounts of excise duties are allocated to deductibles if they were paid:

1) in the territory of the Republic of Kazakhstan when purchasing or importing excisable goods in the territory of the Republic of Kazakhstan;

2) for own-produced excisable raw materials;

3) when transferring excisable goods manufactured from excisable customer-supplied raw materials.

The amounts of excise duties on all types of alcohol, crude oil, gas liquid are not subject to deduction.

4. The deduction is made in the amount of an excise duty calculated on the basis of the volume of excisable raw materials actually used for the production of excisable goods in a taxable period.

5. The amount of an excise duty paid in case of purchasing excisable raw materials in the territory of the Republic of Kazakhstan is deducted given the following documents:

1) an agreement on sale and purchase of excisable raw materials;

2) payment documents or a cash receipt ticket together with cash register checks confirming the payment for excisable raw materials;

3) consignment notes for the delivery of excisable raw materials;

4) invoices indicating the amount of an excise duty in a separate line;

5) blending statements (in case of production of alcohol products);

6) a certificate of assignment of excisable raw materials to production use.

6. The amounts of excise duties paid on own-produced excisable raw materials are deducted given the following documents:

1) payment documents or other documents confirming the payment of an excise duty to the state budget;

2) blending statements (in case of production of alcohol products);

3) a certificate of assignment of excisable raw materials to production use.

7. The amount of an excise duty paid in the Republic of Kazakhstan for the import of excisable raw materials in the territory of the Republic of Kazakhstan shall be deducted given the following documents:

1) an agreement on sale and purchase of excisable raw materials;

2) payment documents or other documents confirming the payment of an excise duty to the state budget in the course of the customs declaration procedure;

3) goods declarations of imported excisable raw materials for the import of excisable raw materials into the territory of the Republic of Kazakhstan from the territory of states that are

not members of the Eurasian Economic Union or an application for importation of goods and payment of indirect taxes in case of import into the territory of the Republic of Kazakhstan from the territory of the member states of the Eurasian Economic Union;

4) blending statements (in case of production of alcohol products);

5) a certificate of assignment of excisable raw materials to production use.

8. Subject to deduction is also the amount of an excise duty paid for the transfer of excisable goods manufactured in the territory of the Republic of Kazakhstan from excisable customer-supplied raw materials, given the following documents:

1) an agreement on the processing of customer-supplied raw materials between an owner of excisable customer-supplied raw materials and a processor;

2) payment documents or other documents confirming the payment of an excise duty to the state budget by the owner of excisable customer-supplied raw materials;

3) a release note for or a certificate of acceptance and transfer of excisable raw materials.

9. If the amount of an excise duty, paid by producers of excisable goods when purchasing excisable raw materials in the territory of the Republic of Kazakhstan or importing excisable raw materials, exceeds the amount of an excise duty calculated for excisable goods manufactured from these raw materials, such excess amount is not deductible.

Article 475. Time limits for the payment of an excise duty

1. Unless otherwise provided for by this Code, excise duties on excisable goods shall be transferred to the state budget on or before the 20th day of the month following a reporting taxable period.

2. With respect to excisable goods produced from customer-supplied raw materials and materials, an excise duty is paid on the date of transfer of a product to a customer or a person designated by the customer.

3. In case of transfer of crude oil, gas liquid produced in the territory of the Republic of Kazakhstan for industrial processing, an excise duty is paid on the day of their transfer.

4. Excise tax on excisable goods, established by subparagraph 2) of part one of Article 462 of this Code, with the exception of wine with bulk and brewing products, is paid by producers of alcoholic products at their choice:

until receipt of accounting and control marks;

on the day of shipment (transfer) of excisable goods in case of submission of an obligation on the intended use of accounting and control marks in accordance with Article 172 of this Code.5. Tax authorities confirm the payment of an excise duty on excisable goods, imported from the territory of the member states of the Eurasian Economic Union,by affixing an appropriate mark in an application for importation of goods and payment of indirect taxes or substantiate their refusal to confirm it in the manner prescribed by the authorized body.

Footnote. Article 475 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 476. Place of payment of an excise duty

1. An excise duty is paid at the location of a taxable item, except for the cases specified in paragraphs 2 and 3 of this article.

2. Excise duty payers engaged in wholesale, retail sales of gasoline (except for aviation fuel) and diesel fuel, pay an excise duty at the location of tax-related items.

3. In case of import of excisable goods from the territory of the member states of the Eurasian Economic Union, an excise duty is paid at the location (residence) of an excise duty payer.

Article 477. The order for taxpayers' calculation and payment of an excise duty for structural units, tax-related items

1. Excise duties are calculated separately (hereinafter in the Section referred to as the excise duty calculation) for transactions subject to excise duty, committed during a taxable period by a structural unit of a legal entity, and also tax-related items.

The amount of an excise duty payable for a structural unit of a legal entity, and also tax-related items, is determined on the basis of the excise duty calculation.

2. Excise duty payers are obliged to submit the excise duty calculation to tax authorities at the location of a structural unit of a legal entity, tax-related items, within the time limits established by Article 478 of this Code.

Excise duty payers having several tax-related items registered by one tax authority produce one excise duty calculation for all items.

3. A legal entity that is an excise duty payer shall pay an excise duty, including current payments, for its structural units, tax-related items from its personal bank account or delegate this obligation to its structural unit.

4. Individual entrepreneurs submit the calculation of an excise duty payable for tax-related items at the location of tax-related items.

Article 478. Taxable period and an excise duty declaration

1. With respect to an excise duty, a taxable period is a calendar month.

2. Unless otherwise provided for by this article, at the end of each taxable period, excise duty payers are required to submit to the tax authority at the place of their location an excise duty declaration on or before the 15th day of the second month following a reporting taxable period.

3. Excise duty payers submit excise duty calculations together with an excise duty declaration.

4. Taxpayers importing excisable goods into the territory of the Republic of Kazakhstan from the territory of member states of the Eurasian Economic Union shall be obliged to submit to the tax authority at the place of location (residence) an application for the import of

goods and payment of indirect taxes and other documents in accordance with paragraph 2 of Article 456 of this Code no later than the 20th day of the month following the month of registration of imported excisable goods.

Footnote. Article 478 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Chapter 53. TAXATION OF IMPORT OF EXCISABLE GOODS

Article 479. Tax base of imported excisable goods

With respect to excisable goods imported in the territory of the Republic of Kazakhstan, the tax base is defined as the volume, quantity of imported excisable goods in kind.

Article 480. Time limits for the payment of an excise duty on imported excisable goods

1. Excise duties on excisable goods imported from the territory of states that are not members of the Eurasian Economic Union shall be paid on the day determined by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan for the payment of customs payments, except for the cases provided for in paragraph 2 of this article, in the manner determined by the authorized body.

2. Excise tax on imported excisable goods subject to labeling in accordance with Article 172 of this Code is paid before receipt of identification means, accounting and control marks.

When importing excisable goods indicated in part one of this paragraph, it is necessary to specify the amount of an excise duty and apply the excise rate effective as of the date of import of excisable goods.

3. Excise duties on excisable goods (except for marked excisable goods) imported from the territory of the member states of the Eurasian Economic Union shall be paid on or before the 20th day of the month following the month of recognition of the imported excisable goods in accounting records.

Excise duties on the marked excisable goods are paid within the time limits specified in paragraph 2 of this article.

4. If excisable goods, imported in the territory of the Republic of Kazakhstan without the payment of excise duties in accordance with the legislation of the Republic of Kazakhstan, are used for purposes other than those in connection with which the exemption is granted or another payment procedure is applied, these excisable goods shall be subject to excise duties in the manner and at the excise duty rates established by Articles 463 and 479 of this Code and by the Government of the Republic of Kazakhstan.

Footnote. Article 480 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 481. Import of excisable goods exempted from excise duty

1. Excisable goods imported by individuals in compliance with the regulations of the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan are exempted from excise duties.

2. Imported excisable goods exempted from excise duty are as follows:

1) those required for the operation of vehicles used for international carriage, while on the road and at intermediate points;

2) those that turned out to be unfit for the use as products and materials because of their damage before theircrossing the customs border of the Eurasian Economic Union;

3) those imported for official use by foreign diplomatic missions and equivalent representative offices, as well as for personal use by persons belonging to diplomatic and administrative and technical staff of these missions, including their family members living with them. These goods are exempted from the payment of an excise duty in accordance with international treaties, to which the Republic of Kazakhstan is a party;

4) those transported across the customs border of the Eurasian Economic Union, exempted from excise duties in the territory of the Republic of Kazakhstan within the frames of the customs procedures established by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, except for the customs procedure for release for domestic consumption;

5) alcohol-containing medicinal products (except for balsams), registered in accordance with the legislation of the Republic of Kazakhstan.

SECTION 12. SOCIAL TAX Chapter 54. GENERAL PROVISIONS

Article 482. Payers

1. Social tax payers are:

1) individual entrepreneurs;

2) private practice owners;

3) resident legal entities of the Republic of Kazakhstan, unless otherwise specified in paragraph 3 of this article;

4) non-resident legal entities operating in the Republic of Kazakhstan through permanent establishments;

5) non-resident legal entities operating through a structural unit without setting up a permanent establishment.

2. The social tax is not paid by taxpayers such as:

1) those applying a special tax regime:

on the basis of a patent;

for peasant or farm enterprises;

retail tax;

using a special mobile application;

2) specialized organizations that employ persons with disabilities with musculoskeletal disorders, hearing loss, speech loss, vision loss, meeting the requirements of paragraph 3 of Article 290 of this Code.

3. By its decision, a resident legal entity has the right to recognizeits structural unit's simultaneous fulfillment of the obligation for:

calculation and payment of social tax on taxable items, which are expenses of such a structural unit;

calculation, withholding and transfer of individual income tax on income subject to taxation at source of payment, which is assessed, paid by such a structural unit.

The adoption of such a decision by a resident legal entity or its revocation is put into effect from the beginning of the quarter following the quarter, in which such a decision is made.

If a newly established structural unit is recognized as a social tax payer, the legal entity's decision on such recognition shall be put into effect from the day of establishment of this structural unit or from the beginning of the quarter following the quarter, in which this structural unit was established.

Footnote. Article 482 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022).

Article 483. Features of calculation, payment and filing of tax returns on social tax by payers applying special tax regimes

The calculation, payment and filing of tax returns on social tax are made by payers applying special tax regimes:

1) for producers of agricultural products - with account of the provisions of Chapter 78 of this Code;

2) on the basis of a simplified declaration - in accordance with Articles 687 - 689 of this Code.

The provisions of Articles 484 - 488 of this Code shall not be applied by the payers specified in subparagraph 2) of part one of this article.

Article 484. Taxable item

1. The object of taxation for persons engaged in private practice and individual entrepreneurs, with the exception of individual entrepreneurs applying a special tax regime on the basis of a simplified declaration shall be the number of employees, including the payers themselves.

2. A taxable item for the payers, specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 482 of this Code, are expenses of:

1) the employer for employment income specified in paragraph 1 of Article 322 of this Code (including the employment income specified in subparagraphs 20), 22), 23) and 24) of paragraph 1 of Article 644 of this Code);

2) the tax agent for the income of foreign staff specified in paragraph 7 of Article 220 of this Code.

3. A taxable item shall not include:

1) mandatory pension contributions to the single accumulative pension fund in accordance with the legislation of the Republic of Kazakhstan;

2) contributions for compulsory social health insurance in accordance with the legislation of the Republic of Kazakhstan on compulsory social health insurance;

The introduced amendment to Subparagraph 3) is valid until 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 12.26.2018 № 203-VI.

3) income established in paragraph 1 of Article 341 of this Code, excluding income set out in sub-paragraph 10) of paragraph 1 of Article 341 of this Code, as well as income stipulated in sub-paragraph 53) of paragraph 1 of Article 341 of this Code in relation to the income of employees who are nationals of the Republic of Kazakhstan;

4) income provided for in subparagraph 10) of Article 654 of this Code;

5) payments made with grant funds.

The provisions of this subparagraph are applied if payments are made under an agreement (contract) concluded with a grantee or with a contractor appointed by the grantee for grant implementation.

4. If the object of taxation specified in paragraph 2 of this article, determined taking into account paragraph 3 of this article, for a calendar month makes an amount from one tenge to 14-fold monthly calculation index established by the law on the republican budget and effective on the first day of this calendar month, then the object of taxation is determined on the basis of 14-fold monthly calculation index.

Footnote. Article 484 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 485. Tax rates

1. Unless otherwise provided for by this article, the social tax is calculated at the rate of:

9.5 percent - from January 1, 2018;

11 percent - from January 1, 2025.

2. Individual entrepreneurs and private practice owners calculate the social tax in the amount of 2 times the monthly calculation index established by the law on the national budget and effective as of the date of payment - for themselves and 1 monthly calculation index - for each employee.

The provision of this paragraph does not apply to:

1) taxpayers within the period of temporary suspension of their filing of tax returns in accordance with Article 213 of this Code;

2) individual entrepreneurs applying a special tax regime on the basis of a simplified declaration;

3) individual entrepreneurs, with the exception of those specified in subparagraph 2) of part two of this paragraph, and persons engaged in private practice who did not receive income in the tax period.

3. Social tax rates for payers applying a special tax regime on the basis of a simplified declaration are established by Chapter 77 of this Code.

Footnote. Article 485 as amended by Law of the Republic of Kazakhstan № 241-VI dated 02.04.2019 (shall be enforced since 01.01.2020); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018).

Chapter 55. THE ORDER FOR THE TAX CALCULATION AND PAYMENT

Article 486. The order for social tax calculation

1. The amount of social tax shall be determined by applying the relevant rates established in paragraph 1 of Article 485 of this Code to the object of taxation determined by paragraph 2 of Article 484 of this Code, taking into account the provisions of paragraph 3 of Article 484 of this Code.

2. Individual entrepreneurs, except for those applying a special tax regime on the basis of a simplified declaration, private practice owners calculate the social tax applying the rates, set in paragraph 2 of Article 485 of this Code, to the item subject to social tax, specified in paragraph 1 of Article 484 of this Code.

3. The amount of social tax payable to the budget shall be determined as the difference between the calculated social tax and the amount of social contributions calculated in accordance with the Social Code of the Republic of Kazakhstan.

If the amount of calculated social contributions to the State Social Insurance Fund exceeds the amount of calculated social tax or their amounts are equal, the amount of social tax payable to the budget is considered equal to zero.

4. Organizations operating in the territory of the “Park of Innovative Technologies” special economic zone shall calculate the social tax with account of the provisions established by paragraph 9 of Article 709 of this Code.

5. The state body or local executive body, by its decision shall have the right to recognize the simultaneous fulfillment of the obligation by its structural subdivisions and (or) territorial bodies according to:

calculation and payment of social tax on the objects of taxation that are expenses of structural divisions and (or) territorial bodies subordinate to such a state body or local executive body;

calculation, withholding and transfer of individual income tax on income subject to taxation at the source of payment, which are accrued, paid to the employees of structural divisions and (or) territorial bodies subordinate to such a state body or local executive body.

6. The amount of the social tax calculated by state institutions for a taxable period is reduced by the amount of a temporary disability social benefit paid in accordance with the legislation of the Republic of Kazakhstan.

7. If the amount of the paid social benefit, specified in paragraph 6 of this article, exceeds the amount of the calculated social tax for a taxable period, the excess amount is carried forward to the next taxable period.

Footnote. Article 486 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force).

Article 487. Payment of the social tax

1. The social tax shall be paid on or before the 25th day of the month following a taxable period, at the location of the taxpayer.

2. The social tax on taxable items, which are expenses of a structural (territorial) unit, is paid at the location of such a structural (territorial) unit.

Chapter 56. TAXABLE PERIOD AND TAX DECLARATION

Article 488. Taxable period

1. A taxable period for the social tax calculation is a calendar month.

2. A reporting period for drawing up an individual income tax declaration and a social tax declaration is a calendar quarter.

Article 489. Individual income tax and social tax declaration

1. Anindividual income tax and social tax declaration is submitted to tax authorities at the location on a quarterly basis on or before the 15th day of the second month following a reporting period.

2. Payers with structural units, not obliged to calculate and pay the social tax, shall submit an annex on the calculation of the social tax amount for such a structural (territorial) unit to an individual income tax and social tax declaration to the tax authority at the location of such a structural (territorial) unit.

SECTION 13. VEHICLE TAX Chapter 57. GENERAL PROVISIONS

Article 490. Taxpayers

1. Payers of the vehicle tax are individuals having taxable items on the basis of the right of ownership and legal entities having taxable items on the basis of the right of ownership, economic management or operational management, unless otherwise provided for by this article.

By its decision, a legal entity has the right to recognize its structural unit as an independent payer of the tax on vehicles registered under such a structural unit in accordance with the transport legislation of the Republic of Kazakhstan.

Unless otherwise established by this article, the decision of a legal entity on such recognition or termination of such recognition shall be enacted from January 1 of the year following the year of adoption of such a decision.

If a newly established structural unit is recognized as an independent payer of the vehicle tax, the decision of a legal entity on such recognition shall be enacted from the date of establishment of this structural unit or from January 1 of the year following the year of establishment of this structural unit.

2. A payer of the vehicle tax on taxable items transferred (received) under a financial lease agreement is the lessee.

3. Unless otherwise established by this article, the vehicle tax shall not be paid by:

1) legal entities producing agricultural products, specified in Article 697 of this Code, as well as the head and (or) members of a peasant or farm enterprise – with respect to specialized agricultural machinery used in their own production of agricultural products and included in the list approved by the authorized body for the agro-industrial complex development in coordination with the central authorized body for state planning and the authorized body;

2) the head and (or) members of a peasant or farm enterprise applying a special tax regime for peasant or farm enterprises – with respect to cars and trucks used in activities subject to this special tax regime, within the limits of the following requirements:

one car with an engine having a capacity up to 2500 cc per one peasant or farm enterprise;

trucks with a maximum aggregate capacity of engines of 1000 kW per 1000 hectares of arable land (hayfields, pastures), with the 1:1 ratio per one peasant or farm enterprise.

In addition to the above,if the calculation of the number of vehicles results in more than one unit with the decimal part of 0.5 and greater, this value shall be rounded to the nearest integer, if the decimal part is less than 0.5 - it shall not be rounded.

If the calculation of the number of trucks results in less than one unit, one truck with the smallest engine capacity is subject to exemption;

3) state institutions and state secondary education institutions;

4) public associations of persons with disabilities meeting the requirements of paragraph 1 of Article 289 of this Code - one car with an engine capacity of not more than 3000 cubic centimeters and one bus;

5) veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for selfless work and impeccable military service in the rear during the Great Patriotic War, as well as persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for selfless work and impeccable military service in the rear during the Great Patriotic War, heroes of the Soviet Union and heroes of Socialist Labor, persons awarded the titles of “Khalyk kaharmany”, “Kazakhstannyn Yenbek Eri”,

awarded the Order of Glory of three degrees and the Order “Otan”, mothers of many children, awarded the title “Mother Heroine” or awarded the pendant “Altyn alka” or “ Kumis alka” – with one motor vehicle, which is the object of taxation;

6) persons with disabilities that have motorized wheelchairs and cars in ownership- one motor vehicle, which is the object of taxation.

The provisions of subparagraphs 1), 2) and 4) of part one of this paragraph do not apply if such vehicles are provided for use, transferred into trust management or leased out.

4. The provisions of subparagraphs 5) and 6) of part one of paragraph 3 of this article shall be applied within a taxable period with respect to one motor vehicle (except for a car with an engine capacity greater than 4000 cc, with respect to which registration actions related to the change of the owner of the vehicle were committed by the authorized state body after December 31, 2013) regardless of whether an individual, entitled to apply the provisions of such subparagraphs, belongs to one or more categories specified in them.

5. If a person, entitled to apply the provisions of subparagraphs 5) and 6) of part one of paragraph 3 of this article, owns several vehicles within a taxable period, these provisions apply to one of these vehicles, on which the largest amount of the tax was calculated.

6. If within a taxable period the right to apply the provisions of subparagraphs 5) and 6) of part one of paragraph 3 of this article arises or is terminated, such provisions:

are applied from the 1st day of the month, in which such right arose, until the end of the taxable period or until the 1st day of the month, in which such right is terminated– if the right arises;

are not applied from the 1st day of the month, in which such right is terminated – if the right is terminated.

7. The payer of the tax on vehicles transferred by state institutions into trust management is identified in accordance with Article 41 of this Code.

Footnote. Article 490 as amended by the Law of the Republic of Kazakhstan dated 06.05.2020 № 324-VI (shall be enforced from 01.01.2020).

Article 491. Taxable items

1. Taxable items are vehicles, except for trailers registered and (or) recorded in the Republic of Kazakhstan.

2. Not subject to taxation are:

1) open-pit 40-plus-ton class dump trucks;

2) specialized medical vehicles;

3) sea vessels entered in the international ship register of the Republic of Kazakhstan;

4) special-purpose vehicles that are subject to the property tax.

Chapter 58. TAX RATES, THE ORDER FOR CALCULATION AND TIME LIMITS FOR PAYMENT OF THE TAX

Article 492. Tax rates

1. Unless otherwise established by this article, the tax is calculated at the following rates set in monthly calculation indices:

Item №	Taxable item	Tax rate (monthly calculation index)
1	2	3
1.	Cars ranging as follows, in terms of engine capacity (cc):	
	up to 1 100 incl.	1
	greater than 1 100 up to 1 500 incl.	2
	greater than 1 500 up to 2 000 incl.	3
	greater than 2 000 up to 2 500 incl.	6
	greater than 2 500 up to 3 000 incl.	9
	greater than 3 000 up to 4 000 incl.	15
	greater than 4 000	117
2.	Trucks, special-purpose vehicles ranging as follows, in terms of load capacity (without trailers):	
	upto 1 tonincl.	3
	greater than 1 ton up to 1,5 tons incl.	5
	greater than 1,5 up to 5 tons incl.	7
	greater than 5 tons	9
3	Tractors, self-propelled agricultural, meliorative and road-building machinery and mechanisms, special off-road vehicles and other motor vehicles not for passage on public roads	3
4.	Buses ranging as follows,in terms of the number of seats:	
	up to 12 passenger seats incl.	9
	more than 12 up to 25 passenger seats incl.	14
	more than 25 passenger seats	20
5.	Motorcycles, motor scooters, snowmobiles, small vessels ranging as follows, in terms of engine power:	
	up to 55 kW (75 hp) incl.	1
	over 55 kW (75 hp)	10
6.	Motor boats, vessels, tugboats, barges, yachts ranging as follows, in terms of engine power (horsepower):	
	up to 160 incl.	6
	over 160 up to 500 incl.	18
	over 500 up to 1 000 incl.	32

	over 1 000	55
7.	Aircraft	4 percent of the monthly calculation index per each kW of power
8.	Railway traction rolling stock used: for riding trains of any category along main lines; for shunting on main, station and access lines of narrow and (or) wide gauge; on the tracks of industrial railway transport and not entering main and station lines	1 percent of the monthly calculation index per each kW of total vehicle capacity
	Motor-car rolling stock used for the carriage of passengers along main and station lines of narrow and wide gauge, as well as vehicles of urban rail transport	1 percent of the monthly calculation index per each kW of total vehicle power

2. As for cars with an engine capacity greater than 3000 cc produced (manufactured or assembled) in the Republic of Kazakhstan after December 31, 2013 or imported into the territory of the Republic of Kazakhstan after December 31, 2013, the tax is calculated at the following rates set in monthly calculation indices:

Item №	Taxable item	Tax rate (monthly calculation index)
1	2	3
1.	Cars ranging as follows, in terms of engine capacity (cc):	
	greater than 3 000 up to 3 200 incl.	35
	greater than 3 200 up to 3 500 incl.	46
	greater than 3 500 up to 4 000 incl.	66
	greater than 4 000 up to 5 000 incl.	130
	greater than 5 000	200

3. To calculate the tax, it is necessary to apply the monthly calculation index set by the law on the national budget and effective as of January 1 of a relevant financial year.

4. For the purposes of this Code:

1) passenger cars are:

cars of category B (including BE, B1), unless otherwise provided by subparagraph 2) of this paragraph;

motor vehicles with a cargo platform and a driver's cabin separated from the cargo section by a rigid stationary partition (pickup vehicles);

cars with increased passenger capacity and off-road cars beyond the requirements of category B (including BE) for the maximum permissible mass and (or) number of passenger seats (off-roadsters, including jeeps, as well as crossovers and limousines);

2) trucks include:

cars of category C (including CE, C1E, C1), unless otherwise provided by subparagraph 1) of this paragraph;

specialized trucks of category B with a rigid closed body mounted on an automobile chassis, or a wagon-type body with a partition separating the cargo compartment, intended for transportation of industrial, food and agricultural goods, equipped with devices for laying and securing cargo inside the body (vans) ;

trucks of category B of general purpose with an onboard platform (with the exception of pickup trucks);

3) special-purpose vehicles are cars with special equipment intended to perform certain technological processes or operations, unless otherwise specified in subparagraphs 1) and 2) of this paragraph;

4) buses are cars of category D (including DE, D1E, D1), unless otherwise specified in subparagraph 1) of this paragraph.

5. As for cars with an engine capacity greater than 1500 cc, the tax amount shall be increased by 7 tenge per each unit of excess of the lower limit of the engine capacity specified in paragraph 1 or 2 of this article.

6. For the purposes of this article, the date of entry of passenger cars, imported into the territory of the Republic of Kazakhstan, is that of their initial state registration.

7. Depending on their service life, the following adjustment factors apply to the rates of the tax on aircraft:

in respect of aircraft purchased after April 1, 1999 outside the Republic of Kazakhstan:

over 5 to 15 years of operation incl. - 2.0;

over 15 years of operation - 3.0.

8. The service life of a vehicle is calculated on the basis of the year of manufacture indicated in the vehicle's passport (aircraft flight manual).

9. For the calculation of the tax on trucks and special-purpose vehicles, the vehicle's load capacity index indicated in the vehicle instruction and (or) operating manual is used. If the vehicle instruction and (or) operating manual does not indicate the load capacity index, it is calculated as the difference between the permissible maximum mass of the vehicle and the mass of the vehicle without load (the mass of the equipped vehicle).

Footnote. Article 492 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2021); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2024).

Article 493.The tax calculation order

1. A taxpayer shall calculate the amount of the tax for a taxable period on his/her/its own by applying tax rates to a taxable item in accordance with Article 492 of this Code.

2. Taxpayers applying a special tax regime for producers of agricultural products shall calculate the tax on vehicles, except for the vehicles specified in subparagraph 1) of

paragraph 3 of Article 490 of this Code, with account of the provisions of Chapter 78 of this Code.

3. In case of a vehicle being in possession on the basis of the right of ownership, economic management or operational management for less than a taxable period, the tax amount is calculated for the period of actual possession of the vehicle on the basis of such right by dividing the annual amount of the tax by twelve and multiplying the quotient by the number of the months of actual possession of the vehicle on the basis of such right.

4. In case of transfer of the right of ownership, economic management or operational management of taxable items withina taxable period, the amount of the tax is calculated as follows:

1) for the donor:

with respect to vehicles available at the beginning of the taxable period, the amount of the tax is calculated for the period running from the beginning of the taxable period until the 1st day of the month, in which the right of ownership, economic management or operational management of the vehicle was transferred;

with respect to vehicles purchased by the donor within the taxable period, the amount of the tax is calculated for the period running from the 1st day of the month, in which the right of ownership, economic management or operational management of the vehicle was acquired, until the 1st day of the month, in which such right was transferred;

2) for the recipient - the tax amount is calculated for the period running from the 1st day of the month, in which the right of ownership, economic management or operational management of the vehicle was acquired, until the end of the taxable period or until the 1st day of the month, in which such right was subsequently transferred by the recipient.

5. Individuals, purchasing a vehicle not registered in the Republic of Kazakhstan as of the time of its acquisition, calculate the tax amount for the period running from the 1st day of the month, in which the right of ownership of the vehicle arose, until the end of the taxable period or until the 1st day of the month, in which the right of ownership was terminated.

6. The ground for exemption from tax for the period of search for a vehicle that is listed as carjacked and (or) stolen from the owners is information confirming the fact (date) of registration of the application in the Unified register of pre-trial investigations on carjacking (theft) of a vehicle, submitted to the tax authorities by internal affairs bodies.

In this case, the calculation (charging) of such tax ceases from the date of registration of the application in the Unified register of pre-trial investigations on carjacking (theft) of a vehicle.

The calculation (charging) of tax shall be resumed from the date of termination of the criminal case on carjacking (theft) of a vehicle and its return on the basis of information submitted to the tax authorities by the internal affairs bodies.

7. As for vehicles being possessed on the basis of the right of ownership, economic management or operational management at the beginning of a taxable period, including vehicles, with respect to which such rights arose and (or) were terminated within the period running from the beginning of the taxable period until July 1 of the taxable period, legal entities calculate current payments:

1) if the right of ownership, economic management or operational management of vehicles arose within the period running from the beginning of the taxable period until July 1 of the taxable period and was not terminated before July 1 of the taxable period – up to the amount of the tax calculated for the period running from the 1st day of the month, in which such right arose, until the end of the taxable period;

2) if in the period running from the beginning of the taxable period until July 1 of the taxable period, the right of ownership, economic management or operational management of vehicles:

is terminated – in the amount of the tax calculated for the period running from the beginning of the taxable period until the 1st day of the month, in which such right is terminated;

arose and was terminated – in the amount of the tax calculated for the period running from the 1st day of the month, in which the right of ownership, economic management or operational management of vehicles arose, until the 1st day of the month, in which such right was terminated;

3) in other cases – equal to the annual tax amount. In this case, in the event of termination of the right of ownership, economic management or operational management of vehicles within the period running from July 1 of the taxable period until the end of the taxable period, the declaration shall indicate the amount of the tax calculated for the period running from the beginning of the taxable period until the 1st day of the month, in which such right is terminated.

8. Legal entities do not calculate current payments and do not submit the calculation of current payments for vehicles, the right of ownership, economic management or operational management of which arose from July 1 of the taxable period until the end of the taxable period. In this case, the amount of the tax calculated in accordance with the procedure specified in subparagraph 2) of paragraph 4 of this article shall be indicated in the declaration.

9. In order to determine the balance of calculations for the tax on vehicles of individuals for the reporting tax period, the tax authorities shall calculate the tax not later than May 1 of the year following the reporting tax period, based on information submitted in an automated mode by authorized bodies that carry out accounting and registration of vehicles.

Footnote. Article 493 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01.2024).

Article 494. Time limits and order for payment of the tax

1. Legal entities make current payments at the place of registration of taxable items by making current payments on or before July 5 of a taxable period.

2. In case of acquisition of the right of ownership, economic management or operational management of a vehicle after 1 July of a taxable period, legal entities shall pay the tax on the said vehicle within ten calendar days of the deadline for submitting a declaration for the taxable period.

3. Excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (effective from 01.01.2023).

4. Individuals shall make tax payment to the budget at the place of residence no later than April 1 of the year following the reporting tax period.

5. The payment of the vehicle tax for a taxable period by an individual, who is the borrower under authorization to drive a motor vehicle with the right to alienation, on behalf of the vehicle's owner is the fulfillment of the tax obligation of the vehicle's owner for a given taxable period.

Footnote. Article 494 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 21.12.2022 № 165-VII (effective from 01.01.2023).

Chapter 59. TAXABLE PERIOD AND TAX RETURNS

Article 495. Taxable period

A taxable period for the vehicle tax calculation is a calendar year from January 1 through December 31.

Article 496. Tax returns

1. Payers that are legal entities submit to the tax authorities at the place of registration of taxable items the calculation of current vehicle tax payments on or before July 5 of a current taxable period, and a declaration on or before March 31 of the year following a reporting one.

2. Taxpayers, applying a special tax regime on the basis of payment of the uniform land tax, file tax returns on the vehicle tax in the form of appropriate annex to the uniform land tax declaration.

SECTION 14. LAND TAX Chapter 60. GENERAL PROVISIONS

Article 497. General provisions

1. For tax purposes, all land plots are treated from the point of view of their designated purpose and their belonging to relevant categories.

2. The category of land plots is established by the land legislation of the Republic of Kazakhstan. For tax purposes, the land of populated localities is divided into two groups:

1) the land of populated localities, except for land plots occupied by the housing stock, including buildings and structures attached to it;

2) the land occupied by the housing stock, including buildings and structures attached to it

.

3. Land plots of the following categories are not subject to taxation:

1) land plots of specially protected natural areas;

2) land plots of forest reserves;

3) land plots of water resources;

4) reserve plots of land;

5) lands of the nuclear safety zone.

In the event of the transfer of these lands (with the exception of reserve lands and nuclear safety zones) to permanent land use or primary free temporary land use, they are subject to taxation in the manner prescribed by Article 508 of this Code.

4. The land tax is calculated on the basis of:

1) identification documents: a certificate of title, a certificate of entitlement to permanent land use, a certificate of entitlement to free temporary land use;

2) data of state quantitative and qualitative land registration as of January 1 of each year, provided by the central authorized body for land management.

Footnote. Article 497 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced after the day the legislative act regulating the creation and functioning of the nuclear safety zone comes into force).

Article 498. Payers

1. Land tax payers are persons having taxable items on the basis of:

1) the right of ownership;

2) the right of permanent land use;

3) the right of primary free temporary land use.

2. By its decision, a legal entity has the right to recognize its structural unit as an independent payer of the land tax.

Unless otherwise established by this article, the decision of a legal entity on such recognition or termination of such recognition shall be enacted from January 1 of the year following the year of adoption of such a decision.

If a new structural unit of a legal entity is recognized as an independent payer of the land tax, the decision of the legal entity on such recognition shall be enacted from the date of establishment of this structural unit or from January 1 of the year following the year of establishment of this structural unit.

3. Unless otherwise established by this article, the land tax shall not be paid by:

1) taxpayers applying a special tax regime for peasant or farm enterprises on land plots used in the activity, to which this special tax regime applies;

2) state institutions and state secondary education institutions;

3) state correctional institutions of the authorized state body for the execution of criminal penalties;

4) is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020);

5) is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020);

6) is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020);

7) religious associations.

4. Taxpayers, specified in subparagraphs 3) and 7) of part one of paragraph 3 of this article, are taxpayers for land plots provided for use, transferred into trust management or under a property lease (rent) agreement.

5. A payer of the tax on land plots transferred into trust management by state institutions is identified in accordance with Article 41 of this Code.

Footnote. Article 498 as amended by the laws of the Republic of Kazakhstan dated 06.05.2020 № 324-VI (shall be enforced from 01.01.2020); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 499. Identification of a payer in individual cases

1. As for a land plot in common ownership (use) of several persons, except for a land plot that is a part of assets of a mutual fund, each of these persons is the land tax payer, unless otherwise provided for in documents certifying the right to own or use these land plots, or agreed on by the parties.

The payer of the land tax on a land plot that is part of assets of a mutual fund is the managing company of this mutual fund.

2. Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

3. In case of no identification documents for a land plot, a ground for recognizing a user as a payer of the land tax on a land plot is his/her actual ownership and use of such a plot on the basis of:

1) a certificate of allotment of a land plot by state bodies - if a land plot is allotted from state property;

2) civil transactions or other grounds provided for by the legislation of the Republic of Kazakhstan - in other cases.

4. As for a land plot transferred (received) into financial lease together with a real estate item under a financial lease agreement, the land tax payer is the lessee.

Footnote. Article 499 is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 500. Taxable item

1. A taxable item is a land plot (in case of common shared ownership of a land plot – a land share).

2. Not subject to taxation are:

1) land plots of populated localities for common use.

Land plots of populated localities for common use include land plots occupied and intended for occupation by squares, streets, driveways, roads, embankments, parks, miniparks , boulevards, ponds, beaches, cemeteries and other items to meet the needs of the population (water pipes, heating pipes, power transmission lines, sewage treatment plants, ash and slag pipelines, main heating systems and other public utilities);

2) land plots occupied by a network of public roads.

Land occupied by a network of public roads in a rightofway includes land plots occupied by roadbeds, traffic junctions, overpasses, artificial structures, off-site reserves and other road maintenance facilities, road service office and residential premises, snow-protecting and decorative plantations;

3) land plots occupied by items temporarily closed by the decision of the Government of the Republic of Kazakhstan;

4) land plots purchased for the maintenance of rental buildings;

5) land plots occupied by buildings and structures specified in subparagraph 6) of paragraph 3 of Article 519 of this Code.

Article 501. Identification of a taxable item in individual cases

1. A taxable item for railway organizations is land plots provided, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, for the facilities of railway organizations, including land plots occupied by railroads, rights of way, railway stations, railway terminals.

2. A taxable item for organizations of the energy and electrification system, whose balance sheets recognize power transmission lines, is land plots provided, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, to these organizations, including land plots occupied by power transmission line supports and substations.

3. A taxable item for organizations engaged in the extraction, transportation of oil and gas , whose balance sheets recognize oil pipelines, gas pipelines, is land plots provided, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, to these organizations, including land plots occupied by oil pipelines and gas pipelines.

4. A taxable item for communications organizations, whose balance sheets recognize radio-relay, air, cable communication lines, is plots provided, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, to these organizations, including land plots occupied by communication line supports.

Article 502. Tax base

The tax base for determining the land tax is the area of a land plot and (or) a land share.

Chapter 61. TAX RATES

Article 503. Base tax rates for agricultural land

1. The base rates of the land tax on agricultural land are set per hectare and differentiated according to the quality of soils.

2. The following base rates of the land tax are setforthe land of the steppe and dry-steppe zones in proportion to quality points:

Item №	Quality point	Base tax rate (tenge)
1	2	3
1.	1	2,4
2.	2	3,35
3.	3	4,35
4.	4	5,3
5.	5	6,25
6.	6	7,25
7.	7	8,4
8.	8	9,65
9.	9	10,8
10.	10	12,05
11.	11	14,45
12.	12	15,45
13.	13	16,4
14.	14	17,35
15.	15	18,35
16.	16	19,3
17.	17	20,45
18.	18	21,7
19.	19	22,85
20.	20	24,1
21.	21	26,55
22.	22	28,95
23.	23	31,35
24.	24	33,75
25.	25	36,2
26.	26	38,6
27.	27	41
28.	28	43,4
29.	29	45,85
30.	30	48,25
31.	31	72,35
32.	32	77,7

33.	33	82,95
34.	34	90,4
35.	35	93,8
36.	36	99,1
37.	37	104,4
38.	38	110
39.	39	115,3
40.	40	120,6
41.	41	144,75
42.	42	150,05
43.	43	155,35
44.	44	160,85
45.	45	166,15
46.	46	171,45
47.	47	176,8
48.	48	182,4
49.	49	187,7
50.	50	193
51.	51	217,1
52.	52	222,45
53.	53	227,75
54.	54	233,25
55.	55	238,55
56.	56	243,85
57.	57	249,15
58.	58	254,75
59.	59	260,05
60.	60	265,35
61.	61	289,5
62.	62	303,15
63.	63	316,3
64.	64	329,75
65.	65	343,05
66.	66	356,55
67.	67	369,8
68.	68	383,3
69.	69	396,6
70.	70	410,1
71.	71	434,25
72.	72	447,75
73.	73	460,95
74.	74	474,45

75.	75	487,8
76.	76	501,3
77.	77	514,55
78.	78	528,05
79.	79	541,35
80.	80	554,85
81.	81	579
82.	82	595,1
83.	83	611,05
84.	84	627,25
85.	85	643,35
86.	86	659,3
87.	87	675,5
88.	88	691,6
89.	89	707,55
90.	90	723,75
91.	91	747,85
92.	92	772
93.	93	796,1
94.	94	820,25
95.	95	844,35
96.	96	868,5
97.	97	892,6
98.	98	916,75
99.	99	940,85
100.	100	965
101.	over 100	1 013,3

3. The following base rates of the land tax are set for the land of the semi-desert, desert and foothill-desert zones in proportion to quality points:

Item №	Quality point	Base tax rate (tenge)
1	2	3
1.	1	2,4
2.	2	2,7
3.	3	2,9
4.	4	3,1
5.	5	3,35
6.	6	3,65
7.	7	3,85
8.	8	4,05
9.	9	4,35
10.	10	4,8

11.	11	7,25
12.	12	9,15
13.	13	11,1
14.	14	12,75
15.	15	14,65
16.	16	16,6
17.	17	18,55
18.	18	20,25
19.	19	22,2
20.	20	24,1
21.	21	26,55
22.	22	28,95
23.	23	31,35
24.	24	33,75
25.	25	36,2
26.	26	38,6
27.	27	41
28.	28	43,4
29.	29	45,85
30.	30	48,25
31.	31	50,65
32.	32	53,05
33.	33	55,45
34.	34	57,9
35.	35	60,3
36.	36	62,7
37.	37	65,15
38.	38	67,55
39.	39	69,95
40.	40	72,35
41.	41	74,8
42.	42	77,2
43.	43	79,6
44.	44	82
45.	45	84,45
46.	46	86,85
47.	47	89,25
48.	48	91,65
49.	49	94,1
50.	50	96,5
51.	51	98,9
52.	52	101,3

53.	53	103,75
54.	54	106,15
55.	55	108,55
56.	56	110,95
57.	57	113,4
58.	58	115,8
59.	59	118,2
60.	60	120,6
61.	61	123,05
62.	62	126,4
63.	63	129,1
64.	64	132,2
65.	65	135,1
66.	66	138,2
67.	67	141,1
68.	68	144,25
69.	69	147,45
70.	70	150,35
71.	71	153,45
72.	72	156,35
73.	73	159,4
74.	74	162,3
75.	75	165,45
76.	76	168,4
77.	77	171,55
78.	78	174,65
79.	79	177,55
80.	80	180,75
81.	81	183,55
82.	82	186,7
83.	83	189,6
84.	84	192,8
85.	85	195,9
86.	86	198,8
87.	87	201,9
88.	88	204,75
89.	89	207,95
90.	90	210,85
91.	91	210,9
92.	92	216,95
93.	93	220

94.	94	223,1
95.	95	226
96.	96	229,2
97.	97	231,9
98.	98	235,15
99.	99	238,05
100.	100	241,25
101.	Over 100	250,9

Article 504. Base tax rates for agricultural land allotted to individuals

Footnote. Article 504 is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 505 Basic tax rates for the lands of settlements

The basic tax rates for the lands of settlements shall be set per one square meter of area in the following amounts:

№	Category of the populated area	Base tax rates for land in populated areas, excepting land taken up by housing stock, including buildings and structures attached to it (KZT)
1	2	3
	Cities:	
1.	Almaty	28,95
2.	Shymkent	9,17
3.	Astana	19,30
4.	Aktau	9,65
5.	Aktobe	6,75
6.	Atyrau	8,20
7.	Jezkazgan	8,20
8.	Kokshetau	5,79
9.	Karaganda	9,65
10.	Konaev	9,17
11.	Kostanai	6,27
12.	Kyzylorda	8,68
13.	Uralsk	5,79
14.	Ust-Kamenogorsk	9,65
15.	Pavlodar	9,65
16.	Petropavlovsk	5,79
17.	Semey	8,68
18.	Taldykorgan	9,17
19.	Taraz	9,17
20.	Turkestan	7,79
21.	Almaty oblast:	
22.	cities of oblast status	6,75

23.	cities of regional subordinance	5,79
24.	Akmola oblast:	
25.	cities of oblast status	5,79
26.	cities of regional subordinance	5,02
27.	Other cities of oblast status	85 percent of the rate established for the oblast center
28.	Other cities of regional subordinance	75 percent of the rate established for the oblast center
29.	Townships	0,96
30.	Villages	0,48

At the same time, the categories of settlements shall be established in accordance with the classifier of administrative-territorial objects, approved by the authorized state body exercising state regulation in the field of technical regulation.

Footnote. Article 505 is in the wording of the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 506. Base tax rates for industrial, transport, communications, defense and other non-agricultural land (hereinafter referred to as industrial land) outside populated localities

1. The base tax rates for industrial land outside populated localities are set per one hectare in proportion to quality points and their amounts are as follows:

Item №	Quality point	Base tax rate (tenge)	Item №	Quality point	Base tax rate (tenge)
1	2	3	4	5	6
1.	0	48,25	52.	51	2634,45
2.	1	91,67	53.	52	2690,23
3.	2	135,1	54.	53	2745,95
4.	3	178,52	55.	54	2801,72
5.	4	221,95	56.	55	2857,46
6.	5	265,37	57.	56	2913,24
7.	6	308,8	58.	57	2968,96
8.	7	352,22	59.	58	3024,73
9.	8	395,65	60.	59	3080,47
10.	9	439,07	61.	60	3136,25
11.	10	482,5	62.	61	3188,36
12.	11	530,75	63.	62	3247,75
13.	12	592,41	64.	63	3325,49
14.	13	654,08	65.	64	3364,61
15.	14	715,68	66.	65	3423,05
16.	15	777,35	67.	66	3489,25
17.	16	839,01	68.	67	3539,95
18.	17	900,67	69.	68	3598,39
19.	18	962,29	70.	69	3656,81

20.	19	1023,96	71.	70	3715,25
21.	20	1084,66	72.	71	3769,29
22.	21	1138,7	73.	72	3829,64
23.	22	1189,07	74.	73	3890,53
24.	23	1239,35	75.	74	3951,67
25.	24	1287,73	76.	75	4012,79
26.	25	1340,29	77.	76	4073,88
27.	26	1390,66	78.	77	4135,02
28.	27	1441,07	79.	78	4196,15
29.	28	1491,45	80.	79	4257,23
30.	29	1541,88	81.	80	4319,34
31.	30	1592,25	82.	81	4371,45
32.	31	1646,29	83.	82	4432,57
33.	32	1693,03	84.	83	4493,66
34.	33	1740,76	85.	84	4554,8
35.	34	1788,47	86.	85	4615,92
36.	35	1836,2	87.	86	4677,01
37.	36	1883,87	88.	87	4738,15
38.	37	1931,58	89.	88	4799,27
39.	38	1979,31	90.	89	4860,36
40.	39	2027,02	91.	90	4921,5
41.	40	2074,75	92.	91	4975,54
42.	41	2126,86	93.	92	5054,48
43.	42	2178,19	94.	93	5134,32
44.	43	2228,61	95.	94	5214,22
45.	44	2278,98	96.	95	5294,09
46.	45	2329,41	97.	96	5373,99
47.	46	2379,79	98.	97	5453,83
48.	47	2340,22	99.	98	5533,73
49.	48	2480,57	100.	99	5613,59
50.	49	2531	101.	100	5693,5
51.	50	2582,34	102.	over 100	5790

2. Land plots provided for defense needs, except for the land temporarily used by other land users in accordance with the land legislation of the Republic of Kazakhstan, are subject to taxation at the rates set by paragraph 1 of this article.

3. Land plots provided for defense needs, which are temporarily not used for defense purposes and were provided to other land users for agricultural purposes, are subject to taxation at the rates set by Article 503 of this Code, with account of the requirements of paragraph 1 of Article 510 of this Code.

4. The land of railway enterprises occupied by protective forest plantations along main railways shall be taxed at the rates set by Article 503 of this Code, with account of the requirements of paragraph 1 of Article 510 of this Code.

Article 507. Tax rates for industrial land within populated localities

1. The industrial land (including mines, quarries), except for the land indicated in paragraph 3 of this article and in Article 509 of this Code, is taxed at the base rates set by Article 505 of this Code, with account of the requirements of paragraph 1 of Article 510 of this Code.

2. The base rates for industrial land (including mines, quarries), except for the land specified in paragraph 3 of this article and in Article 509 of this Code, may be reduced by decisions of local representative bodies. The total reduction in tax rates for these land plots, with account of the reduction provided for in paragraph 1 of Article 510 of this Code, shall not exceed 30 percent of the base rate.

3. The industrial land within a populated locality occupied by aerodromes shall be taxed at the base rates set by Article 506 of this Code, with account of the requirements of paragraph 1 of Article 510 of this Code.

The industrial land within a populated locality occupied by airports, except for the land occupied by aerodromes, is taxed at the base rates set by Article 505 of this Code, with account of the requirements of paragraph 1 of Article 510 of this Code.

For the purposes of this Code, an aerodrome is a land plot that was made ready and equipped specially for the take-off, landing, taxiing, parking and servicing of aircraft.

Article 508. Tax rates for the land of specially protected natural areas, forest and water reserves

1. The land of specially protected natural areas, forest and water reserves used for agricultural purposes is subject to the land tax at the base rates set by Article 503 of this Code , with account of the requirements of paragraph 1 of Article 510 of this Code.

2. The land of specially protected natural areas, forest and water reserves provided for use to individuals and legal entities for purposes other than agricultural ones shall be subject to taxation at the rates set by Article 506 of this Code, with account of the requirements of paragraph 1 of Article 510 of this Code.

Article 509. Tax rates for land plots allotted for car parks (parking lots), filling stations, which are occupied by casinos and also not used for designated purposes or used in violation of the legislation of the Republic of Kazakhstan

1. The land of populated localities allotted for filling stations is subject to taxation at base rates for the land of populated localities, set in column 3 of the table of Article 505 of this Code, increased tenfold.

The land of other categories allotted for filling stations is subject to taxation at base rates for the land of populated localities set for the land of a nearby populated locality in column 3 of the table of Article 505 of this Code, increased tenfold. In this case, a nearby populated

locality, the base rates for the land of which will be applied in calculating the tax, is determined by a local representative body.

By decision of a local representative body, the tax rates may be reduced, but shall not be less than those set by Article 505 of this Code.

2. The land of populated localities occupied by casinos is subject to taxation at base rates for the land of populated localities set by Article 505 of this Code, increased tenfold.

The land of other categories occupied by casinos is subject to taxation at base rates for the land of populated localities, except for the land occupied by the housing stock, including buildings and structures attached to it, set for the land of a nearby populated locality by Article 505 of this Code, increased tenfold.

Base rates for the land of a populated locality, which are used in calculating the tax, are set by a local representative body.

By decision of a local representative body, tax rates may be reduced, but shall not be less than those set by Article 505 of this Code.

3. The land of populated localities allotted for car parks (parking lots) is subject to taxation at base rates for the land of populated localities set in column 3 of the table of Article 505 of this Code.

The land of other categories allotted for car parks (parking lots) is subject to taxation at base rates for the land of populated localities set for the land of a nearby populated locality in column 3 of the table of Article 505 of this Code. In this case, a nearby populated locality, the base rates for the land of which will be applied in calculating the tax, is determined by a local representative body.

By decision of a local representative body, the base tax rates for the land occupied by car parks (parking lots) may be increased, but not more than tenfold. The increase in rates, provided for in this paragraph, is made depending on the categories of car parks (parking lots) established by the local representative body.

However, it is forbidden to reduce or increase the land tax rates for certain taxpayers on a case-by-case basis.

4. On land plots intended for the construction of facilities and not used for appropriate purposes or used in violation of the legislation of the Republic of Kazakhstan, the base tax rates established by Articles 505, 506 and 507 of this Code and this article, except for the rates indicated in lines 24 – 27 of the table of Article 505 of this Code, shall be increased tenfold from the date the authorized body for control over the use and protection of land delivers a written ordinance to the owner or land user on the need to use the land plot for its intended purpose and (or) eliminate the violation of the legislation of the Republic of Kazakhstan.

The procedure for identifying land plots not used for appropriate purposes or used in violation of the legislation of the Republic of Kazakhstan, for the purposes of part one of this

paragraph and paragraph 5 of this article, shall be determined by the central authorized body for land management in agreement with the authorized body.

The provisions of this paragraph do not apply to an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, and its subsidiaries.

5. On agricultural land plots not used for their intended purpose or used in violation of the legislation of the Republic of Kazakhstan, the base tax rates established by Article 503 of this Code shall be increased twenty-fold from the date of delivery to the owner or land user of a written ordinance to eliminate violations of the requirements of the land legislation of the Republic of Kazakhstan by a territorial unit for land management in oblasts, cities of republican status, and the capital, exercising state control over the use and protection of land.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, and its subsidiaries.

6. The procedure for submitting information on land plots, specified in paragraphs 4 and 5 of this article, to tax authorities by the authorized body for control over the land use and protection is determined by the authorized body.

7. On land plots specified in paragraphs 4 and 5 of this article, information on which is submitted by the territorial unit for land management of oblasts, cities of republican status, the capital, exercising state control over the use and protection of land, the land tax shall be calculated by tax authorities based on the established land tax rates and land area with sending to the taxpayer a notification on the charged amount of land tax.

Footnote. Article 509 as amended by Law of the Republic of Kazakhstan № 268-VI dated 28.10.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 12.12.2023 № 45-VIII (shall be enforced from 01.01. 2022)

Article 510. Adjustment of base tax rates

1. Based on land zoning projects (schemes) conducted in accordance with the land legislation of the Republic of Kazakhstan, local representative bodies have the right to reduce or increase land tax rates by up to 50 percent of the land tax base rates set by Articles 505 and 506 of this Code.

However, it is forbidden to reduce or increase the land tax rates for certain taxpayers on a case-by-case basis.

A local representative body shall make such a decision on the reduction or increase of land tax rates on or before December 1 of the year preceding the year of its introduction and enact it from January 1 of the year following the year of its adoption.

The decision of the local representative body on the reduction or increase of land tax rates is subject to official publication.

The provisions of part one of this paragraph shall not apply to land plots, specified in Article 509 of this Code.

2. When calculating the land tax, the following payers apply the zero-value coefficient to appropriate rates:

1) legal entities defined by paragraph 3 of Article 290 of this Code and paragraph 1 of Article 291 of this Code;

2) organizations operating in the territories of special economic zones –with regard to land plots located in the territory of a special economic zone and used priority activities specified in Article 708 of this Code, with account of the provisions established by Chapter 79 of this Code;

3) organizations implementing an investment priority project –with regard to land plots used to implement an investment priority project, with account of the provisions established by Article 712 of this Code;

4) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

5) persons who have concluded an investment agreement and apply the provisions of Chapter 80-1 of this Code - for land plots used for the implementation of an investment project.

3. When calculating the tax, the 0.1 coefficient shall be applied to appropriate rates by the following payers:

1) children's recreation facilities –with regard to land plots used by such children's recreation facilities in the activityon improving children's health;

2) state enterprises, whose main activity is works on fire protection of forests, combating fires, pests and diseases of forests, reproduction of natural biological resources and increasing the ecological potential of forests – with regard to the land used by them in this activity;

3) state-owned fish-breeding enterprises –with regard to the land used by them in the fish reproduction activity;

4) work-therapy facilities at psychoneurological and tuberculosis establishments;

5) technology parks –with regard to the land used to carry out the main type of activity provided for by the Entrepreneurial Code of the Republic of Kazakhstan.

The provisions of this subparagraph may be applied by technology parks meeting all of the following requirements:

such technological parks have been created in accordance with the Entrepreneurial Code of the Republic of Kazakhstan;

50 and more percent of the voting shares (participatory interests) of such technology parks belong to the National Institute for Technological Development;

6) non-commercial organizations identified in accordance with paragraph 1 of Article 289 of this Code, except for religious associations and non-commercial organizations, specified in paragraph 4 of Article 289 of this Code;

7) legal entities identified in paragraph 2 of Article 290 of this Code –with regard to the land plots used in the performance of the types of activities, specified in paragraph 2 of Article 290 of this Code.

4. The provisions of subparagraph 1) of paragraph 2 and subparagraphs 4), 6) and7) of paragraph 3 of this article shall not apply in cases of provision of a land plot and (or) part thereof (together with buildings, structures, works or without them) under a property rent (lease) agreement, provision for use on other grounds or using them for commercial purposes, except for the case when income from such provision of a land plot and (or) part thereof under a property rent (lease) agreement, provision for use on other grounds is credited to the state budget.

When applying the provisions of part one of this paragraph:

taxpayers are required to maintain separate accounting for taxable items;

the amount of the land tax on a part of a land plot is determined by the relative share of the area of such a part of the plot to the total area of the entire land plot.

Footnote. Article 510 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force).

Chapter 62. THE ORDER FOR CALCULATION AND TIME LIMITS FOR PAYMENT OF THE TAX

Article 511. General order for the tax calculation and payment

1. The tax is calculated separately for each land plot by applying the appropriate tax rate, determined with account of the provisions of this Chapter, to the tax base.

2. Unless otherwise established by this Chapter, if the right of ownership, the right of permanent or primary free temporary land use to a land plot is granted by the state, a taxpayer begins to calculate the land tax from the month following the month of granting such rights to the land plot.

3. In case of termination of the right of ownership or the right to use the land plot, the land tax is calculated for actual period of land use.

4. The land tax is paid to the state budget at the location of a land plot.

5. In case of transfer of a populated locality from one category of populated localities to another withina taxable year, the land tax for the taxable period of such a transfer is calculated at the rates set for the category of a populated locality, to which the given locality belonged before such transfer.

6. In case of changes in boundaries of an administrative-territorial unit, the land tax for land plots within a populated locality, the territory of which entered another administrative-territorial unit in connection with such a change, for the taxable period of such a change is calculated at the rates set for the category of a populated locality, within which boundaries the given locality was before the date of such change.

7. If it is not possible to determine the quality point of land plots occupied by taxpayers, the amount of the land tax is determined on the basis of the quality point of adjacent land plots.

8. As for taxable items in common shared ownership, the tax is calculated in proportion to each owner's share in the total area of such items.

9. A land plot, which is part of a condominium unit, is subject to the land tax in proportion to the share of each owner of the building (part of the building), except for an individual owner of an apartment (dwelling), in common property that is part of the condominium unit.

In this case, a part of a land plot attributable to:

1) the share of the dwelling owner, except for an individual, in the common property, shall be subject to land tax at the base tax rates on lands of populated areas established in column 3 of the table in paragraph 2 of Article 531 of this Code;

2) the share of an owner of a non-residential unit (part of a non-residential building) in common property is subject to the land tax at base rates of the tax on the land of populated localities set in column 3 of the table of Article 505 of this Code.

Footnote. Article 511 as amended by the Law of the Republic of Kazakhstan dated 21.12.2023 № 45-VIII (shall be enforced from 01.01.2021)

Article 512. The order for calculation and time limits for payment of the tax by legal entities and individual entrepreneurs

1. Taxpayers calculate the amount of the land tax on their own by applying an appropriate tax rate to the tax base.

2. Legal entities and individual entrepreneurs, except for individual entrepreneurs applying a special tax regime for small business entities, are required to calculate current payments for the land tax and pay them within a taxable period.

3. The amount of current payments is determined by applying appropriate tax rates to the tax base for taxable items that are available at the beginning of a taxable period.

4. Taxpayers, except for individual entrepreneurs applying special tax regimes for small business entities, shall pay the amounts of current tax payments in equal parts on or before February 25, May25, August 25 and November 25 of a taxable period.

5. If tax obligations arise within a taxable period, and also in case of provision of taxable items for use, their transfer into trust management or under a property rent (lease) agreement by legal entities indicated in subparagraphs 3) and 7) of paragraph 3 of Article 498 of this Code:

1) the first deadline for the payment of current tax amounts is the next scheduled deadline for their payment within this taxable period;

2) after the last deadline for current payments, only the final settlement and payment of the tax amount are made within the time limits provided for in paragraph 8 of this article.

6. In case of changes in land tax obligations within a taxable period, current payments are adjusted for the amount of the change in tax obligations in equal partsbetween forthcoming periods of payment of the land tax within this taxable period, unless otherwise established by paragraph 7 of this article.

7. In case of transfer of rights to taxable items within a taxable period, the amount of the tax is calculated for the actual period of ownership of a land plot.

The amount of the tax payable for the actual period of ownership of a land plot by a person transferring these rights must be paid to the state budget before or at the time of state registration of the rights. In this case, the person, transferring these rights, calculates the amount of the tax for the period running from January 1 of a current year until the beginning of the month, in which he/she/it transfers the land plot. The person, receiving such rights, calculates the amount of the tax for the period running from the beginning of the month, in which he/she/it acquired the right to the land plot.

8. A taxpayer shall make a final settlement and pay the land tax within ten calendar days of the deadline for the submission ofa declaration for a taxable period.

9. Individual entrepreneurs applying a special tax regime for small business entities shall pay the land tax within ten calendar days of the deadline for thesubmission of a declaration for a taxable period.

Article 513. Features of the tax calculation, payment and filing of tax returns in individual cases

1. As for land plots occupied by buildings, structures and constructions used by several taxpayers, the land tax is calculated separately for each taxpayer in proportion to the area of buildings and structures in their separate use.

2. When the legal entities, specified in subparagraphs 3) and 7) of paragraph 3 of Article 498 of this Code, provide for use, transfer into trust management or lease out a part of a building or part of a structure, the land tax is calculated depending on the relative share of the area of a part of the building or part of the structure in the total area of all buildings and structures located on this land plot provided for use, transferred into trust management or leased out.

3. If a legal entity acquires immovable property that is part of the housing stock, the land tax shall be calculated at base rates of the tax on the land of populated localities, except for the land occupied by the housing stock, including buildings and structures attached to it, set by Article 505 of this of the Code.

Article 514. The order for calculation and time limits for payment of the tax by individuals

Footnote. Article 514 is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Chapter 63. TAXABLE PERIOD AND TAX RETURNS

Article 515. Taxable period

A taxable period for the land tax calculation is a calendar year from January 1 through December 31.

Article 516. Tax returns

1. With regard to land plots (to be) used in entrepreneurial activity, individual entrepreneurs (except for individual entrepreneurs applying a special tax regime for small business entities) and legal entities submit to the tax authorities at the location of their land plots the calculation of current payments for the land tax on or before February 15 of a current taxable period with regard to tax obligations determined as of the beginning of the taxable period.

2. Within ten calendar days prior to the next scheduled (within a taxable period) deadline for the payment of current payments, a taxpayer shall submit:

the calculation of current payments - if tax obligations arise within the taxable period, except for those arisen after the last deadline for the payment of current payments;

additional calculation of current payments with appropriate adjustment of the amount of such payments and their distribution between forthcoming periods of payment in equal parts – in case of changes in tax obligations for the land tax within the taxable period.

If tax obligations arise after the last deadline for the payment of current payments, taxpayers do not submit the calculation of current payments.

In this case, calculation of current payments or an additional calculation of current payments shall be presented for facilities for which tax liabilities have arisen or changed as of the first day of the month when the next due date for payment of current payments is due.

3. The declaration shall be submitted to the tax authorities at the location of their land plots on or before March 31 of the year following a reporting taxable period:

1) by legal entities;

2) by individual entrepreneurs – with regard to tax obligations determined for the land plots (to be) used in entrepreneurial activity;

3) by individuals (including private practice owners) – with regard to tax obligations determined for the land plots (to be) used in entrepreneurial activity and (or) activity related to such private practice.

Footnote. Article 516 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

SECTION 15. PROPERTY TAX Chapter 64. TAX ON THE PROPERTY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS

Article 517. Payers

1. The payers of the property tax are:

1) legal entities having a taxable item on the basis of the right of ownership, economic management or operational management in the territory of the Republic of Kazakhstan;

2) individual entrepreneurs having a taxable item on the basis of the right of ownership in the territory of the Republic of Kazakhstan;

3) a concessionaire having a taxable item, which is a concession asset under a concession agreement, on the basis of the right of ownership, use;

4) the persons specified in Article 518 of this Code.

2. By its decision, a legal entity has the right to recognize its structural unit as an independent payer of the property tax.

Unless otherwise established by this article, the decision of a legal entity on such recognition or termination of such recognition shall be enacted from January 1 of the year following the year of adoption of such decision.

If a newly established structural unit of a legal entity is recognized as an independent payer of the property tax, the decision of the legal entity on such recognition shall be enacted from the date of establishment of this structural unit or from January 1 of the year following the year of establishment of this structural unit.

3. Unless otherwise provided for by this article, payers of the property tax are not:

1) individual entrepreneurs applying a special tax regime for peasant or farm enterprises with regard to taxable items available to them on the basis of the right of ownership, used by them in the production,storage and processing of agricultural products;

Taxpayers specified in this subparagraph shall pay the property tax on taxable items, not used in the production, storage and processing of their own agricultural products, in the manner specified in this Section;

2) state institutions and state secondary education institutions;

3) state enterprises of correctional institutions of the authorized state body for the execution of criminal penalties;

4) religious associations;

5) subsoil users under contracts for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects) within the framework of contract activities, taking into account the specifics provided for in paragraph 4 of Article 722-1 of this Code.

Legal entities indicated in subparagraphs 3) and 4) of part one of this paragraph are payers of the tax on taxable items provided for use, transferred into trust management or leased out.

Footnote. Article 517 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 518. Identification of a taxpayer in individual cases

1. In case of transfer of a taxable item into trust management by a state institution, the taxpayer is determined in accordance with Article 41 of this Code.

2. If a taxable item is in common shared ownership of several persons, except for taxable items that are a part of assets of a mutual fund, each of these persons is recognized as a taxpayer.

3. A payer of the tax on taxable items in common joint ownership may be one of the owners of these taxable items upon agreement between them.

4. Unless otherwise established by this paragraph, the lessor shall be the payer of tax on objects transferred for financial lease that complies with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The lessee shall be the payer of tax on objects transferred to financial leasing.

5. A payer of the tax on taxable items that are part of assets of a mutual fund is the managing company of the mutual fund.

6. In case of no state registration of rights to buildings, structures subject to such registration, a payer of the tax on such an item is a person actually owning and using (operating) the item on the basis of:

1) a certificate of the state acceptance commission and (or) a certificate of acceptance into operation (commissioning) of a completed project –with regard to new finished (completed) construction projects;

2) civil transactions or other grounds provided for by the legislation of the Republic of Kazakhstan - in other cases.

Footnote. Article 518 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 519. Taxable item

1. A taxable item for individual entrepreneurs, except for individual entrepreneurs, who do not maintain accounting records and compile financial statements in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting”, and legal entities is the following assets in the territory of the Republic of Kazakhstan:

1) buildings, structures related to such ones in accordance with the classification established by the authorized state body carrying out state regulation in the field of technical regulation, parts of such buildings accounted for as part of fixed assets, investments in real estate in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) buildings related to such ones in accordance with the classification established by the authorized state body carrying out state regulation in the field of technical regulation, parts of such buildings provided to individuals under long-term lease agreements for housing with the right to purchase, accounted for in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting as a long-term receivables;

3) buildings, structures that are concession assets, the rights of possession, use of which are transferred under a concession agreement;

4) assets specified in Article 260 of this Code;

5) buildings, structures related to such ones in accordance with the classification established by the authorized state body carrying out state regulation in the field of technical regulation, parts of such buildings accounted for in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements as part of the assets of second-tier banks, transferred to ownership as a result of foreclosure on property acting as collateral, other security, with the exception of buildings (parts of buildings) and structures specified in subparagraph 1) of this paragraph;

6) buildings, structures specified in paragraph 6 of Article 518 of this Code;

7) buildings and structures related to in accordance with the classification established by the authorized technical regulation body, parts of such buildings and structures provided for financial lease and accounted for in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting as accounts receivable.

2. A taxable item for individual entrepreneurs, who do not maintain accounting records and compile financial statements in accordance with the Law of the Republic of Kazakhstan " On Accounting and Financial Reporting", is buildings, structures in the territory of the Republic of Kazakhstan classified as such in accordance with the classification, established by the authorized state body for state technical regulation, and being fixed assets in accordance with subparagraph 9) of Article 201 of this Code.

3. Not subject to taxation:

1) is land as an item subject to the land tax in accordance with Articles 500 and 501 of this Code;

2) are buildings, structures temporarily closed by the decision of the Government of the Republic of Kazakhstan;

3) are state-owned public roads and road structures on them such as:

rights ofway;

components of road structure;

traffic engineering and subsidiary road components and facilities;

bridges;

overpasses;

viaducts;

traffic intersections;

tunnels;

protection galleries;

buildings and devices intended to improve road safety;

drainage structures and culverts;

forest belts along roads;

roadway residential buildings and complexes of road maintenance service;

4) unfinished construction projects, except for those specified in paragraph 6 of Article 518 and subparagraph 4) of paragraph 1 of this article;

5) buildings, structures that are an integral part of a transport complex ensuring the subway operation;

6) buildings and structures purchased by the state Islamic special financial company under contracts concluded in accordance with the terms of issuance of state Islamic securities;

7) individuals' dwellings and other facilities used in entrepreneurial activity, for which the tax base is determined in accordance with Article 529 of this Code and the tax is calculated by tax authorities in accordance with Article 532 of this Code;

8) buildings, structures that are concession assets, the rights of possession and use of which are transferred under a concession agreement with the availability payment under concession projects of special significance, the list of which is approved by the Government of the Republic of Kazakhstan, provided that the value of concession assets exceeds 50 000000 times the monthly calculation index established by the law on the national budget and effective as of January 1 of a relevant financial year;

9) buildings, structures located on the territory of the lands of the nuclear safety zone, used for placement of radioactive waste and ensuring nuclear physical protection.

Footnote. Article 519 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018); dated 20.12.2021 № 85-VII (shall be enforced after the day the legislative act regulating the creation and functioning of the nuclear safety zone comes into force); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 520. Tax base

1. Unless otherwise established by this article, the tax base for taxable items of individual entrepreneurs and legal entities, specified in subparagraphs 1), 3), 4) and 5) of paragraph 1 of Article 519 of this Code, is the average annual book value of taxable items determined on the basis of accounting data.

In case of no average annual book value of concession assets, the tax base is the value of such assets determined in accordance with the procedure determined by the Government of the Republic of Kazakhstan.

2. For the taxable facilities of individual entrepreneurs and legal entities specified in subparagraphs 2) and 7) of paragraph 1 of Article 519 of this Code, the tax base shall be established in the amount of the average annual sum of receivables, including long-term, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

3. The average annual book value of taxation objects shall be determined as one thirteenth of the amount obtained by adding up the book values of taxation objects on the 1st day of

each month of the current tax period and the 1st day of the month of the tax period following the reporting one.

If the terms of the subsoil use contract provide for the fulfillment of obligations to dismantle and remove objects of taxation, as well as the provisions of the Environmental Code of the Republic of Kazakhstan require the implementation of activities related to the liquidation fund of waste disposal sites, then the assessment of such obligations, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall not be included in the book value of taxation objects when maintaining separate accounting.

If the provisions of the Law of the Republic of Kazakhstan "On the main pipeline" provide for the fulfillment of obligations to liquidate the main pipeline, then the assessment of such obligations, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall not be included in the book value of taxation objects when maintaining separate accounting for the value of such obligations.

If the energy transmission organization accepts on its balance sheet electrical networks recognized as ownerless in accordance with the civil legislation of the Republic of Kazakhstan or received free of charge in accordance with the legislation of the Republic of Kazakhstan, the cost of such networks shall not be included in the tax base before taking into account the amount of property tax on such networks in the tariff estimate in accordance with paragraph 8 of Article 13-1 of the Law of the Republic of Kazakhstan "On Electricity".

4. The average annual amount of receivables, including long-term, established in accordance with international financial reporting standards and (or) requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, is determined as one thirteenth of the amount received by adding the amounts of receivables, including long-term, on the 1st day of each month of the current taxable period and the 1st day of the month of the taxable period following the reporting one.

5. As for taxable items of legal entities, specified in subparagraphs 3) and 4) of paragraph 3 of Article 517 of this Code, the tax base is determined on the basis of the share of these taxable items provided for use, transferred into trust management or leased out.

6. Unless otherwise provided for by this paragraph, the tax base for taxable items of individual entrepreneurs that do not maintain accounting records and compile financial statements in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting” is the sum total of costs for their acquisition, production, construction, assembly, installation, as well as reconstruction and modernization.

In this case, reconstruction and modernization are recognized in accordance with paragraph 2 of Article 269 of this Code.

In case of no source documents confirming the costs for acquisition, production, construction, assembly, installation, reconstruction and modernization, as well as for taxable

items received as a result of transactions, the price (value) of which is unknown, or free of charge, also in the form of donation, inheritance, gift, charitable assistance, the tax base is the market value of:

1) a taxable item as of the date of emergence of the right of ownership of the asset;

2) a taxable item of the payers, specified in paragraph 6 of Article 518 of this Code, as of the date of its recognition by payers for such items.

In this case, the market value is determined in areport on appraisal conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on the appraisal activity.

7. If Article 41 of this Code provides for the fulfillment of tax obligations for the property tax by a trust manager, the tax base is the average annual book value of such taxable items, which in accordance with the procedure specified in paragraph 3 of this article, is determined by:

1) the trust manager on his/her/its own - if such property was put onto his/her/its books;

2) a state institution, on whose books such property is placed. In this case, data on the tax base of such property shall be submitted to the trust manager annually, on or before February 1.

In case of no data on the average annual book value of the property, specified in subparagraph 2) of part one of this paragraph, in the course of compiling tax returns on the property tax, the tax base for such property is its book value, indicated in a certificate of its acceptance and transfer in accordance with paragraph 4 of Article 41 of this Code.

Footnote. Article 520 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2018); dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 521. Tax rates

1. Unless otherwise provided for by this article, legal entities calculate the property tax at the rate of 1.5 percent to the tax base.

2. The payers calculating the property tax at the rate of 0.5 percent to the tax base are as follows:

1) individual entrepreneurs;

2) legal entities applying a special tax regime on the basis of a simplified declaration;

3) subjects of social entrepreneurship.

3. The below indicated legal entities calculate the property tax at the rate of 0.1 percent to the tax base:

1) legal entities identified in Article 289 of this Code, except for religious associations and non-commercial organizations, specified in paragraph 4 of Article 289 of this Code;

2) legal entities identified in Article 290 of this Code;

3) organizations, whose main activity is the performance of works (rendering of services) in the field of library services;

4) legal entities with respect to state-owned water reservoirs, waterworks financed from the state budget;

5) legal entities with respect to irrigation and drainage facilities used for irrigation of the land of legal entities that are agricultural producers and peasant or farm enterprises;

6) legal entities with respect to drinking water supply facilities;

7) Is excluded – by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

8) Is excluded – by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

9) legal entities on runways at airfields and airport terminals, with the exception of runways at airfields and terminals of airports in the cities of Astana and Almaty;

10) technology parks with respect to facilities used by them for carrying out their basic activity provided for by the Entrepreneurial Code of the Republic of Kazakhstan.

The provisions of this subparagraph may be applied by technology parks meeting all of the following requirements:

created in accordance with the Entrepreneurial Code of the Republic of Kazakhstan;

50 and more percent of the voting shares (participatory interests) of such technology parks belong to the national development institute for technological development.

The provisions of this subparagraph are not applied if taxable items are provided for use, transferred into trust management or leased out;

11) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

12) was valid from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

Note!

Subparagraph 13) shall be valid from 01.01.2024 to 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII.

13) an organization carrying out activities on organizing and holding an international specialized exhibition on the territory of the Republic of Kazakhstan.

For the purposes of part one of this subparagraph, an organization carrying out activities on organizing and holding an international specialized exhibition on the territory of the Republic of Kazakhstan means a legal entity with 100% state participation in the authorized capital, the main subject of which activities is organizing and holding an international specialized exhibition on the territory of the Republic of Kazakhstan, as well as post-exhibition use of the territory of the international specialized exhibition.

4. The legal entities, specified in paragraph 3 of this article, shall calculate and pay the property tax at the tax rate set in paragraph 1 of this article for taxable items provided for use, transferred into trust management or leased out, except for legal entities identified in:

1) paragraph 2 of Article 290 of this Code – if a fee for such use, trust management or lease goes to the state budget;

2) paragraph 3 of Article 290 of this Code.

3) Was valid from 01.01.2022 to 01.01.2024 pursuant to the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

Note!

Subparagraph 4) shall be valid from 01.01.2024 to 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII.

4) Legal entities specified in paragraph 3 of this Article shall be subject to taxation on objects of taxation provided for use, trust management or lease.

5. The property tax at the zero percent rate to the tax base is calculated by:

1) legal entities identified in paragraph 1 of Article 291 of this Code;

2) organizations operating in the territories of special economic zones, with account of the provisions established by Chapter 79 of this Code;

3) a person who has concluded an investment agreement taking into account the provisions of Chapter 80-1 of this Code.

6. Legal entities entered in the list approved by the authorized state body for the management and intersectoral coordination in the sphere of housing relations, in coordination with the authorized body for tax policy, calculate the tax at the rates set in Article 531 of this Code with respect to taxable items supplied for the implementation of state and (or) governmental programs for housing construction under long-term residential lease agreements to an individual participating in such a program.

7. If the subject of social entrepreneurship complies with several provisions of paragraphs 2, 3, 4 and 5 of this Article, then one of the lowest rates established by this Article shall be applied.

Footnote. Article 521 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 291-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) ; dated 01.07.2024 № 105-VIII (shall be valid from 01.01.2024 to 01.01.2029).

Article 522. The order for the tax calculation and payment

1. Taxpayers calculate the tax on their own by applying an appropriate tax rate to the tax base.

Taxpayers applying a special tax regime for producers of agricultural products shall calculate the property tax with account of the provisions of paragraph 1 of Chapter 78 of this Code.

2. The persons, specified in paragraph 6 of Article 521 of this Code, shall calculate the amount of the tax by applying the rates set in Article 531 of this Code to the tax base, which is determined separately for each facility in accordance with:

paragraph 1 of Article 520 of this Code - in case of provision of taxable items to individuals under a long-term residential lease agreement without a purchase option;

paragraph 2 of Article 520 of this Code - in case of provision of taxable items to individuals under a long-term rent-to-own agreement.

3. As for taxable items in commonshared ownership, the property tax for each taxpayer is calculated in proportion to his/her/its share in the property value.

4. Taxpayers, except for individual entrepreneurs applying a special tax regime for small business entities, are obliged to make, within a taxable period, current payments for the property tax, which are determined by applying an appropriate tax rate to the book value of taxable items determined on the basis of accounting records as of the beginning of a taxable period.

5. The tax is paid to the state budget at the location of taxable items.

6. The amount of current payments shall be determined by applying the appropriate tax rates to the book value of taxation odjects, determined according to accounting data at the beginning of the tax period.

7. Taxpayers, except for individual entrepreneurs applying special tax regimes for small business entities, shall make current tax payments in equal parts on or before February 25, May 25, August 25 and November 25 of a taxable period.

8. If tax obligations arise within a taxable period, and also in case the legal entities, indicated in subparagraphs 3) and 4) of paragraph 3 of Article 517 of this Code, provide taxable items for use, transfer them into trust management or under a property rent (lease) agreement:

1) the first deadline for the payment of current tax amounts is the next scheduled deadline for their payment within such a taxable period;

2) after the last deadline for the payment of current payments, only the final settlement and payment of the tax amount is made within the time limits specified in paragraph 11 of this article.

9. In case of changes in property tax obligations within a taxable period, current payments are adjusted for the amount of changes in tax obligations in equal parts between forthcoming periods for the tax payment within such a taxable period, unless otherwise provided for in paragraph 8 of this article.

10. If taxable items are received within a taxable period, current payments for the property tax are increased by the amount, determined by way of applying the tax rate to 1/13 of the

initial value of the taxable items received, which is determined on the basis of accounting data as of the date of receipt, multiplied by the number of months of the current taxable period beginning from the month of receipt of taxable items until the end of the taxable period. The amount, by which current payments are subject to increase, shall be distributed in equal parts among the periods for payment established by paragraph 7 of this article, and the first period for making current payments shall be the next scheduled one following the date of receipt of taxable items.

If taxable items are disposed of within a taxable period, current payments are reduced by the amount, determined by way of applying the tax rate to 1/13 of the value of the taxable items disposed of, multiplied by the number of months of the current taxable period beginning from the month, in which taxable items were disposed of, until the end of the taxable period.

In this case, the value of taxable items disposed of is:

their initial value according to accounting data as of the date of receipt - for taxable items received within a current taxable period;

their book value according to accounting data as of the beginning of a taxable period - for other taxable items.

The amount, by which current payments shall be reduced, is distributed in equal parts among remaining periods formaking current payments.

11. Taxpayers, except for individual entrepreneurs applying a special tax regime for small business entities, make final settlement of the calculation of the property tax and pay it within ten calendar days of the deadline for submitting a declaration for a taxable period.

12. Individual entrepreneurs applying a special tax regime for small business entities shall pay the property tax within ten calendar days of the deadline for submitting a declaration for a taxable period.

13. As for a person that is a taxpayer under subparagraph 2) of paragraph 6 of Article 518 of this Code, the tax amount is calculated in case of transfer of rights to an unregistered taxable item:

1) with respect to the donor - for the period running from the 1st day of the month of actual possession and (or) use (operation) of such a taxable item until the 1st day of the month , in which such an item was transferred on the basis of a certificate of acceptance and transfer or another document;

2) with respect to the recipient - for the period running from the 1st day of the month, in which such an item was transferred on the basis of a certificate of acceptance and transfer or another document.

Footnote. Article 522 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 523. Calculation and payment of the tax in individual cases

As for taxable items (to be) used in entrepreneurial activity, an individual entrepreneur calculates and pays the tax at the rates and in accordance with the procedure established by this Chapter.

In this case, for the purposes of this Chapter, a taxable item (to be) used in entrepreneurial activity is not a taxable item that meets all of the following requirements and is:

a dwelling, for which the tax base is determined in accordance with Article 529 of this Code and the tax is calculated by tax authorities;

leased out (provided for use) solely for the purpose of residence and is not withdrawn from the housing stock.

Article 524. Taxable period

1. A taxable period for the property tax calculation is a calendar year from January 1 through December 31.

2. For the legal entities, specified in subparagraphs 3) and 4) of paragraph 3 of Article 517 of this Code, a taxable period is defined as that from the moment taxable items are provided for use, transferred into trust management or leased out until the end of such use.

Article 525. Tax returns

1. Individual entrepreneurs (except for individual entrepreneurs applying a special tax regime for small business entities) with respect to taxable items (to be) used in entrepreneurial activity and legal entities submit to tax authorities at the location of taxable items the calculation of current tax payments on or before February 15 of a current taxable period for tax obligations as of the beginning of a taxable period.

2. Within ten calendar days before the next scheduled (within a taxable period) deadline for current payments, a taxpayer shall submit:

the calculation of current payments - in case tax obligations arose within a taxable period, except for those arisen after the last deadline for current payments;

additional calculation of current payments with appropriate adjustment of the amounts of such payments and their distribution in equal parts among forthcoming payment periods – in case of changes in tax obligations for the tax within a taxable period.

In this case, calculation of current payments or additional calculation of current payments shall be presented for facilities for which tax liabilities have arisen or changed as of the first day of the month when the next due date for payment of current payments is due.

If tax obligations arose after the last deadline for current payments, taxpayers are not required to submit the calculation of current payments.

3. A tax declaration shall be submitted to tax authorities at the location of taxable items on or before March 31 of the year following a reporting taxable period:

1) by legal entities;

2) by individual entrepreneurs - for tax obligations determined for taxable items (to be) used in entrepreneurial activity;

3) by individuals (including private practice owners) - for tax obligations determined for taxable items (to be) used in entrepreneurial activity and (or) in activity related to such private practice.

Footnote. Article 525 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018).

Chapter 65. TAXES ON THE PROPERTY OF INDIVIDUALS

Article 526. Taxpayers

1. Individuals having a taxable item in accordance with Article 528 of this Code shall pay the tax on the property of individuals.

2. The following ones shall not be the payers of the tax on the property of individuals:

1) heroes of the Soviet Union, heroes of Socialist Labor, persons awarded the titles of " Khalyk kaharmany", "Kazakhstannyn Yenbek Eri", awarded the Order of Glory of three degrees and the Order of "Otan", - within 1000 times the size of the monthly calculation index established by the law on the republican budget and the relevant financial year effective as of January 1, from the total cost of all taxation objects specified in subparagraph 1) of Article 528 of this Code;

2) veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War , as well as persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War, persons with disabilities in:

land plots occupied by the housing stock, including buildings and structures attached to it;

adjoining land plots;

land plots provided for personal household (auxiliary) farming, gardening and summer cottage construction, including lands occupied for buildings;

land plots occupied for garages;

within 1,500 times the monthly calculation index established by the law on the republican budget and effective on January 1 of the corresponding financial year, from the total cost of all taxation objects specified in subparagraph 1) of Article 528 of this Code;

3) orphans and children left without parental care, for the period until they reach the age of 18 for:

land plots occupied by the housing stock, including buildings and structures attached to it;

adjoining land plots;

land plots provided for personal household (auxiliary) farming, gardening and summer cottage construction, including lands occupied for buildings;

land plots occupied for garages;

objects of taxation specified in subparagraph 1) of Article 528 of this Code;

4) one of the parents of a person with a disability since childhood, a child with a disability due to:

land plots occupied by the housing stock, including buildings and structures attached to it;

adjoining land plots;

land plots provided for personal household (auxiliary) farming, gardening and summer cottage construction, including lands occupied for buildings;

land plots occupied for garages;

5) mothers of many children, awarded the title of "Mother Heroine", awarded with the pendant "Altyn alka", separately living pensioners for:

land plots occupied by the housing stock, including buildings and structures attached to it;

adjoining land plots;

within 1000 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of the corresponding financial year, from the total cost of all taxation objects specified in subparagraph 1) of Article 528 of this Code.

For the purposes of this Code, separately residing pensioners mean pensioners, at whose legal address (the address of their place of residence) only pensioners are registered;

6) individual entrepreneurs on the taxation objects used in entrepreneurial activity, with the exception of dwellings and other objects for which the tax base is determined in accordance with Article 529 of this Code, and the tax is calculated by tax authorities in accordance with Article 532 of this Code;

7) individuals - owners of an apartment (room), according to the share of the owner of an apartment (room), in a land plot occupied by a multi-apartment residential building.

3. The provisions of subparagraphs 2) and 3) of paragraph 2 of this article shall not apply to taxable items provided for use or transferred into property rent (lease).

Footnote. Article 526 as amended by the laws of the Republic of Kazakhstan dated 06.05.2020 № 324-VI (shall be enforced from 10.12.2020); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 527. Identification of a taxpayer in individual cases

1. In case of transfer of taxable items into trust management by a state institution, the taxpayer is determined in accordance with Article 41 of this Code.

2. If a taxable item is in common shared ownership of several persons, each of these persons shall be recognized as a taxpayer.

3. The payer of the tax on taxable items in common joint ownership may be one of the owners of this taxable item upon agreement between them.

In this case, with respect to taxable items in common joint ownership, for which state registration of the ownership right was after December 31, 2016, the taxpayer may be one of the owners of the taxable item, who is indicated by the owners in their application for state registration of the right of ownership of such an item.

4. In the absence of identification documents for a land plot, the grounds for recognizing a user as a tax payer in relation to a land plot shall be the actual possession and use of such a plot on the basis of:

1) acts of state bodies on the provision of a land plot - when providing a land plot from state property;

2) civil-legal transactions or other grounds provided for by the legislation of the Republic of Kazakhstan - in other cases.

Footnote. Article 527 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 528. Object of taxation

The object of taxation on the property of individuals shall be located on the territory of the Republic of Kazakhstan:

1) dwellings, buildings, summer cottages, garages, parking spaces and other buildings, structures, premises belonging to them on the basis of the ownership right;

2) land plots owned by individuals on the right of ownership.

Footnote. Article 528 is in the wording of the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 529. Tax base

1. The tax base for dwellings, dachas for individuals is the value of taxable items, determined by the “Government for Citizens” State Corporation,as of January 1 of each year following a reporting year, as follows:

C = C b x S x K physxKfuncxKzonxK mci ch., where:

C - property value for tax purposes;

Cb - base value of one square meter of a dwelling, dacha;

S - usable area of a dwelling, dacha, in square meters;

Kphys – physical depreciation coefficient

Kfunc– functional depreciation coefficient;

Kzon – zoning coefficient;

Kmcich. – coefficient of MCI change.

2. The basic cost of one square meter of a dwelling, a country house in national currency (C b) shall be determined depending on the type of settlement in the following sizes:

№	Category of the populated area	Base cost in KZT
1	2	3
	Cities:	
1.	Almaty	60 000
2.	Shymkent	60 000
3.	Astana	60 000
4.	Aktau	36 000

5.	Aktobe	36 000
6.	Atyrau	36 000
7.	Jezkazgan	36 000
8.	Kokshetau	36 000
9.	Karaganda	36 000
10.	Konaev	36 000
11.	Kostanai	36 000
12.	Kyzylorda	36 000
13.	Uralsk	36 000
14.	Ust-Kamenogorsk	36 000
15.	Pavlodar	36 000
16.	Petropavlovsk	36 000
17.	Semey	36 000
18.	Taldykorgan	36 000
19.	Taraz	36 000
20.	Turkestan	36 000
21.	cities of oblast status	12 000
22.	cities of regional subordinance	6 000
23.	Townships	4 200
24.	Villages	2 700

In this case, the categories of settlements shall be determined in accordance with the classifier of administrative-territorial facilities approved by the authorized state body that carries out state regulation in the field of technical regulation.

3. The tax base for a storage room located in an apartment building and used for personal purposes, a cold annex, an outbuilding (office) building, a basement floor, a basement of a dwelling, a garage, a parking space is the value of such an object as of January 1 of each year following for the reporting one, determined by the State Corporation "Government for Citizens", calculated by the formula:

C = C b x S x K physxK mci ch.xKzon, where:

C - value for tax purposes;

Cb - base value of one square meter determined from the base value, established by paragraph 2 of this article, in the amount of:

for a storage room located in an apartment building and used for personal purposes, a cold annex, an outbuilding (office) building, a basement floor, a basement of a dwelling - 25 percent,

for a garage, a parking space - 15 percent;

S - usable area of an unheated extension, household building (outbuilding), semi-basement floor, basement of a dwelling, garage, in square meters;

Kphys – physical depreciation coefficient established in the manner specified in paragraph 4 of this article;

K mcich. – coefficient of MCI change determined in accordance with the procedure established by paragraph 7 of this article;

Kzon – zoning coefficient established in the manner specified in paragraph 6 of this article

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4. The coefficient of physical deterioration of a dwelling, dacha is determined with account of depreciation rates and effective age using the formula below:

Kphys = 1 - Dphys, where:

Dphys - physical depreciation of a dwelling, dacha.

Physical depreciation is determined using the formula below:

Dphys = (T ass - Tcomm) xHdep/100, where:

T ass – year of tax assessment;

Tcomm – year of commissioning of a taxable item;

Hdep – depreciation rate.

Depending on characteristics of a building in determining physical depreciation, the following depreciation rates apply:

Item №	Category of importance	Characteristics of a building	H dep, %	Service life
1	2	3	4	5
1.	1.	Stone buildings, permanent buildings of I category of importance, brick walls more than 2.5 bricks thick or brick walls with reinforced concrete or metal framework, reinforced concrete and concrete floors; buildings with large-panel walls, reinforced concrete floors	0,7	143
2.	2.	Buildings with brick walls 1.5-2.5 bricks thick, reinforced concrete, concrete or wooden floors; buildings with large-block walls, reinforced concrete floors	0,8	125
		Buildings with cavity wall masonry of bricks, monolithic slag-concrete, light slag blocks, shell		

3.	3.	stones, reinforced concrete or concrete floors; buildings with walls of large-block or cavity wall masonry of bricks, monolithic slag-concrete, small slag blocks	1,0	100
4.	4.	Buildings with mixed, wooden chopped or log walls	2,0	50
5.	5.	Buildings of adobe blocks, prefabricated panels, loose-fill framings, mud bricks, sun-dried bricks	3,3	30
6.	6.	Buildings of cane-fiber boards and other cavity wall ones	6,6	15

If physical depreciation of a stone dwelling or that of load-bearing panels, of a dacha exceeds 70 percent, of other materials - 65 percent, then the physical depreciation coefficient is considered to be equal to 0.2.

5. The functional depreciation coefficient (K func) with an allowance for changes in the requirements to the quality of a dwelling, dacha, is calculated using the formula below:

Kfunc = KflxK corn xKw.matxK con xK heat, where:

Kfl - a coefficient with an allowance for changes in the base value, depending on the floor of a dwelling;

K corn - a coefficient with an allowance for the location of a dwelling at corner parts of a building;

Kw.mat – a coefficient with an allowance for the material of walls;

K con - a coefficient with an allowance for the level of conveniences of a dwelling, dacha and availability of engineering and technical devices in it;

K heat – a coefficient with an allowance for the type of heating.

The following adjustment coefficients shall apply depending on the number of floors (K fl):

Item №	Floor	K fl
1	2	3
1.	First	0,95
2.	Intermediary floor or a detached house	1,00
3.	Uppermost	0,9

For multi-apartment residential buildings with no more than three floors, the floor coefficient for any floor is assumed to be equal to 1.

The following adjustment coefficients (K corn) shall apply depending on the location of a dwelling at corner parts of a building:

Item №	Location of a dwelling at corner parts of a building	K corn
1	2	3
1.	At corner	0,95
2.	Not at corner or a detached house	1,0

The following adjustment coefficients of wall materials (K w.mat) shall apply depending on the material of walls:

Item №	Material of walls	Coefficient
1	2	3
1.	Brick	1,1
2.	Prefabricated one from expanded clay blocks	1,0
3.	Prefabricated one from expanded clay blocks, lined with bricks	1,05
4.	Reinforced concrete panels	1,0
5.	Reinforced concrete panels, lined with bricks	1,05
6.	Sun-dried and mud bricks	0,5
7.	Sun-dried bricks, lined with 0.5 bricks	0,6
8.	Monolithic slag-concrete	0,7
9.	Reinforced concrete blocks	1,0
10.	Prefabricated one from panels	0,6
11.	Prefabricated one from panels, lined with 0.5 bricks	0,75
12.	Wooden chopped	0,85
13.	Sleeper timber	0,75
14.	Sleeper timber, lined with bricks	0,95
15.	Cane-fiber boards	0,6
16.	Other	1,0

If a dwelling, a dacha are equipped with all the necessary engineering systems and technical devices, the adjustment coefficient of conveniences (K con) is assumed to be equal to 1.

In case of no engineering systems and technical devices that create standard or comfortable conditions for living (household life), people’s stay (water supply, sewerage, other types of conveniences), K con is assumed to be equal to 0.8.

The following adjustment heating coefficients (K heat) shall apply depending on the type of heating:

Item №	Type of heating	K heat
1	2	3

1.	Central heating	1,0
2.	Local gas or fuel oil heating	0,98
3.	Local water heating with solid fuel	0,95
4.	Furnace heating	0,9

6. The zoning coefficient (K zones), taking into account the location of the taxation object in the settlement, shall be approved in accordance with the methodology for calculating the zoning coefficient by local executive bodies no later than December 1 of the year preceding the year of introduction of such a coefficient, and comes into effect from January 1 of the year following the year of its approval.

Approved zoning coefficients are subject to official publication.

The methodology for calculating the zoning coefficient is approved by the authorized state body selected from among central state bodies by the decision of the Government of the Republic of Kazakhstan.

7. The coefficient of MCI change (hereinafter referred to as K mcich.) is determined using the formula below:

K mcich. = curr mci / prev mci,

where:

curr mci - the monthly calculation index established by the law on the national budget and effective as of January 1 of a relevant financial year;

prev mci - a monthly calculation index established by the law on the national budget and effective as of January 1 of a previous financial year.

8. If an unheated extension, household building (outbuilding), semi-basement floor, basement of an apartment building, a garage are a part of a dwelling, the “Government for Citizens” State Corporation determines the tax base as the sum total of the values of such taxable items calculated in accordance with this article.

9. If one individual is a taxpayer for several taxable items, the tax base is calculated separately for each item.

10. For land plots specified in subparagraph 2) of Article 528 of this Code, the tax base shall be the area of a land plot and (or) land share.

Footnote. Article 529 as amended by Laws of the Republic of Kazakhstan № 210-VI dated 28.12.2018 (shall be enforced since 01.01.2019); № 291-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 530. Calculation and payment of tax in individual cases

For the objects of taxation used (to be used) in entrepreneurial activities (in activities related to private practice), an individual, including a person engaged in private practice shall calculate and pay property tax and submit tax returns for this type of tax in accordance with

the procedure determined by chapters 62, 63 and 64 of this Code for individual entrepreneurs applying a special tax regime for the subjects of small business.

The tax base for the objects of taxation specified in subparagraph 1) of Article 528 of this Code shall be determined in accordance with paragraph 6 of Article 520 of this Code.

At the same time, for the purposes of this chapter, a land plot used (to be used) in entrepreneurial activity shall not be recognized as a land plot, provided that such a plot is:

occupied by housing and other objects, the tax base for which is determined in accordance with Article 529 of this Code, and the tax is calculated by the tax authorities;

provided for rent (use) solely for the purpose of living and is not withdrawn from the housing stock.

Footnote. Article 530 is in the wording of the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 531. Tax rates

1. Tax on the property of individuals, the tax base for which is determined in accordance with Article 529 of this Code shall be calculated depending on the value of the taxation objects at the following rates:

1	2	3
1.	up to 2,000,000 tenge inclusive	0.05 percent of the value of taxation objects
2.	over 2,000,000 tenge up to 4,000,000 tenge inclusive	1,000 tenge + 0.08 percent of the amount exceeding 2,000,000 tenge
3.	over 4,000,000 tenge up to 6,000,000 tenge inclusive	2,600 tenge + 0.1 percent of the amount exceeding 6,000,000 tenge
4.	over 6,000,000 tenge up to 8,000,000 tenge inclusive	4,000,000 tenge 4,600 tenge + 0.15 percent of the amount exceeding
5.	over 8,000,000 tenge up to 10,000,000 tenge inclusive	7,600 tenge + 0.2 percent of the amount exceeding 8,000,000 tenge
6.	over 10,000,000 tenge up to 12,000,000 tenge inclusive	11,600 tenge + 0.25 percent of the amount exceeding 10,000,000 tenge
7.	over 12,000,000 tenge up to 14,000,000 tenge inclusive	16,600 tenge + 0.3 percent of the amount exceeding 12,000,000 tenge
8.	over 14,000,000 tenge up to 16,000,000 tenge inclusive	22,600 tenge + 0.35 percent of the amount exceeding 14,000,000 tenge
9.	over 16,000,000 tenge up to 18,000,000 tenge inclusive	29,600 tenge + 0.4 percent of the amount exceeding 16,000,000 tenge
10.	over 18,000,000 tenge up to 20,000,000 tenge inclusive	37,600 tenge + 0.45 percent of the amount exceeding 18,000,000 tenge
11.	over 20,000,000 tenge up to 75,000,000 tenge inclusive	46,600 tenge + 0.5 percent of the amount exceeding 20,000,000 tenge
12.	over 75,000,000 tenge up to 100,000,000 tenge inclusive	321,600 tenge + 0.6 percent of the amount exceeding 75,000,000 tenge

13.	over 100,000,000 tenge up to 150,000,000 tenge inclusive	471,600 tenge + 0.65 percent of the amount exceeding 100,000,000 tenge
14.	over 150,000,000 tenge up to 350,000,000 tenge inclusive	796,600 tenge + 0.7 percent of the amount exceeding 150,000,000 tenge
15.	over 350,000,000 tenge up to 450,000,000 tenge inclusive	2,196,600 tenge + 0.75 percent of the amount exceeding 350,000,000 tenge
16.	over 450,000,000 tenge	2,946,600 tenge + 2 percent of the amount exceeding 450,000,000 tenge

2. Basic tax rates for lands occupied by the housing stock, including buildings and structures attached to it (with the exception of adjacent plots) shall be established per one square meter of area in the following amounts:

№	Category of the populated area	Base tax rates for land taken up by housing stock, including buildings and structures attached to it (KZT)
1	2	3
	Cities:	
1.	Almaty	0,96
2.	Shymkent	0,58
3.	Astana	0,96
4.	Aktau	0,58
5.	Aktobe	0,58
6.	Atyrau	0,58
7.	Jezkazgan	0,58
8.	Kokshetau	0,58
9.	Karaganda	0,58
10.	Konaev	0,58
11.	Kostanai	0,58
12.	Kyzylorda	0,58
13.	Uralsk	0,58
14.	Ust-Kamenogorsk	0,58
15.	Pavlodar	0,58
16.	Petropavlovsk	0,58
17.	Semey	0,58
18.	Taldykorgan	0,58
19.	Taraz	0,58
20.	Turkestan	0,39
21.	Almaty oblast:	
22.	cities of oblast status	0,39
23.	cities of regional subordinance	0,39
24.	Akmola oblast:	

25.	cities of oblast status	0,39
26.	cities of regional subordinance	0,39
27.	Other cities of oblast status	0,39
28.	Other cities of regional subordinance	0,19
29.	Townships	0,13
30.	Villages	0,09

At the same time, the categories of settlements shall be established in accordance with the classifier of administrative-territorial objects, approved by the authorized state body exercising state regulation in the field of technical regulation.

3. Adjoining land plots shall be subject to taxation at the following basic tax rates:

1) for cities of republican significance, the capital city and cities of regional significance:

with an area up to 1000 square meters inclusive - 0.20 tenge per 1 square meter;

for an area exceeding 1000 square meters - 6.00 tenge per 1 square meter.

By decision of local representative bodies, the tax rates for land plots exceeding 1000 square meters can be reduced from 6.00 to 0.20 tenge per 1 square meter;

2) for other settlements:

with an area up to 5000 square meters inclusive - 0.20 tenge per 1 square meter;

for an area exceeding 5000 square meters - 1.00 tenge per 1 square meter.

By decision of local representative bodies, tax rates for land plots exceeding 5,000 square meters can be reduced from 1.00 tenge to 0.20 tenge per 1 square meter.

A house adjacent land plot is considered to be a part of a land plot belonging to the lands of settlements, intended for servicing a residential building and not occupied by a residential building, including buildings and structures attached to it.

4. Basic tax rates for agricultural lands, as well as lands of settlements provided to individuals for personal household (auxiliary) farming, gardening and summer cottage construction, including lands occupied by the relevant buildings shall be established in the following amounts:

1) with an area up to 0.50 hectares inclusive - 20 tenge per 0.01 hectare;

2) for an area exceeding 0.50 hectares - 100 tenge per 0.01 hectare.

5. Local representative bodies, on the basis of projects (schemes) of land zoning carried out in accordance with the land legislation of the Republic of Kazakhstan shall have the right to decrease or increase the basic tax rates for lands occupied by the housing stock, including buildings and structures attached to it, not more than 50 percent of the base land tax rates.

At the same time, decreasing or increasing of the rates individually for individual taxpayers shall be prohibited.

Such a decision to decrease or increase the rates shall be made by the local representative body no later than December 1 of the year preceding the year of its introduction, and comes into effect on January 1 of the year following the year of its adoption.

The decision of the local representative body to decrease or increase the rates shall be subject to official publication.

Footnote. Article 531 is in the wording of the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 532. The order for the tax calculation and payment

1. Tax authorities shall calculate the tax on taxable items of individuals on or before July 1 of the year following a reporting taxable period at the location of a taxable item, irrespective of the place of residence of a taxpayer, by applying an appropriate tax rate to the tax base with account of actual period of tenure on the basis of the right of ownership of taxable items of individuals, the rights to which were registered before January 1 of the year following a reporting taxable period.

1-1. The tax on the property of individuals includes the amounts of taxes calculated separately for each object of taxation specified in Article 528 of this Code for the tax period.

2. If a taxable item is owned for less than twelve months within a taxable period, the property tax payable on such items is calculated by dividing the tax amount, determined in accordance with paragraph 1 of this article, by twelve and multiplying the quotient by the number of months of actual period of tenure of the taxable item.

In this case, the actual period of tenure of the item is determined from the beginning of a taxable period (if the item was owned as of that date) or from the 1st day of the month, in which the right of ownership of the item arose, until the 1st day of the month, in which the right of ownership of such an item was transferred, or until the end of the taxable period (if the item is owned as of such date).

3. As for a taxable item in common shared ownership of several individuals, the tax is calculated in proportion to their share in this property.

4. In case of destruction, breakdown, demolition of a taxable item, the tax amount is recalculated given documents issued by an authorized state body, confirming the fact of its destruction, breakdown, demolition.

5. If the right to apply the provisions of subparagraphs 1) - 5) of paragraph 2 of Article 526 of this Code arises or is terminated within a taxable period, such provisions:

are applied from the 1st day of a month, in which such right arose, until the end of the taxable period or the 1st day of a month, in which such right is terminated – if the right arises;

do not apply from the 1st day of the month, in which such right is terminated – if the right is terminated.

6. Unless otherwise established by paragraph 7 of this article, the tax is paid to the state budget at the location of taxable items on or before October 1 of the year following a reporting taxable period.

7. The tax amount payable for the actual period of ownership of a taxable item by a person transferring the right of ownership must be paid to the state budget on or before the day of state registration of the right of ownership.

In addition to the above, in order to calculate the tax on the property of individuals in the case provided for in part one of this paragraph, it is necessary to use the tax base, which is determined for the taxable period preceding the year of transfer of the right of ownership of the taxable item.

8. If boundaries of an administrative-territorial unit are changed, the tax on individuals' property located within the territory of a populated locality, which, as a result of such change of boundaries, enters another administrative-territorial unit, for the taxable period of such change is calculated on the basis of the base value established for the category of a populated locality, within which boundaries the given populated locality was before the date of such change.

9. When a settlement is transferred from one category of settlements to another during a tax year, the property tax for the tax period in which such a transfer is made shall be calculated at the rates established for the category of settlement to which the given settlement belonged prior to such a transfer.

Footnote. Article 532 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020).

Article 533. Taxable period

1. A taxable period for calculating the tax on property of individuals is a calendar year from January 1 through December 31.

2. In case of destruction, breakdown, demolition of taxable items of individuals, a taxable period includes the month, in which a taxable item was destructed, broken down or demolished.

SECTION 16. GAMBLING BUSINESS TAX Chapter 66. GAMBLING BUSINESS TAX

Article 534. Payers

Payers of the gambling business tax are legal entities carrying out the activity on rendering services of:

1) a casino;

2) a slot machine hall;

3) a totalizer;

4) a bookmaker.

Article 535. Taxable items

Items subject to the gambling business tax, in case of carrying out thegambling business activity, are as follows:

1) a gaming table;

2) a slot machine;

3) a totalizer's cash register;

4) a totalizer's electronic cash register;

5) a bookmaker's cash register;

6) a bookmaker's electronic cash register.

Article 536. Tax rates

1. The gambling business tax rate perone unit of a taxable item is:

1) 1 660 times the monthly calculation index per month – with respect to a gaming table;

2) 60 times the monthly calculation index per month - with respect to a slot machine;

3) 300 times the monthly calculation index per month - with respect to a totalizer's cash register;

4) 4 000 times the monthly calculation index per month - with respect to a totalizer's electronic cash register;

5) 300 times the monthly calculation index per month - with respect to a bookmaker's cash register;

6) 3 000 times the monthly calculation index per month - with respect to a bookmaker's electronic cash register.

2. The tax rates established by paragraph 1 of this article shall be determined on the basis of the size of the monthly calculation index established by the law on the national budget and effective as of the 1st day of a taxable period.

Article 537. Taxable period

A taxable period for the gambling business tax is a calendar quarter.

Article 538. The order for the tax calculation

1. The gambling business tax is calculated by applying an appropriate tax rate to each taxable item identified in Article 535 of this Code, unless otherwise established by paragraph 2 of this article.

2. When taxable items are put into operation before the 15th day of a month inclusive, the gambling business tax is calculated at the established rate, after the 15th day –in the amount of 1/2 of the established rate.

With the disposal of taxable items before the 15th day of a month inclusive, the gambling business tax is calculated in the amount of 1/2 of the established rate, after the 15th day - at the established rate.

Article 539. Additional payment of the gambling business tax payers

Footnote. Article 539 was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

Article 540. The order for the calculation and payment of additional payment

Footnote. Article 540 was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

Article 541. Time limits for submitting a tax declaration

A gambling business tax declaration is submitted on or before the 15th day of the second month following a reporting quarter to the tax authority at the place of registration as a taxpayer carrying out certain types of activities.

Article 542. Deadline for the tax payment

The gambling business tax is payable to the budget at the place of registration of taxable items on or before the 25th day of the second month following a reporting taxable period.

SECTION 17. FIXED TAX

Footnote. Section 17 was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

SECTION 18. PAYMENTS TO THE BUDGET Chapter 68. LEVIES

Article 550. General provisions on levies

1. Fees are one-time payments to the budget, which are levied by tax authorities, local executive bodies and other authorized government bodies while performing:

1) registration actions;

2) actions to issue permits or their duplicates.

At the same time, for the purposes of this chapter, permitting documents also mean consents issued by the authorized body for regulation, control and supervision of the financial market and financial organizations and a document confirming the residence of a foreigner or stateless person who is an investment resident of the Astana International Financial Center, issued by tax authorities in the manner and in cases established by the legislation of the Republic of Kazakhstan, not related to permits.

2. For the purposes of this chapter, registration actions shall mean the following actions of the authorized state bodies, as prescribed by the legislation of the Republic of Kazakhstan:

1) state registration of legal entities and registration of branches and representative offices , as well as their re-registration;

2) Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.07.2018);

3) state registration of the pledge of movable property and mortgage of a vessel;

4) state registration of space facilities and rights to them;

5) state registration of vehicles, as well as their re-registration;

6) state registration of medical products and medical devices, as well as their re-registration;

7) Is excluded by the Law of the Republic of Kazakhstan dated 20.06.2018 № 161-VI (shall be enforced upon expiry of three months after its first official publication);

8) registration of a TV and radio channel, a print periodical, an information agency and a network publication;

9) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2020 № 354-VI (shall be enforced from 01.01.2021).

3. Fees shall be charged upon issuance by the relevant authorized state bodies, tax authorities, local executive bodies prescribed by the legislation of the Republic of Kazakhstan , of the following documents or their duplicates:

1) licenses for certain types of activities subject to licensing in accordance with the legislation of the Republic of Kazakhstan;

2) permits, consents to the banking and insurance market participants issued by the authorized state body for the regulation, control and supervision of the financial market and financial organizations in the manner and in the cases established by the legislation of the Republic of Kazakhstan;

3) permits issued for the passage of vehicles within the territory of the Republic of Kazakhstan (hereinafter referred to as the levy for the passage of vehicles within the territory of the Republic of Kazakhstan):

exit from the territory of the Republic of Kazakhstan of domestic vehicles performing international carriage of passengers and cargo;

entry (exit) to the territory (from the territory) of the Republic of Kazakhstan, transit through the territory of the Republic of Kazakhstan of foreign vehicles performing international carriage of passengers and cargo;

passage of domestic and foreign large and (or) heavy vehicles within the territory of the Republic of Kazakhstan;

4) permits for the use of the radio-frequency spectrum to TV and radio broadcasting organizations, issued by the authorized state body for the state policy in the field of communications (except for state organizations obtaining a permit to use the radio-frequency spectrum for the performance of functional duties assigned to them);

5) excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023);

6) a permit to employ foreign nationals in the Republic of Kazakhstan (its extension);

7) a document confirming the residence of a foreigner or a stateless person who is an investment resident of the International financial centre “Astana”.

3-1. Was valid from 01.04.2023 to 31.12.2023 pursuant to the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

4. The authorized state bodies performing the relevant actions, which envision collection of fees, shall calculate and charge the amounts of fees in accordance with the legislation of the Republic of Kazakhstan, and they are also responsible for completeness of the collection, timeliness of payment of the calculated (accrued) fees to the budget, also for reliability of the information submitted to the state revenue bodies in accordance with paragraph 5 of this article.

5. On a quarterly basis, no later than the 20th day of the month following the reporting quarter, the authorized state bodies shall provide information to the tax authority at their location (until full automation of the transfer) on the fee payers and taxation objects in the form established by the authorized body, except for the cases prescribed by article 26 of this Code.

Footnote. Article 550 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.07.2018); dated 20.06.2018 № 161-VI (shall be enforced upon expiry of three months after its first official publication); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 249-VI dated 04.19.2019 (shall be enforced since 01.08.2019); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 02.07.2020 № 354-VI (shall be enforced from 01.01.2021); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023).

Article 551. Payers of levies

1. Unless otherwise established by this article, payers of levies are persons, as well as structural units of legal entities, in whose interests authorized state bodies perform actions requiring the charge of a levy.

2. Persons who attract foreign labor are not payers of the fee for issuing or renewing a permit to attract foreign labor to the Republic of Kazakhstan in cases established by the legislation of the Republic of Kazakhstan on social protection and on population migration.

Footnote. Article 551 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 12.12.2023 № 45-VIII (effective from 01.07.2023).

Article 552. The order for the calculation and payment of levies

1. The amounts of fees shall be calculated at established rates and paid at the location of the fees payer before submitting the relevant documents to the authorized state body and local executive body or before receiving permits.

2. In case of detection of the fact of the vehicle’s passage without relevant permits, and also non-observance of vehicle permissible parameters established by the authorized state body for road transport management, the amount of the levy for the passage of vehicles within the territory of the Republic of Kazakhstan is paid to the state budget within five business days of the day of detection of such a fact.

3. The amount of the levy for the passage of vehicles within the territory of the Republic of Kazakhstan is paid to the state budget either through banks or organizations carrying out certain types of banking operations, or in cash at border crossing points or at other specially equipped places of the authorized state body on the basis of accountable forms in the manner established by the authorized body.

The authorized state body for road transport management shall transmit the amounts of levies collected in cash for the passage of vehicles within the territory of the Republic of

Kazakhstan to banks or organizations carrying out certain types of banking operations not later than the next business day of the day the money was received, for their subsequent transfer to the budget. If daily cash receipts are less than 10 times the monthly calculation index established by the law on the national budget and effective as of the date of the levy payment, the money is credited once every three business days of the day, on which the money was received.

If individuals pay the levy for the carriage of vehicles within the territory of the Republic of Kazakhstan in cash, the business identification number of the authorized state body shall be indicated on accountable forms.

4. The fee for issuing or extending a permit to employers to attract foreign labor to the Republic of Kazakhstan shall be collected within ten working days from the date of receipt of the notification of the local executive body of the oblast, city of republican status, the capital about the decision to issue or extend a permit to employers to attract foreign labor force to the Republic of Kazakhstan in the manner determined by the legislation of the Republic of Kazakhstan on social protection and on population migration.

5. The fee for the issuance of a document confirming the residence of a foreigner or a stateless person who is an investment resident of the International financial centre “Astana” shall be paid at the location of the International financial centre “Astana” prior to the submission of the relevant documents to the tax authority.

Footnote. Article 552 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023); dated 12.12.2023 № 45-VIII (effective from 01.07.2023).

Article 553. Registration levy rates

1. The registration fee rates shall be determined in the amount divisible by the monthly calculation index established by the Law on the republican budget (hereinafter in this Chapter referred to as MCI) and effective as of the date of payment of such fees.

2. The rates of fee for state (record) registration of legal entities, their branches and representative offices, except for commercial organizations, as well as their re-registration are as follows:

Item№	Types of registrationactions	Rates (MCI)
1	2	3
1.	For state registration (re-registration), state registration of termination of activity of legal entities (including reorganization in cases provided for by the legislation of the Republic of Kazakhstan), record registration (re-registration), deregistration of their branches and representative	

	offices, except for commercial organizations:	
1.1.	legal entities, their branches and representative offices	6,5
1.2.	political parties, their branches and representative offices	14
2.	For state registration (re-registration), state registration of termination of activities (including in cases of reorganisation as envisaged by the legislation of the Republic of Kazakhstan) of institutions financed from the budget, state-owned enterprises, associations of owners of multi-apartment residential buildings and cooperatives of owners of flats (non-residential premises), accounting registration (re-registration), removal from accounting registration of their branches and representative offices:	
2.1.	for state registration, registration of termination of activity, record registration, deregistration	1
2.2.	for re-registration	0,5
3.	For state registration (re-registration), state registration of termination of activities (including in the event of reorganization in cases prescribed by the legislation of the Republic of Kazakhstan) of children's and youth public associations, as well as public associations of persons with disabilities, registration (re-registration), deregistration of their branches and representative offices, branches of republican and regional national-cultural public associations:	
3.1.	for registration (including during reorganization in cases provided for by the legislation of the Republic of Kazakhstan)	2
3.2.	for re-registration, state registration of termination of activity (including reorganization in cases provided for by the legislation of the Republic of Kazakhstan), deregistration	1

Note.

* The zero rate is applied in case of state registration and registration of termination of activity of legal entities that are small and medium business entities.

3. The rates of fee are as follows:

Item №	Types of registration actions	Rates (MCI)
1	2	3
1.-16.	Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.07.2018)	
17.	For state registration of pledge of movable property and mortgage of a vessel:	
17.1.	for the registration of a pledge of movable property and mortgage of a ship, as well as amendments, additions and termination of a registered pledge:	
17.1.1.	from individuals **	1
17.1.2.	from legal entities	5
17.1.3.	from an organization for improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan	0
17.2.	for the issuance of a duplicate of the document certifying the state registration of the pledge of movable property and mortgage of the vessel **	0,5

Note.

The zero rate applies to state registration of:

1) Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.07.2018);

2) the pledge of real estate, mortgage of a vessel or a vessel under construction of the following persons: **

veterans of the Great Patriotic War, veterans, equal in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War, persons with disabilities, also one of the parents of a person with a disability since childhood, a child with a disability;

compatriots.

4. The rates of the fee for state registration of space objects and rights to them, vehicles, as well as their re-registration shall be:

№	Types of registration actions	Rates (MCI)
1	2	3
1.	For state registration of:	
1.1.	a power-driven vehicle (except for a vehicle in respect of which primary state registration is carried out) or a trailer	0,25
1.2.	sea vessels	60
1.3.	river vessels	15
1.4.	small fleet ships:	
1.4.1.	self-propelled small boats with a capacity of more than 50 horsepower (37 kW)	3
1.4.2.	self-propelled small boats up to 50 horsepower (37 kW)	2
1.4.3.	non-self-propelled small boats	1,5
1.5.	excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023).	
1.6.	space objects and rights to them	14
1.7.	urban rail transport	0,25
1.8.	railway traction, as well as multiple unit rolling stock	0,25
2.	For re-registration of:	
2.1.	motor vehicle or trailer	0,25
2.2.	sea vessels	30
2.3.	river vessels	7,5
2.4.	small fleet ships:	
2.4.1.	self-propelled small boats with a capacity of more than 50 horsepower (37 kW)	1,5
2.4.2.	self-propelled small boats up to 50 horsepower (37 kW)	1
2.4.3.	non-self-propelled small boats	0,75
2.5.	excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023).	
2.6.	urban rail transport	0,25
2.7.	railway traction, as well as multiple unit rolling stock	0,25

3.	For the issuance of a duplicate of the document certifying state registration:	
3.1.	motor vehicle or trailer	0,25
3.2.	sea vessels	15
3.3.	river vessels	3,75
3.4.	small fleet ships:	
3.4.1.	self-propelled small boats with a capacity of more than 50 horsepower (37 kW)	0,75
3.4.2.	self-propelled small boats up to 50 horsepower (37 kW)	0,5
3.4.3.	non-self-propelled small boats	0,38
3.5.	excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023).	
3.6.	urban rail transport	0,25
3.7.	railway traction, as well as multiple unit rolling stock	0,25
4.	For the primary state registration of motor vehicles:	
4.1.	vehicles of category M1 with electric motors, with the exception of hybrid vehicles:	
4.1.1.	up to 2 years, including the year of issue	0,25
4.1.2.	2 to 3 years, including the year of issue	25
4.1.3.	from 3 years and above, including the year of issue	250
4.2.	vehicles of category M1, with the exception of vehicles with electric motors:	
4.2.1.	up to 2 years, including the year of issue	0,25
4.2.2.	2 to 3 years, including the year of issue	50
4.2.3.	from 3 years and above, including the year of issue	500
4.3.	vehicles of categories M2, M3, N1, N2, N3 (with the exception of truck tractors):	
4.3.1.	up to 2 years, including the year of issue	0,25
4.3.2.	2 to 3 years, including the year of issue	240
4.3.3.	from 3 to 5 years, including the year of issue	350

4.3.4.	from 5 years and above, including the year of issue	2500
4.4.	vehicles of category N3 (truck tractors):	
4.4.1.	up to 2 years, including the year of issue	0,25
4.4.2.	2 to 3 years, including the year of issue	240
4.4.3.	from 3 to 7 years, including the year of issue	350
4.4.4.	from 7 years and above, including the year of issue	2500

5. The fee rates for state registration of medical products and medical devices, as well as their re-registration are:

Item №	Types of registration actions	Rates (MCI)
1	2	3
1.	For registration of medical products and medical devices	11
2.	For re-registration of medical products and medical devices	5
3.	For issuing a duplicate of the document certifying state registration	0,7

6. Is excluded by the Law of the Republic of Kazakhstan dated 20.06.2018 № 161-VI (shall be enforced upon expiry of three months after its first official publication).

7. The rates of charges for registration of a television or radio channel, periodical printed publication, or Internet publication shall be:

Item №	Types of registration actions	Rates (MCI)
1	2	3
1.	Registration of a TV, radio channel, periodical printed publication, online publication:	
1.1.	children's and scientific topics	2
1.2.	other topics	5
2.	Issuance of a duplicate document certifying the registration of a periodical printed publication, online publication:	
2.1.	children's and scientific topics	1,6
2.2.	other topics	4

8. Is excluded by the Law of the Republic of Kazakhstan dated 02.07.2020 № 354-VI (shall be enforced from 01.01.2021).

Footnote. Article 553 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced from 01.07.2018); dated 20.06.2018 № 161-VI (

shall be enforced upon expiry of three months after its first official publication); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (shall be enforced from 01.07.2019); № 249 -VI dated 19.04.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 262-VI dated 03.07.2019 (shall be enforced from 01.01.2020); № 284-VI dated 26.12.2019 (see Article 2 for the procedure of entry into force); dated 06.05.2020 № 324-VI (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 02.07.2020 № 354-VI (see Article 2 for the procedure of entry into force); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023); dated 01.07.2024 № 105-VIII (to be put into effect after the day of the entry into force of the Law of the Republic of Kazakhstan "On Mass Media"); № 208-VIII of 15.07.2025 (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 554. Rates of levies for issuance of permits

1. The rates of levies for the issuance of permits are set in the amount divisible by the monthly calculation index established by the law on the national budget and effective as of the date of payment of such levies.

2. The rates of the levy for the passage of vehicles within the territory of the Republic of Kazakhstan are as follows:

1) for the exit from the territory of the Republic of Kazakhstan of domestic vehicles carrying:

passengers and cargo in international traffic - 1 times the monthly calculation index;

passengers and baggage in international traffic on a regular basis, with a foreign permit for one calendar year obtained in accordance with international treaties of the Republic of Kazakhstan - 10 times the monthly calculation index;

2) for the entry (exit) into (from) the territory of the Republic of Kazakhstan, transit through the territory of the Republic of Kazakhstan of foreign vehicles carrying passengers and cargo in international traffic - 30 times the monthly calculation index;

3) for the passage of domestic and foreign large and (or) heavy vehicles within the territory of the Republic of Kazakhstan – equal to the amounts established by paragraph 3 of this article.

3. The rates of the levy for the passage of domestic and foreign large and (or) heavy vehicles within the territory of the Republic of Kazakhstan are as follows:

1) for the excess of the actual gross weight of a motor vehicle (with or without cargo) over the permissible gross weight – 0.005 times the monthly calculation index per each ton (including not full one) of excess.

The amount of the levy for the excess of the actual gross weight of a motor vehicle (with or without cargo) over the permissible gross weight is calculated by multiplying the indicated

levy rate by the amount of such excess and relevant distance of carriage along the route (in km);

2) for the excess of actual axial loads of a motor vehicle (with or without cargo) over permissible axial loads (for each of overloaded single, tandem and triple axles):

Item №	Actual excess over permissible axial loads, %	Tariff for excess over permissible axial loads (MCI)
1	2	3
1.	up to 10 % incl.	0,011
2.	from 10,0 % to 20,0 % incl.	0,014
3.	from 20,0 % to 30,0 % incl.	0,190
4.	from 30,0 % to 40,0 % incl.	0,380
5.	from 40,0 % to 50,0% incl.	0,500
6.	over 50,0%	1

The amount of the levy is calculated by multiplying the rate, corresponding to the amount of actual excess over permissible axial loads, by the distance of carriage along the route (in km);

3) for the excess of dimensions of a motor vehicle (with or without cargo) over permissible overall dimensions relating to the height, width and length of vehicles:

Item №	Motor vehicle dimensions of vehicles, meters	Rates for the excess of permissible overall dimensions (MCI)
1	2	3
1.	Height:	
1.1.	over 4 up to 4,5 incl.	0,009
1.2.	over 4,5 up to 5 incl.	0,018
1.3.	over 5	0,036
2.	Width:	
2.1.	over 2,55 (2,6 for equidimensional bodies) up to 3 incl.	0,009
2.2.	over 3 up to 3,75 incl.	0,019
2.3.	over 3,75	0,038
3.	Length:	
3.1.	for each meter (including not full one) in excess of the permissible length	0,004

The amount of the levy for the excess of dimensions of a motor vehicle (with or without cargo) over permissible dimensions relating to the height, width and length of vehicles is calculated as follows:

the amount of the levy for the excess of dimensions of a motor vehicle (with or without cargo) over permissible dimensions relating to the height, which is the product of multiplication of the rate corresponding to the actual height dimension of a motor vehicle by the distance of carriage along the route (in km)

plus

the amount of the levy for the excess of dimensions of a motor vehicle (with or without cargo) over permissible dimensions relating to the width, which is the product of multiplication of the rate corresponding to the actual width dimension of a motor vehicle by the distance of carriage along the route (in km)

plus

the amount of the levy for the excess of dimensions of a motor vehicle (with or without cargo) over permissible dimensions relating to the length, which is the product of multiplication of the rate corresponding to the actual length dimension of a motor vehicle by the distance of carriage along the route (in km).

4. The rates of the license levy for the right to engage in certain types of activities (the levy for the issuance of licenses to engage in certain types of activities) are as follows:

Item №	Types of licensed activities	Levy rates (MCI)
1	2	3
1.	The rates of the license levy for the right to engage in certain types of activities:	
1.1.	Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).	
1.2.	Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).	
1.3.	Operation of mining facilities and chemical plants	10
1.4.	Purchase of electric energy for power supply purposes	10
1.5.	Performance of works related to the stages of the life cycle of nuclear facilities	100
1.6.	Handling of nuclear materials	50
1.7.	Handling of radioactive substances, devices and installations containing radioactive substances	10
1.8.	Handling of devices and installations generating ionizing radiation	5
1.9.	Rendering of services in the field of nuclear energy use	5
1.10.	Handling of radioactive waste	50
	Transportation, including transit, of nuclear materials, radioactive substances, radioisotope sources of	

1.11.	ionizing radiation, radioactive waste within the territory of the Republic of Kazakhstan	50
1.12.	Activity within former nuclear test sites and other land areas contaminated as a result of nuclear tests	10
1.13.	Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).	
1.14.	Is excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).	
1.15.	Production, processing, acquisition, storage, sale, use, destruction of poisons	10
1.16.	Production (formulation) of pesticides, sale of pesticides, application of pesticides by aerosol and fumigation methods	10
1.17.	Non-scheduled carriage of passengers by buses, minibuses in inter-city interregional, inter-district (inter-city intraregional) and international traffic, as well as scheduled carriage of passengers by buses, minibuses in international traffic	3
1.18.	Activity on the carriage of goods by rail	6
1.19.	Activity related to trafficking in narcotic drugs, psychotropic substances and precursors	20
1.20.	Development and sale (including another transfer) of means of cryptographic protection of information	9
1.21.	Development, production, repair and sale of special technical equipment for operational search activities	20
1.22.	Rendering of services for identification of technical channels for information leakage and special technical means for operational search activities	20
	Issuance of an opinion (a permit) on (for) importation of special technical means for surreptitious obtaining of information into the customs	

1.23.	territory of the Eurasian Economic Union and their exportation from the customs territory of the Eurasian Economic Union	0
1.24.	Issuance of an opinion (a permit) on (for) importation of cipher (encryption) machines into the customs territory of the Eurasian Economic Union and their exportation from the customs territory of the Eurasian Economic Union	0
1.25.	Technical examination of goods for the purpose of classifying them as means of cryptographic protection of information and special technical means for operational search activities	0
1.26.	Registration of notifications about the characteristics of goods (products) containing cipher (encryption) means	0
1.27.	Development, production, repair, acquisition and sale of ammunition, armament and military equipment, spare parts, components and devices for them, as well as special materials and equipment for their production, including their assembly, adjustment , modernization, installation, use, storage, repair and service	22
1.28.	Development, production, acquisition, sale, storage of explosive and pyrotechnic substances and products (except for civilian ones) and their application	22
1.29.	Elimination (destruction, disposal, burial) and processing of released ammunition, weapons, military equipment, special means	22
1.30.	Development, production, repair, sale, collecting, exhibiting civilian and service weapons and cartridges to them	10
1.31.	Development, production, sale, use of civilian pyrotechnic substances and products and their application	10
1.32.	Activity on the use of outer space	186
1.33.	Rendering of services in the field of communications	6
1.34.	Educational activity	10

1.35.	Activity on distribution of TV-, radio channels	6
1.36.	Excluded by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022).	
1.37.	Medical activity	10
1.38.	Pharmaceutical activity	10
1.39.	Advocacy activity	6
1.40.	Notarial activity	6
1.41.	Activity on execution of enforcement documents	6
1.42.	Is excluded by the Law of the Republic of Kazakhstan dated 21.01.2019 № 217-VI (shall be enforced upon expiry of ten calendar days after its first official publication).	
1.43.	Is excluded by the Law of the Republic of Kazakhstan dated 21.01.2019 № 217-VI (shall be enforced upon expiry of ten calendar days after its first official publication).	
1.44.	Auditing activity	10
1.45.	Performance of works and rendering of services in the field of environmental protection	50
1.46.	Carrying out of security activities by legal entities	6
1.47.	Tour operator activity	10
1.48.	Activity in the field of veterinary medicine	6
1.49.	Forensic expert activity	6
1.50.	Carrying out scientific and restoration work on monuments of history and culture and (or) archaeological work	10
1.51.	Banking operations carried out by*:	
1.51.1.	by second-tier banks, branches of banks - non-residents of the Republic of Kazakhstan	800
1.51.2.	organizations carrying out certain types of banking operations	400
1.52.	Operations of banks, branches of banks - non-residents of the Republic of Kazakhstan for the implementation of professional activities in the securities market	800
1.53.	Other operations carried out by banks, branches of banks - non-residents of the Republic of Kazakhstan	800
1.53.1.	Microfinance activities	30

1.54.	Operations of legal entities operating exclusively through exchange offices on the basis of a license of the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash	40
1.55.	Activity in the field of life insurance **	500
1.56.	Activity in the field of general insurance **	500
1.57.	Reinsurance activity as an exclusive activity	500
1.58.	Reinsurance activity	200
1.59.	Activity of an insurance broker	300
1.60.	Actuarial activity	10
1.61.	Brokerage activity	30
1.62.	Dealer activity	30
1.63.	Investment portfolio management activity	30
1.64.	Custodian activity	30
1.65.	Transfer agency activity	10
1.66.	Activity on the organization of trade with securities and other financial instruments	10
1.67.	Clearing activity on transactions with financial instruments	40
1.68.	Survey activity	10
1.69.	Construction and installation works	10
1.70.	Project activity	10
1.71.	Activity on the organization of construction of residential buildings for the money of housing equity holders	10
1.72.	Manufacturing of the State Flag of the Republic of Kazakhstan and the State Emblem of the Republic of Kazakhstan	10
1.73.	Ethyl alcohol production	3 000
1.74.	Production of alcoholic products other than brewing products	3 000
1.75.	Production of brewing products	2 000
1.76.	Storage and wholesale of alcohol products, except for storage and wholesale of alcohol products in their production premises, for each item of activity	200

1.77.	Storage and retail sale of alcohol products, except for storage and retail sale of alcohol products in their production premises, for each item of activity for entities operating:	
1.77.1.	in the capital, cities of national and regional significance	100
1.77.2.	in cities of regional significance and rural settlements	70
1.77.3.	in villages	30
1.78.	Manufacture of tobacco products	500
1.79.	Export and import of goods	10
1.80.	Export and import of products subject to export control	10
1.81.	Provision of warehouse services with the issuance of grain receipts	10
1.82.	Gambling business activity:	
1.82.1.	for a casino and a slot machine hall	3 845
1.82.2.	for a totalizer and a bookmaker's office	640
1.83.	Activity relating to commodity exchanges:	
1.83.1.	for a commodity exchange	10
1.83.2.	Is excluded - by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication)	
1.83.3.	Is excluded - by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication)	
1.84.	Is excluded by Law of the Republic of Kazakhstan № 237-VI dated 18.03.2019 (shall be enforced from 01.01.2020)	
1.85.	Providing disinfection, disinfestation and deratization services in healthcare	10
1.86.	Subtype I – carrying out digital mining by a digital miner who has a digital mining data processing center on the ownership right or other legal grounds	2000
1.87.	Subtype II - carrying out digital mining by a digital miner who does not have a digital mining data processing center on the ownership right or other legal grounds and carries out digital mining using a hardware and software complex for	5

	digital mining owned by him, located in a digital mining data processing center	
2.	Rates of the levy for issuing a duplicate license:	
2.1.	for all activity types except those specified in paragraphs 1.51. – 1.53.1., 1.55. – 1.59., 1.79. – 1.80	100% of the corresponding rate established in paragraph 1 of this table
2.2.	for all activity types specified in paragraphs 1.51. – 1.53.1., 1.55. – 1.59.	10% of the corresponding rate established in paragraph 1 of this table
2.3.	to the types of activity specified in Paragraphs 1.79. - 1.80.	1
3.	Licensere-issuance rates:	
3.1.	for all types of licenses, except for re-issuance of a license for export and import of goods, as well as for export and import of products subject to export control	10% of the relevant rate established in Paragraph 1 of this table
3.2.	for renewal of a license for the export and import of goods, as well as for the export and import of products subject to export control	1

Note.

* For each banking transaction;

** for each insurance class.

4-1. The license fee rates for issuing a license related to the right to engage in certain sub-types of activities in the field of hydrocarbons shall be:

№	Subtypes of licensed activity	Rate of levy (MCI)
1	2	3
1.	Rates of license fee for the right to engage in certain subtypes of activities:	
1.1.	field research in the exploration and production of hydrocarbons	100
1.2.	seismic operations in hydrocarbons exploration and production	100
1.3.	geophysical work in hydrocarbons exploration and production	100
1.4.	perforating and blasting works in wells in hydrocarbons exploration and production	100
1.5.	well drilling onshore, offshore and inland waters in hydrocarbons exploration and production	100
	underground repair, testing, development, sampling, conservation	

1.6.	, liquidation of wells in hydrocarbons exploration and production.	100
1.7.	well cementing in hydrocarbons exploration and production	100
1.8.	enhanced oil recovery of oil formations and increase in well productivity in hydrocarbons exploration and production	100
1.9.	work to prevent and eliminate spills at offshore hydrocarbon fields	100
1.10	operation of petrochemical plants	
1.11	preparation of basic design documents for hydrocarbon fields and analysis of hydrocarbon fields development	100
1.12.	preparation of technical design documents for hydrocarbon fields	100
1.13.	operation of main pipelines	100
2.	rate for reissuing licenses for subtypes of activities specified in paragraphs 1.1 - 1.13 (when applying for a license electronically)	8% of the rate when issuing a license
3.	fees for issuing a duplicate license (when applying for a license electronically)	80% of the rate when issuing a license

5. The rates of the levy for issuing a permit for the use of the radio-frequency spectrum to TV and radio broadcasting organizations are as follows:

1) for VHF television:

Item №	Population (thousand people)	Transmitter power (W)	Rate of levy for one channel (MCI)
1	2	3	4
1.	up to 10 incl.	up to 100 incl.	20
2.	from 10 to 50 incl.	up to 500 incl.	41
3.	from 10 to 50 incl.	over 500	83
4.	from 50 to 100 incl.	up to 1000 incl.	124
5.	from 50 to 100 incl.	over 1000	249
6.	from 100 to 200 incl.	up to 1000 incl.	290
7.	from 100 to 200 incl.	over 1000	435
8.	from 200 to 500 incl.	up to 2000 incl.	828
9.	from 200 to 500 incl.	over 2000	1243
10.	over 500	up to 5000 incl.	2367
11.	over 500	over 5000	3550

2) for UHF television:

Item №	Population (thousand people)	Transmitter power (W)	Rate of levy for one channel (MCI)
1	2	3	4
1.	up to 10 incl.	up to 100 incl.	13
2.	from 10 to 50 incl.	up to 500 incl.	26
3.	from 10 to 50 incl.	over 500	52
4.	from 50 to 100 incl.	up to 1000 incl.	78
5.	from 50 to 100 incl.	over 1000	155
6.	from 100 to 200 incl.	up to 1000 incl.	181
7.	from 100 to 200 incl.	over 1000	272
8.	from 200 to 500 incl.	up to 2000 incl.	518
9.	from 200 to 500 incl.	over 2000	777
10.	over 500	up to 5000 incl.	1479
11.	over 500	over 5000	2219

3) for VHF FM radio broadcasting:

Item №	Population (thousand people)	Transmitter power (W)	Rate of levy for one channel (MCI)
1	2	3	4
1.	up to 10 incl.	up to 100	5
2.	from 10 to 50 incl.	up to 500 incl.	9
3.	from 10 to 50 incl.	over 500	18
4.	from 50 to 100 incl.	up to 1000 incl.	27
5.	from 50 to 100 incl.	over 1000	53
6.	from 100 to 200 incl.	up to 1000 incl.	62
7.	from 100 to 200 incl.	over 1000	93
8.	from 200 to 500 incl.	up to 2000 incl.	178
9.	from 200 to 500 incl.	over 2000	266
10.	over 500	up to 5000 incl.	488
11.	over 500	over 5000	732

4) for SW, MW, LW radio broadcasting:

Item №	Population (thousand people)	Transmitter power (W)	Rate of levy for one channel (MCI)
1	2	3	4
1.	over 500	up to 100 incl.	5
2.		from 100 to 1000 incl.	15
3.		from 1000 to 10000 incl.	30
4.		from 10000 to 100000 incl.	45
5.		from 100000	89

6. The rate of the levy for issuing a duplicate of a permit for the use of the radio-frequency spectrum to TV and radio broadcasting organizations is 2 MCI.

7. Excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.07.2023).

8. The rates of the levy for the issuance of permits, consent to participants in the banking and insurance markets are as follows:

Item №	Types of permits	Levy rates (MCI)
1	2	3
1.	Permit to set up or acquire a subsidiary by a bank and (or) a banking holding company	50
2.	Permit to set up or acquire a subsidiary by an insurance (reinsurance) organization and (or) an insurance holding company	50
3.	Permit for material participation in the capital of organizations of a bank , insurance (reinsurance) organization, bank holding company, insurance holding company	50
4.	Consent to obtain the status of a bank holding company or a major bank participant:	
4.1.	for individuals	100
4.2.	for legal entities	500
5.	Consent to obtain the status of an insurance holding company or a major participant in an insurance (reinsurance) organization:	
5.1.	for individuals	50
5.2.	for legal entities	50
6.	Consent to the election (appointment) of executives of a bank, an insurance (reinsurance) company, an insurance broker, a branch of a bank - a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) company - a non-resident of the Republic of Kazakhstan, a branch of an insurance broker - a non-resident of the Republic of Kazakhstan, banking, insurance holding companies, Joint-Stock Company "Insurance Payments Guarantee Fund"	25

9. The rates of the levy for the issuance and (or) extension of the permit to employ foreign staff in the Republic of Kazakhstan are set by the Government of the Republic of Kazakhstan.

10. The rate of the levy for issuing a document confirming the residence of a foreigner or a stateless person who is an investment resident of the Astana International Financial Center is 7,000 MCI.

Footnote. Article 554 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.01.2019 № 217-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (enforcement see Article 2); № 249-VI dated 04.19.2019 (shall be enforced since 01.08.2019); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); № 268-VI dated 28.10.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 289 -VI dated 26.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.07.2020 № 354-VI (shall be enforced from 01.01.2021); dated 10.12.2020 № 382-VI (enforcement see Article 2); dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022); dated 20.12.2021 № 85-VII (enforcement, see art. 2); dated 21.12.2022 № 165-VII (enforcement see Art. 2); dated 06.02.2023 № 196-VII (effective from 01.01.2024).

Chapter 69. FEES Clause 1. Fee for the use of licenses for engaging in certain types of activities

Article 555. General provisions

1. The fee for the use of a license for engaging in certain types of activities (for the purposes of this Clause, hereinafter referred to as the fee) is charged for carrying out activities in the area of:

1) the gambling business;

2) the storage and wholesale of alcohol products, except for the storage and wholesale of alcohol products within their production premises;

3) the storage and retail sale of alcohol products, except for the storage and retail sale of alcohol products within their production premises.

2. Quarterly, on or before the 15th day of a month following a reporting one, licensors shall submit information on the fee payers and taxable items to tax authorities at the taxpayers ' location in the form established by the authorized body.

Article 556. The fee payers

The fee payers are individuals and legal entities that received a license to carry out the types of activities specified in paragraph 1 of Article 555 of this Code.

Article 557. The fee rates

The fee rates are determined in the amount divisible by the monthly calculation index established by the law on the national budget (for the purposes of the Chapter, hereinafter referred to as MCI) and effective as of the date of payment of such a fee and are as follows:

Item №	Types of licensed activities	Fee rates, per year (MCI)
1	2	3
1.	Activity in the area of the gambling business:	
1.1.	for a casino and a slot machine hall	3 845
1.2.	for a totalizer and a bookmaker's office	640
2.	Storage and wholesale of alcohol products, except for the storage and wholesale of alcohol products within their production premises, for each item of activity	200
3.	Storage and retail sale of alcohol products, except for the storage and retail sale of alcohol products within their production premises, for each item of activity for entities operating :	
3.1.	in the capital, cities of national significance and regional centers	100
3.2.	in other towns and villages	60
3.3.	in rural settlements	20

Article 558. The order for calculation and payment

1. The fee payers shall annually pay the amount of the fee at the taxable object location in equal installments no later than March 25, June 25, September 25 and December 25 of the current year.

2. If a license was used for less than a year in a reporting taxable period, the fee amount is determined by dividing the amount of the fee, calculated for a year, by twelve and multiplying the quotient by the number of months (full or not full ones) the license was used within the year.

In addition to the above, in case of obtainment of a license, the obligation to pay the fee arises in a calendar year following the year the license received.

3. Authorized state bodies, performing relevant licensing actions that require the collection of fees, calculate, assess the fee and verify the fee rates, and also bear responsibility for full collection, timely payment of fees to the state budget and for reliability of information submitted to state revenue bodies in accordance with the laws of the Republic of Kazakhstan.

Footnote. Article 558 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Clause 2. Fee for the use of land plots

Article 559. General provisions

1. The fee for the use of land plots (for the purposes of this Clause, hereinafter referred to as the fee) shall be charged for the provision by the state of:

a land plot for temporary land use for a fee (lease);

a subsoil plot in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use on the basis of a license for exploration or extraction of solid minerals.

2. The procedure for providing land plots and subsoil plots is established by the Land Code of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

3. Quarterly, on or before the 15th day of a month following a reporting quarter, authorized state bodies for land relations, and within special economic zones - local executive bodies or administrative authorities of special economic zones, local executive bodies shall submit information on the fee payers, taxable items and time periods, for which land plots were granted for temporary land use for a fee (lease), to the tax authorities at their location in accordance with the form established by the authorized body.

4. Quarterly, on or before the 15th day of a month following a reporting quarter, authorized state bodies for granting the subsoil use right shall submit information on the fee payers, taxable items, the period of validity of the license for exploration or extraction of solid minerals, identifying coordinates of the plots and their individual codes to the tax authorities at the fee payers' location in accordance with the form established by the authorized body.

Article 560. The fee payers

1. The fee payers are persons that received:

a land plot for temporary land use for a fee (lease);

a subsoil plot on the basis of a license for exploration or extraction of solid minerals.

2. By its decision, a legal entity has the right to recognize its structural unit as an independent fee payer.

The legal entity's decision or its cancellation is put into effect from January 1 of a year following the year of such a decision.

If a legal entity recognized its newly established structural unit as an independent fee payer, this decision is put into effect from the date of establishment of this structural unit or from January 1 of a year following the year of establishment of this structural unit.

The provisions of this paragraph shall not apply to taxpayers that received a subsoil plot on the basis of a license for exploration or extraction of solid minerals.

3. The fee shall not be paid by:

taxpayers applying a special tax regime for peasant or farm enterprises – with respect to land plots used in the activity, to which this special tax regime applies;

a concessionaire – with respect to land plots granted for implementation of a concession agreement concluded in accordance with the legislation of the Republic of Kazakhstan within the time period specified in the concession agreement, but in any event not more than for five years from the date of a decision of a local executive body to grant the right of temporary land use for a fee.

4. Was valid from 01.01.2018 to 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

Footnote. Article 560 as amended by Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017 (valid from 01.01.2018 to 01.01.2020).

Article 561. Item subject to the fee

An item subject to the fee is:

a land plot provided by the state for temporary land use for a fee (lease);

a subsoil plot on the basis of a license for exploration or extraction of solid minerals.

Article 562. Taxable period

A taxable period is determined in accordance with Article 314 of this Code.

Article 563. The fee rates

1. With respect to a subsoil plot granted on the basis of a license for exploration or extraction of solid minerals, the fee rates are determined based on the size of the MCI established by the law on the national budget and effective as of the 1st day of a taxable period and are as follows:

№	Period	Fee rates (MCI)
1	2	3
1.	from the 1st to 36th months of validity of a license for exploration, per 1 block	15
2.	from the 37th to 60th months of validity of a license for exploration, per 1 block	23
3.	from the 61st to 84th months of validity of a license for exploration, per 1 block	32
4.	from the 85th month of validity of a license for exploration and on, per 1 block	60
5.	from the 1st month of validity of a license for extraction and on, per 1 square km	450

For the purposes of this Chapter, a block means a land area, for the exploration or extraction of solid minerals in which a license was issued in accordance with the legislation of

the Republic of Kazakhstan on subsoil and subsoil use. Each block has identifying coordinates and individual code assigned to it by the authorized body for subsoil exploration and use.

2. As for other land plots, the fee rates are determined in accordance with the land legislation of the Republic of Kazakhstan. In this case, the fee rates shall not be lower than the land tax rates, with no regard for the provisions of paragraphs 2 and 3 of Article 510 of this Code.

Article 564. The procedure of calculation and payment of fees for land plots received for temporary paid land use (lease), and also for those misused or used in violation of the legislation of the Republic of Kazakhstan

Footnote. The title of Article 564 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

1. The amount of payment for land plots received for temporary land use for a fee (lease) shall be calculated on the basis of contracts for temporary land use for a fee concluded with the authorized agency for land relations, and within a special economic zone - with a local executive authority or management company of a special economic zone.

Annual fees for land plots received for temporary land use for a fee (lease) are set in the calculations made by authorized bodies for land relations, and within special economic zones by local executive bodies or administrative authorities of special economic zones.

In case of modification of terms of contracts, as well as the procedure for the land tax calculation established by this Code, which entails changes in the land tax amount, the amount of the fee for land plots received for temporary land use for a fee (lease) are recalculated by authorized bodies for land relations, and within special economic zones - by local executive bodies or administrative authorities of special economic zones.

2. The amount of the fee for land plots, received for temporary land use for a fee (lease) payable for a taxable period, is determined on the basis of the fee rates set in the calculations, specified in paragraph 1 of this article, and actual period of use of the land plot in the taxable period.

In this case, actual period of use of a land plot is determined from the beginning of a taxable period (if as of the date of the beginning of a taxable period, a land plot was used on the basis of the right of primary land use for a fee) or from the 1st day of the month, in which such right to a land plot arose, until the 1st day of the month, in which such right was terminated, or until the end of a taxable period (if as of the end date of the taxable period, a land plot was used on the basis of such right).

3. The amount of the fee for land plots received for temporary land use for a fee (lease) shall not be lower than the land tax amount calculated for such land plots in accordance with this Code.

For individuals, the amount of payment for land plots specified in subparagraph 2) of Article 528 of this Code, received for temporary paid land use (lease) shall be established not lower than the amount of the tax on property of individuals calculated for such land plots in accordance with this Code.

4. Payers shall pay the fee to the state budget in equal parts on or before February 25, May 25, August 25 and November 25 of a current year, unless otherwise specified in paragraphs 5and 6 of this article.

If land plots are provided for temporary land use for a fee by the state after one of the above payment dates, the first deadline for paying the fee to the budget is the next scheduled date of payment.

5. As for land plots received for land use for a fee and not used (not subject to use) in business activity, individuals shall pay the fee amount on or before February 25.

If a contract for temporary land use for a fee is concluded after the payment date specified in part one of this paragraph, an individual shall pay the fee for the taxable period, in which such a contract is concluded, on or before the 25th day of a month following the month of conclusion of such a contract.

6. If a contract for temporary land use for a fee expires or is terminated before the end of a taxable period, it is necessary to pay to the state budget the amount of the fee for land plots, received for temporary land use for a fee (lease), for the actual period of land use in this year, on or before the 25th day of a month following the month, in which the contract expired or was terminated.

7. The fee amount shall be paid to the budget at the land plot location - according to the fee calculated for the land plot provided for temporary paid land use (lease).

8. Organizations operating within special economic zones shall calculate the fee for the use of land plots with account of the provisions established by Chapter 79 of this Code.

9. For land plots intended for the construction of facilities and not used for appropriate purposes or used in violation of the legislation of the Republic of Kazakhstan, the amount of payment for land plots received for temporary paid land use (lease), calculated on the basis of temporary paid land use agreements concluded with the authorized body for land relations, and in the special economic zone territory - with the local executive body or management company of the special economic zone, increases tenfold from the date the authorized body for control over the use and protection of land delivers a written ordinance to the land user on the need to use the land plot for its intended purpose and (or) eliminating violations of the legislation of the Republic of Kazakhstan.

The procedure for identifying misused land plots or plots used in violation of the legislation of the Republic of Kazakhstan, for the purposes of part one of this paragraph and paragraph 3 of this article, shall be established by the central authorized body for land management in coordination with the authorized body.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, and its subsidiaries.

10. For agricultural land plots not used for their intended purpose or used in violation of the legislation of the Republic of Kazakhstan, the payment amount for land plots received for temporary paid land use (lease), calculated on the basis of temporary paid land use agreements concluded with the authorized body for land relations, and in the special economic zone territory - with the local executive body or management company of the special economic zone, increases twenty times from the date of delivery to the land user of a written ordinance to eliminate violations of the requirements of the land legislation of the Republic of Kazakhstan by the territorial unit for land management of oblasts, cities of republican status, the capital , exercising state control over the use and protection of lands.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan, and its subsidiaries.

11. The procedure for providing information on land plots specified in paragraphs 9 and 10 of this article to the tax authorities by the authorized body for control over the use and protection of land shall be established by the authorized body.

12. For land plots specified in paragraphs 9 and 10 of this article, information on which is provided by the territorial unit for land management of oblasts, cities of republican status, the capital, exercising state control over the use and protection of land, the fee shall be calculated by the tax authorities issuing from the calculated amount of fees and the land plot area with notification of the charged amount of fees sent to the taxpayer.

Footnote. Article 564 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2020); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 564-1. The procedure for calculating and paying fees for subsoil plots in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use under a license for exploration or production of solid minerals

1. Subsoil users on the subsoil plot granted under a license for exploration or production of solid minerals shall pay the annual fee no later than February 25 of the reporting tax period - if the license was valid as of January 1 of the reporting year and before its end or upon receipt of the license until February 1 of the reporting year inclusive - in the amount of the annual fee determined at the rates established by paragraph 1 of Article 563 of this Code.

2. If, as of February 1 of the reporting tax period, it is known that the license for exploration or production of solid minerals expires in the current tax period, then no later than February 25 of the reporting tax period, the fee must be paid for the actual validity period of such license calculated in accordance with paragraph 3 of this article.

3. In case of obtaining a license for exploration or production of solid minerals after February 1 of the reporting tax period or termination of the license during the reporting tax period, the amount of the fee shall be determined by the subsoil user based on the fee rates established by paragraph 1 of Article 563 of this Code and the actual validity term in the reporting tax period of such a license.

In this case, the actual validity term of the license shall be determined from the beginning of the tax period (if such a license was valid on the date of the tax period beginning) or from the 1st day of the month of the license validity start until the 1st day of the license termination month, or until the end of the tax period (if such a license was valid at the end of the tax period).

4. In cases of receipt or termination of a license for exploration or production of solid minerals after February 1 of the reporting tax period, the fee amount shall be paid for the actual validity term of such a license to the budget no later than the 25th day of the second month of the quarter following the quarter in which the license expired.

5. The amount of the fee shall be paid to the budget at the subsoil plot location – on the fee for the subsoil plot provided on the basis of the license for exploration or production of solid minerals.

Footnote. Chapter 68 has been supplemented by Article 564-1 under the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 565. Tax returns

1. With respect to land plots occupied by taxable items, the tax base for the property tax on which is calculated in accordance with Article 529 of this Code, and (or) allotted for individual housing construction, fee payers, except for individuals that are not individual entrepreneurs and also individual entrepreneurs, submit the calculation of current fee amounts to the tax authorities:

1) at the location of a land plot – with regard to the fee calculated for the land plot provided for temporary land use for a fee (lease);

2) at the location of a subsoil plot – with regard to the fee for the subsoil block provided to a subsoil user on the basis of a license for exploration or extraction of solid minerals.

2. The fee payers submit the calculation of current fee amounts on or before February 20 of a reporting taxable period.

3. Persons that concluded a contract for temporary land use for a fee or received a license for exploration or extraction of solid minerals after February 20 of a reporting taxable period shall submit the calculation of current fee amounts on or before the 20th day of a month following the month of signing the contract or obtaining the license.

4. In case of termination of a contract for temporary land use by a local executive body or administrative authority of a special economic zone or expiry of a license for exploration or extraction of solid minerals after February 20 of a reporting taxable period, an additional

calculation of current fee amounts shall be submitted within ten calendar days of the day of expiration (termination) of the contract.

Clause 3. Fee for the use of surface water resources

Article 566. General provisions

1. The fee for the use of surface water resources (for the purposes of this Clause, hereinafter referred to as the fee) shall be charged for the types of special water use on the basis of a permit issued by the authorized body for the use and protection of water resources, water supply, water disposal.

2. Special water use without a permit is considered as water use with excess of actual water abstraction volumes over the established limits.

3. Quarterly, on or before the 25th day of the second month following a reporting quarter, regional bodies of the authorized body for the use and protection of water resources, water supply, water disposal shall submit to the tax authorities at their location information on the fee payers and taxable items, their location, permits issued for special water use, established water use limits, changes in permits and water use limits, results of inspections for compliance with the water legislation of the Republic of Kazakhstan, court decisions on appeals against the results of inspections for compliance with the water legislation of the Republic of Kazakhstan in the form established by the authorized body.

Article 567. The fee payers

1. The fee payers are individuals and legal entities that use surface water resources (primary water users):

1) with stationary, mobile and floating structures for mechanical and gravity water abstraction from surface and sea water;

2) with hydraulic power plants;

3) with water facilities for fishery management;

4) for the needs of water transport.

2. A legal entity has the right to recognize its structural unit as an independent fee payer.

The legal entity's decision or its cancellation is put into effect from January 1 of a year following the year of such a decision.

If a legal entity recognized its newly established structural unit as an independent fee payer, this decision is put into effect from the date of establishment of this structural unit or from January 1 of a year following the year of establishment of this structural unit.

Article 568. Items subject to the fee

1. Items subject to the fee are as follows:

1) the volume of water withdrawn from a surface water source, except for:

the volume of water accumulated by dams and other retaining hydraulic and water-regulating structures;

loss of water caused by filtration and evaporation in channels for inter-basin water transfer and in off-river reservoirs regulating watercourse confirmed by the authorized body for the use and protection of water resources, water supply and water disposal based on design data of water management systems;

the volume of water release for nature protection and (or) sanitary and epidemiological purposes approved by the authorized body for the use and protection of water resources, water supply and water disposal in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

the volume of forced water intake in irrigation systems to prevent floods, inundations and submergences, confirmed by the authorized body for the use and protection of water resources, water supply, water disposal;

2) the amount of produced electric power;

3) the volume of carriage by water transport.

2. No fee is charged for:

1) water logging without ship haulage, recreation;

2) the use of earth-moving machinery;

3) draining swamps.

Article 569. The fee rates

The fee rates are set by local representative bodies of the regions, cities of national significance and the capital on the basis of the fee calculation methodology approved by the authorized body for the use and protection of water resources, water supply, water disposal.

In case of excess of actual water withdrawal volumes over the water use limits established by the authorized body for the use and protection of water resources, water supply, water disposal, the volume of such excess is subject to the fee rates increased fivefold.

Article 570. The order for calculation and payment

1. The fee amount is calculated by the payers on the basis of actual water use volumes and established rates.

2. The fee for the volume of carriages by water transport in water bodies with retaining hydraulic and water-regulating structures is calculated per ton/kilometer of cargo transported.

3. The payers (except for taxpayers applying a special tax regime for peasant or farm enterprises) shall pay to the state budget current fee amounts for actual water use volumes on or before the 25th day of the second month following a reporting quarter on the basis of monthly water use limits established by the authorized body for the use and protection of water resources, water supply, water disposal.

4. The fee amount shall be paid to the state budget at the place of special water use specified in a permit.

5. Taxpayers applying a special tax regime for peasant or farm enterprises shall pay the fee within the time limits established by Article 706 of this Code.

6. The amount of the fee for water used for the production of thermal power for housing and utility needs, and also for process needs to cool units (non-consumptive water use) within the limits of water abstraction is determined by thermal power plants at the rates set for organizations providing housing and utility services.

The fee for consumptive water use is determined at the rates set for industrial enterprises.

Article 571. Taxable period

A taxable period is determined in accordance with Article 314 of this Code.

Article 572. Tax returns

1. The fee payers shall submit a fee declaration to the tax authorities at the place of special water use.

2. The declaration is submitted by the fee payers, except for taxpayers applying a special tax regime for peasant or farm enterprises, on a quarterly basis, on or before the 15th day of the second month following a reporting quarter.

3. Taxpayers applying a special tax regime for peasant or farm enterprises file tax returns on the fee in the form of an appropriate annex to a uniform land tax declaration.

4. Prior to submitting the declaration to a tax authority, it shall be certified by the regional body of the authorized body for the use and protection of water resources, water supply, water disposal.

Paragraph 4. Fee for negative impact on environment

Footnote. The title of paragraph 4 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022).

Article 573. General provisions

1. The fee for negative impact on the environment (hereinafter in this paragraph - the fee) is charged for emissions and discharges of pollutants (emissions into the environment), the placement of open sulfur on sulfur pads and the disposal of waste, carried out on the basis of an appropriate environmental permit and environmental impact declarations in accordance with the environmental legislation of the Republic of Kazakhstan.

2. Quarterly, on or before the 15th day of the second month following a reporting quarter, territorial bodies of the authorized body for environmental protection and local executive bodies of the regions, cities of national significance and the capital shall submit to the tax authorities at their location information on the fee payers and taxable items, issued environmental permits, standards established for emissions into the environment, changes in environmental permits and standards established for emissions into the environment, as well as information on the users of natural resources relating to their temporary storage of production and consumer waste (volumes, time limits fixed for temporary storage, the actual placement period) - in accordance with the form established by the authorized body.

3. The authorized body in the field of environmental protection and its territorial bodies submit to the tax authorities at their location the information on the actual volumes of negative impact on the environment, established in the course of inspections for compliance with the environmental legislation of the Republic of Kazakhstan (state environmental control), taking into account the appeal of the results of such inspections in accordance with the laws of the Republic of Kazakhstan, in the form and in the manner established by the authorized body, no later than ten working days after the expiration of the time limits for appealing the results of such inspections, provided for by the laws of the Republic of Kazakhstan.

Footnote. Article 573 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022).

Article 574. The fee payers

1. The payers of the fee are the operators of objects of I, II and III categories, determined in accordance with the Environmental Code of the Republic of Kazakhstan.

2. By its decision, a legal entity has the right to recognize its structural unit as an independent fee payer in terms of the volume of emissions into the environment of such a structural unit.

The decision of a legal entity specified in part one of this paragraph or its cancellation shall be put into effect from January 1 of a year following the year of such a decision.

If a legal entity recognized its newly established structural unit as an independent payer, this decision is put into effect from the date of establishment of this structural unit or from January 1 of a year following the year of establishment of this structural unit.

3. Taxpayers applying a special tax regime for peasant or farm enterprises are not payers of fees for the negative impact on the environment arising from the implementation of activities that are subject to a special tax regime for peasant or farm enterprises.

Footnote. Article 574 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022).

Article 575. Object of taxation

The object of taxation is the actual amount of negative impact on the environment (mass, unit of measurement of activity - for radioactive waste) in the reporting period (for objects of categories I and II - within the established standards and limits, for objects of category III - within the declared volume), including the established one, based on the results of the state environmental control, carried out by the authorized body in the field of environmental protection and its territorial bodies over compliance with the environmental legislation of the Republic of Kazakhstan (state environmental control), in the form of:

1) emissions of pollutants;

2) discharges of pollutants;

3) buried waste;

4) openly placed sulfur on sulfur pads, which is formed during operations for exploration and (or) production of hydrocarbons.

Footnote. Article 575 - as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022).

Article 576. The fee rates

1. Fee rates are determined in the amount of a multiple of the MCI, established by the law on the republican budget and effective on the first day of the tax period.

2. The rates of payment for emissions of pollutants from stationary sources are:

Item №	Types of pollutants	Rates of payment per 1 ton (MCI)	Rates of payment per 1 kilogram (MCI)
1	2	3	4
1.	Sulfur oxides ($SO_{x)}$	20	
2.	Nitrogen oxides ($NO_{x)}$	20	
3.	Dust and ash	10	
4.	Lead and its compounds	3 986	
5.	Hydrogen sulfide	124	
6.	Phenols	332	
7.	Hydrocarbons	0.32	
8.	Formaldehyde	332	
9.	Carbon monoxide	0.32	
10.	Methane	0.02	
11.	Soot	24	
12.	Iron oxides	30	
13.	Ammonia	24	
14.	Hexavalent chromium	798	
15.	Copper oxides	598	
16.	Benz(a)pyrene		996.6

3. The rates of the fee for emissions of pollutants from the flaring of associated and (or) natural gas are as follows:

Item №	Types of pollutants	Fee rates per 1 ton (MCI)
1	2	3
1.	Hydrocarbons	44,6
2.	Carbon oxides	14,6
3.	Methane	0,8
4.	Sulfur dioxide	200
5.	Nitrogen dioxide	200
6.	Soot	240
7.	Hydrogen sulfide	1 240
8.	Mercaptan	199 320

4. The rates of the fee for emissions of pollutants into the air from mobile sources are as follows:

Item №	Type of fuel	Rate for 1 ton of used fuel (MCI)

1	2	3
1.	For unleaded gasoline	0,33
2.	For diesel fuel	0,45
3.	For liquid, compressed gas, kerosene	0,24

5. The rates of payment for discharge of pollutants are:

Item №	Types of pollutants	Rates of payment per 1 ton (MCI)
1	2	3
1.	Nitrites	1 340
2.	Zinc	2 680
3.	Copper	26 804
4.	Biological oxygen consumption	8
5.	Ammonium salt	68
6.	Petroleum products	536
7.	Nitrates	2
8.	Iron total	268
9.	Sulfates (anion)	0.8
10.	Suspended solids	2
11.	Synthetic surfactants	54
12.	Chlorides (anion)	0.2
13.	Aluminum	54

6. The rates for disposal of production and consumption waste are:

Item №	Types of waste	Payment rates (MCI)	
		per 1 ton	for 1 gigabecquerel (GBq)
1	2	3	4
1.	For the disposal of production and consumption waste in landfills, storage facilities and specially designated areas:		
1.1.	Waste for which the hazardous properties are taken into account to calculate fees, except for waste specified in line 1.2 of this table:		
1.1.1.	hazardous waste	8.01	
1.1.2.	non-hazardous waste	1.06	
1.2.	Certain types of waste for which the hazardous properties are not taken into account to calculate fees:		
	Municipal waste (municipal solid waste,		

1.2.1.	sewage treatment plant sludge)	0.38	
1.2.2.	Mining and quarrying waste (except oil and natural gas production):		
1.2.2.1.	overburden rocks	0.004	
1.2.2.2.	host rocks	0.026	
1.2.2.3.	enrichment waste	0.02	
1.2.2.4.	slags, sludges	0.038	
1.2.3.	Slags, and sludges formed in the metallurgical process during the processing of ores, concentrates, agglomerates and pellets containing minerals, and the production of alloys and metals	0.038	
1.2.4.	Ash and ashslag	0.66	
1.2.5.	Agricultural waste, including manure, bird droppings	0.002	
1.2.6.	Radioactive waste:		
1.2.6.1.	transuranic		0.76
1.2.6.2.	alpha radioactive		0.38
1.2.6.3.	beta radioactive		0.04
1.2.6.4.	ampoule radioactive sources		0.38

7. The rates of fee for placement of sulfur in the open form on sulfur pads, formed during operations for exploration and (or) production of hydrocarbons, make 3.77 MCI per ton.

8. Local representative bodies have the right to increase the rates for the disposal of municipal waste (municipal solid waste, sludge from sewage treatment plants) established by line 1.2.1 of the table in paragraph 6 of this article.

Footnote. Article 576 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022).

Article 577. The order for calculation and payment

1. Amount of fee:

1) is calculated by payers who are operators of objects of categories I and II, based on the objects of taxation specified in Article 575 of this Code and the established rates of fee using the coefficients provided for in this Article;

2) is calculated by payers who are operators of objects of category III, based on the declared objects of taxation specified in Article 575 of this Code, and the established rates of fee;

3) is charged by the tax authorities using the coefficients provided for by this article, based on the established rates of fee and the undeclared part of the objects of taxation, determined by article 575 of this Code, identified, including, according to information obtained as a result of state environmental or tax control and submitted in the manner, in the form and within the time limits established by paragraph 3 of Article 573 of this Code.

In the event that the amount of the fee is charged in accordance with subparagraph 3) of part one of this paragraph, the tax authority issues a corresponding notification within ten working days from the date of receipt of the information provided for in paragraph 3 of Article 573 of this Code.

1-1. In order to stimulate the introduction and application of the best available techniques on the territory of the Republic of Kazakhstan, to prevent or reduce the level of harmful anthropogenic impact on the environment when calculating the fees for objects that have a negative impact on the environment, for which a comprehensive environmental permit has been issued, including until July 1 2021, the following coefficients are applied by payers:

coefficient 0 - to the rates of fee, provided for in paragraphs 2 and 3 of Article 576 of this Code, for emissions of pollutants from stationary sources and from the burning of associated and (or) natural gas in flares within the limits established in the comprehensive environmental permit, from the date of its issuance ;

coefficient 0 - to the rates of fee, provided for in paragraph 5 of Article 576 of this Code, for discharges of pollutants within the limits established in the comprehensive environmental permit, from the date of its issuance;

coefficient 0 - to the rates of fee, provided for by paragraph 6 of Article 576 of this Code, for the disposal of waste within the limits and in accordance with the reporting submitted during the formation, use, neutralization and disposal of production and consumption waste, from the date of issuance of an comprehensive environmental permit;

coefficient 0 - to the rate of fee, provided for in paragraph 7 of Article 576 of this Code, for the placement of sulfur in the open form on the sulfur pads within the limits when carrying out operations for exploration and (or) production of hydrocarbons and in accordance with the reporting submitted during the formation and placement of sulfur from the date of issuance of the comprehensive environmental permit.

2. When individual payers calculate the amount of payment for objects that harm the environment, for which a comprehensive environmental permit is not valid, the following coefficients shall be applied to the corresponding payment rates:

1) for objects of category I:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy-producing organizations – when producing electricity:

2.4 – to the rates established by paragraph 2 of Article 576 of this Code;

3.44 – to the rates established by paragraph 5 of Article 576 of this Code;

0.4 – to the rates established by line 1.2.4 of the table of paragraph 6 of Article 576 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

1.6 – to the rates established by line 1.2.1 of the table of paragraph 6 of Article 576 of this Code, taking into account their increase by local representative bodies in accordance with paragraph 8 of Article 576 of this Code for the volume of solid municipal waste generated by individuals at their place of residence;

other payers:

8 – to the rates established by paragraphs 2, 3, 5, 6 and 7 of Article 576 of this Code;

2) for objects of categories II and III:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy-producing organizations – when producing electricity:

0.3 – to the rates established by paragraph 2 of Article 576 of this Code;

0.43 – to the rates established by paragraph 5 of Article 576 of this Code;

0.05 – to the rates established by line 1.2.4 of the table of paragraph 6 of Article 576 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.2 – to the rates established by line 1.2.1 of the table of paragraph 6 of Article 576 of this Code, taking into account their increase by local representative bodies in accordance with paragraph 8 of Article 576 of this Code for the volume of solid municipal waste generated by individuals at their place of residence.

In this case, the coefficients established by the first part of this paragraph shall be applied concerning the volumes of negative impact on the environment within the standards and limits established in the relevant environmental permits of payers for objects of categories I and II or the volumes of negative impact on the environment specified in declarations for objects of category III.

2-1. When calculating the amount of fee by legal entities that dispose the radioactive waste generated as a result of nuclear tests in the territory of the Republic of Kazakhstan, on the territory of the lands of the nuclear safety zone, to the fee rates established by lines 1.2.6.1 , 1.2.6.2 and 1.2.6.3 of the table of paragraph 6 of Article 576 of this Code, coefficient 0 is applied.

3. Payers of fees that are operators of objects of categories I and II, with payments up to 100 MCI in the total annual volume, have the right to redeem the standards or limits of negative environmental impact established by the authority issuing the permit document. Redemption of standards or limits is carried out with full advance payment for the current year when a permit document is issued no later than March 20 of the reporting tax period.

In case of receipt of a permit after the specified date, the emission limit value is bought out on or before the 20th day of a month following the month, in which the permit was received.

4. The amount of the fee is paid to the budget at the location of the source (object) of negative impact on the environment, specified in the permit document, with the exception of mobile sources of pollution.

The amount of the fee for mobile sources of pollution is paid to the budget:

1) for mobile sources subject to state registration - at the place of registration of mobile sources, which is identified by the authorized state body in the course of such registration;

2) for mobile sources of pollution not subject to state registration - at the location of a taxpayer, also at the location of a structural unit of a legal entity (if the fulfillment of a tax obligation is assigned to it).

5. The current amounts of fee for the actual amount of negative environmental impact are paid by the payers no later than the 25th day of the second month following the reporting quarter, with the exception of the payers specified in paragraph 3 of this article.

6. In case of non-achievement before the deadline set in the schedule for achieving the indicators of a phased reduction in the negative impact on the environment as part of the program for improving environmental efficiency (hereinafter referred to as the program) to the integrated environmental permit issued in respect of an object of category I, of the indicator of a phased reduction of the negative impact on the environment for a marker pollutant by less than 30 percent of the value of such an indicator, in order to calculate the amount of the fee for emissions of the specified substance, the coefficient provided for in paragraph 1-1 of this article receives the value of the corresponding coefficient provided for in paragraph 2 of this article, starting from the tax period preceding the year of non-achievement of the established indicator of the gradual reduction of the negative impact, and until the date of achievement of such an indicator.

In case of non-achievement by the date of completion of the program for the integrated environmental permit issued in respect of an object of category I, of the established technological standards by 30 percent or less of the total number of marker pollutants, for the purpose of accrual of the amount of fee, the coefficients provided for in paragraph 1-1 of this article, receive the values of the relevant coefficients provided for in paragraph 2 of this article for the relevant years starting from the date of receipt of a comprehensive environmental permit for emissions of marker pollutants for which the established technological standards have not been achieved.

In case of revocation, deprivation or termination of an integrated environmental permit issued in respect of an object of category I under the condition and during the implementation of the program, on the grounds provided for by the laws of the Republic of Kazakhstan, in order to calculate the amount of the fee, the coefficients provided for in paragraph 1-1 of this

article receive the values of the relevant coefficients provided for in paragraph 2 of this article , for the relevant years, starting from the date of receipt of a comprehensive environmental permit for all types of negative impact on the environment for this object of category I, for which a fee is charged, except for the case provided for by part four of this paragraph.

At the same time, if, within the framework of the program implementation, the technological standards have been achieved by 70 percent or more of the total amount of marker pollutants, part three of this paragraph is not applied to emissions of marker pollutants carried out before the date of withdrawal, revocation or termination of the comprehensive environmental permit issued in relation to the object of category I, for which by the specified date the technological standards have been achieved within the framework of the program.

From the date of application of the coefficients specified in paragraph 2 of this article, a fine in the amount determined by this Code is charged on the amount of the fee that has arisen and accrued in accordance with parts one, two and three of this paragraph.

Footnote. Article 577 as amended by the Laws of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced after the day the legislative act regulating the creation and functioning of the nuclear safety zone comes into force).

Article 578. Taxable period

A taxable period is determined in accordance with Article 314 of this Code.

Article 579. Tax returns

1. The fee payers shall submit a declaration of the location of a contaminated object, except for a declaration of mobile sources of pollution, to tax authorities.

The declaration is submitted to tax authorities for mobile sources of pollution:

1) subject to state registration - at the place of registration of mobile sources, which is identified by the authorized state body in the course of such registration;

2) not subject to state registration - at the location of a taxpayer.

2. The declaration is submitted by the fee payers, except for those specified in paragraph 3 of this article, quarterly, on or before the 15th day of the second month following a reporting quarter.

3. The fee payers with the volume of payments up to 100 MCI in the annual total volume shall submit the declaration on or before March 20 of a reporting taxable period.

In case of receipt of a permit after the specified date, the payers shall submit the declaration on or before the 20th day of a month following the month, in which the permit was received.

Clause 5. Fee for the use of wildlife

Article 580. General provisions

1. The fee for the use of wildlife (for the purposes of this Clause, hereinafter referred to as the fee) shall be charged for the use of the wildlife under the procedure for special use of wildlife.

2. The fee for the use of rare and endangered species of animals is set by the Government of the Republic of Kazakhstan in each individual case when issuing a permit for removing these animals from the environment.

3. No fee is charged:

1) when animals are removed from the environment for tagging, ringing, resettlement, artificial breeding and crossing for scientific research and economic purposes with their subsequent return into the environment;

2) when using wildlife species that are the property of individuals and legal entities, which were artificially bred and are in captivity and (or) semi-voluntary conditions;

3) when the authorised body in the field of fisheries carries out control fishing of fish and other aquatic animals for the purpose of biological justification for the use of fish resources and other types of aquatic animals;

4) in case of removal of animal species, the number of which is subject to regulation in order to protect public health, protect against diseases of agricultural and other domestic animals, prevent damage to the environment, prevent the danger of causing significant damage to agricultural activity.

4. The authorised public authority in the field of wildlife protection, reproduction and use, the authorised authority in the field of fisheries and local executive authorities shall, on a quarterly basis, no later than the 15th day of the month following the reporting quarter, furnish the tax authorities at their location with information on fee payers and taxable objects in the form established by the authorised body.

Footnote. Article 580 as amended by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force upon expiry of sixty calendar days after the date of its first official publication).

Article 581. The fee payers

The fee payers are persons granted the right to special use of wildlife in the manner prescribed by the legislation of the Republic of Kazakhstan.

Article 582. Rates of the fee for the use of wildlife

1. The fee rates shall be determined in the amount divisible by MCI established by the law on the national budget and effective as of the date of payment of such a fee.

2. The rates of the fee for commercial, amateur and sport hunting in the Republic of Kazakhstan are as follows:

Item №	Species of wild animals	Fee rate, per one specimen (MCI)	
		commercial hunting	amateur and sport hunting
1	2	3	4

1.	Mammals:		
1.1.	moose (bull)	-	16
1.2.	moose (cow)	-	11
1.3.	moose (calf)	-	6
1.4.	maral (buck)	-	13
1.5.	maral (doe)	-	7
1.6.	maral (fawn)	-	4
1.7.	red deer (stag)	-	9
1.8.	red deer (hind)	-	5
1.9.	red deer (calf)	-	3,5
1.10.	roe deer (northern part of home range, buck)		4
1.11.	roe deer (northern part of home range, doe, fawn)	-	3
1.12.	roe deer (southern part of home range, buck)	-	3
1.13.	roe deer (southern part of home range, doe, fawn)	-	2
1.14.	Siberian ibex (billy)	-	4
1.15.	Siberian ibex (nanny, kid)	-	3,5
1.16.	musk deer	-	2
1.17.	boar (sow)	-	4
1.18.	boar (female, juvenile)	-	3
1.19.	saiga (buck)	4	5
1.20.	saiga (doe, fawn)	3	4
1.21.	Brown bear (except for Tienshan bear)	-	14
1.22.	European beaver, otter (except for Eurasian otter)	1	2
1.23.	sable	2	4
1.24.	marmots (except for Menzbier's marmot)	0,060	0,12
1.25.	muskrat	0,045	0,9
1.26.	badger, fox	0,10	0,20
1.27.	corsac fox	0,045	0,10
1.28.	American mink	0,12	0,25
1.29.	lynx (except for Turkestan lynx)	-	0,45
1.30.	hares (tolai, brown, white)	0,010	0,045
1.31.	raccoon dog, North American raccoon, wolverine, Alpine weasel, weasel, ermine, Siberian weasel, Russian polecat, squirrel	0,020	0,35

1.32.	Aral yellow souslik (large-toothed souslik)	0,015	0,025
1.33.	Wolf	0	0
1.34.	jackal	0	0
2.	Birds		
2.1.	diver (red-throated, black-throated)	0,015	0,030
2.2.	capercaillie	-	0,15
2.3.	black grouse	-	0,055
2.4.	Himalayan snowcock	-	0,20
2.5.	pheasant	0,020	0,060
2.6.	geese* (grey, white-fronted , bean), brant goose	0,020	0,045
2.7.	ducks* (roody shelduck, common shelduck, mallard, Baikal teal, European teal, grey, wigeon, pintail, garganey teal, shoveler, red-crested pochard, red-headed duck, tufted duck, bluebill, long-tailed duck, common goldeneye, king eider, scoter, magpie diver, red-breasted merganser, goosander)	0,010	0,020
2.8.	coot, northern lapwing, partridges (willow ptarmigan, ptarmigan, see-see partridge, European , Daurian), chokar, hazel grouse, pigeons (ring dove, stock dove, rock pigeon, blue hill pigeon), turtledove (common, eastern), waders (ruff, jack snipe, snipe, marsh snipe, pintail snipe, solitary snipe, double snipe, woodcock, curlew, whimbrel, black-tailed godwit, bar-tailed godwit)	0,005	0,010
2.9.	quail	0,005	0,010

Note.

* Except for the species entered into the Red Book of the Republic of Kazakhstan.

3. The rates of the fee for the use of species of animals that are objects of fishery are as follows:

Item №	Types of aquatic animals	Fee rates (MCI)	
		per one specimen	per one kg

1	2	3	4
1.	For commercial, scientific and reproductive purposes:		
1.1.	sturgeons (beluga, sturgeon, stellate sturgeon, sterlet, barbell sturgeon, Siberian sturgeon, Syrdarya sturgeon)		0,064
1.2.	herrings (shad, Brazhnikov's shad, black-backed), mullet, flounder, sprat		0
1.3.	salmon (rainbow trout, lenok, grayling, Caspian salmon, Aral salmon, taimen, nelma, white salmon)		0,017
1.4.	whitefishes (European cisco, vendace, peled, broad whitefish, muksun), long-pincered crayfish		0,012
1.5.	roach		0,004
1.6.	seal	1,93	
1.7.	large ordinary fish:		
1.7.1.	grass carp, sazan, carp, asp, bersh, catfish, burbot, silver carp, pike, snakehead, pike perch, kutum, pike asp, Aral barbel, Turkestan barbel		0,013
1.8.	small ordinary fish:		
1.8.1	bream, roach, chub, shemaya, podust, osman, ide, carp,perch, tench, common and Talas dace, rudd, silver bream, sawbelly, white-eye, blue bream, sabrefish, buffalo, marinka, Ili marinka (Ili population), Chuya silverfish, Balkhash perch (Balkhash-Ili population), Chatkal sculpin, Volga multirakered herring		0,004
2.	For sport and amateur (recreational) fishing:		
2.1.	with removal of:		
2.1.1.	large ordinary fish		0,017
2.1.2.	white sturgeon		6,5
2.1.3.	sturgeons		5,5

2.1.4.	whitefishes, salmons		0,042
2.1.5.	small ordinary fish		0,008
2.1.6.	crayfish	0,008	
2.2.	on a “catch and release” basis:		
2.2.1.	large ordinary fish		0,1
2.2.2.	sturgeons (white sturgeon, Russian sturgeon, stellate sturgeon, sterlet, thorn sturgeon)	4,97	
2.2.3.	whitefishes and salmons		0,27
2.2.4.	small ordinary fish		0,068

4. The rates of the fee for the use of species of animals used for other economic purposes (except for hunting and fishing) are as follows:

Item №	Animal species	Fee rates (MCI)	
		per one specimen	per one kg
1	2	3	4
1.	Mammals:		
1.1.	African wild cat	0,030	-
1.2.	forest dormouse	0,015	-
2.	Birds:		
2.1.	little, black-necked, horned , red-necked, great-crested grebe, cormorant, bittern, night heron, grey and purple heron	0,010	-
2.2.	great white heron	0,015	-
2.3.	oxeye, American and Eurasian golden plover, ringed plover, little ringed plover, Mongolian plover, Caspian plover, oriental plover, Kentish plover, dotterel, turnstone, rail, crake, little crake, marsh crake, moor hen, sandpiper, magpie, grey gull, wood sandpiper, greenshank, redshank, spotted redshank, marsh sandpiper, common sandpiper, Terek sandpiper, grey phalarope, red-necked phalarope, little stint, red-necked stint, long-toed stint, Temminck’s stint, curlew sandpiper, dunlin, sharp-tailed sandpiper, sanderling, broad-billed		-

	sandpiper, collared and black-winged pratincole, ringed turtledove, myna, yellow-billed chough, common starling, goldfinch, gold-fronted finch, roller, larks (crested, red-capped, Hume's short-toed, rufous, eastern short-toed, calandra, eastern calandra, white-winged, black, horned, wood, sky, Indian short-toed), hermit crow, rock thrush	0,005	
2.4.	goshawk	0,010	-
2.5.	sparrowhawk, scops-owl, little owl, owl, long-eared owl, short-eared owl, buzzard	0,045	-
3.	Reptiles:		
3.1.	Central Asian tortoise, pond turtle	0,020	-
3.2.	steppe agama, toad-headed agama, sunwatcher, plate-tailed gecko	0,010	-
3.3.	Central Asian viper	0,045	-
3.4.	Dione snake, Tatary sand and sand boa	0,035	-
3.5.	lake frog	0,005	-
4.	Aquatic invertebrates:		
4.1.	brine shrimp (cysts)	-	0,045
4.2.	gammarus, water flea	-	0,010
4.3.	leeches	-	0,030
4.4.	other aquatic invertebrates and cysts	-	0,005
4.5.	artemia	-	0,0043

Footnote. Article 582 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 583. The order for calculation and payment

1. The fee amount is calculated by the payers on the basis of the established rates and the number of animals or weight (for certain species of aquatic animals).

When calculating the fee amount for foreigners' hunting in the Republic of Kazakhstan, a coefficient of 10 is applied to the established rates.

2. The amount of the fee shall be paid to the budget at the place where the permit for the use of wildlife is received. Payment shall be made before obtaining a permit by transferring

through second-tier banks or organizations carrying out certain types of banking operations, with the exception of fees for the use of species of animals that are objects of commercial fishing, in excess of the amount of fees payable to the budget in the amount of more than 350 times the amount MCI for quotas for the withdrawal of commercial fishing objects of the current year.

Payment for the use of species of animals that are objects of commercial fishing, in excess of the amount of the fee payable to the budget in the amount of more than 350 times the MCI for the quotas for the withdrawal of commercial fishing objects of the current year shall be made in shares within the following terms:

until December 25 of the current year - 20 percent of the total quota issued in the current year;

until March 25 of the year following the year in which the quota was issued - 40 percent of the total quota issued in the current year;

until June 25 of the year following the year in which the quota was issued - 40 percent of the total quota issued in the current year.

Footnote. Article 583 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Paragraph 6. Payment for the use of forest and plant resources

Footnote. The title of paragraph 6 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (effective from 01.01.2024).

Article 584. General provisions

1. The fee for the use of plant and forest resources (hereinafter - in this paragraph as the fee) shall be charged:

for the use of plant resources on plots of all land categories, except for lands of the state forest fund and specially protected natural areas, in the order of special use during the procurement (collection) of wild plant species for pharmaceutical, food and technical needs;

for the following types of forest use on plots of the state forest fund:

1) timber harvest;

2) harvesting of resin and tree saps;

3) procurement of secondary forest materials (bark, branches, stumps, roots, leaves, buds of trees and shrubs);

4) collateral forest uses (haymaking, grazing, red deer breeding, animal breeding, placement of hives and apiaries, vegetable gardening, melon growing, gardening and growing other crops, harvesting and collection of medicinal plants and technical raw materials, wild fruits, nuts, mushrooms, berries and other food products, moss, forest litter and fallen leaves, reeds);

5) use of the state forest fund for:

cultural, recreational, tourist and sports purposes;

needs of the hunting sector;

6) use of the sites of the State Forest Fund for the cultivation of planting stock of trees and shrubs and special-purpose plantations.

2. For the purposes of this Chapter, forest use also includes the removal of rare and endangered plant species, their parts or derivatives on the basis of a relevant decision of the Government of the Republic of Kazakhstan.

When deciding on the removal of rare and endangered plant species from the environment , their parts or derivatives, the amount of such removals, the fee amount and the time period for its payment shall be established by the Government of the Republic of Kazakhstan for each individual case.

3. The right of forest use on the sites of the State Forest Fund shall be granted on the basis of a felling ticket and a forest ticket (hereinafter referred to as a permit) issued in accordance with the procedure and within the time limits established by the forest legislation of the Republic of Kazakhstan.

3-1. The right to use plant resources in the order of special use of the plant world shall be granted subject to payment of a fee for the use of plant resources in accordance with the tax legislation of the Republic of Kazakhstan and submission of a notification on the procurement (collection) of wild plants for pharmaceutical, food and technical needs.

4. Quarterly, on or before the 15th day of the second month following a reporting quarter, state forest owners (state forestry entities of local executive bodies; state forestry entities and state organizations of the authorized body for forestry; nature protection institutions of the authorized body for specially protected natural areas; state organizations of the authorized state body for transport state policy and the authorized body for motor roads in accordance with departmental subordination) submit information on the fee payers and taxable items to the tax authorities at their location in accordance with the form established by the authorized body.

4-1. Local executive bodies of regions, cities of republican significance and the capital shall, quarterly and no later than the 15th day of the second month following the reporting quarter (year), submit to the tax authorities at their location the information on payers of fees for the use of plant resources and taxable objects in the form established by the authorized body.

5. Authorized bodies in the field of forestry, specially protected natural areas and flora shall, annually and no later than the 15th day of the second month following the reporting year, submit to the tax authorities at their location the information on payers of fees, the amount of which is determined in accordance with paragraph 2 of this Article, and taxable objects in the form established by the authorized body.

Footnote. Article 584 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2024).

Article 585. The fee payers

1. The fee payers are:

state forest owners and persons entitled to forest use in the manner prescribed by the Forest Code of the Republic of Kazakhstan;

persons entitled to remove rare and endangered plant species, their parts or derivatives on the basis of a relevant decision of the Government of the Republic of Kazakhstan;

persons engaged in procurement (collection) of wild plant species for pharmaceutical, food and technical needs.

2. The following shall not be liable to pay the fee:

forest owners who use forests on privately owned forest land or land under long-term land use rights under the Land Code of the Republic of Kazakhstan, when obtaining forest use rights for the specific purpose of forest cultivation;

state forest owners and persons who have obtained forest use rights under the procedure established by the Forest Code of the Republic of Kazakhstan, performing intermediate use logging and other logging on areas affected by fires, if the area of such fires exceeded one hundred hectares.

Footnote. Article 585 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (effective from 01.01.2024); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 586. Item subject to the fee

Items subject to the fee shall be:

the volume of procurement (collection) of wild plant species for pharmaceutical, food and technical needs outside the territory of the state forest fund and specially protected natural areas;

the volume of forest use and (or) the area of state forest fund plots provided for use, including in specially protected natural areas, with the exception of:

1) the volume of timber left standing during thinning operations to maintain the composition and shape of plantations, as well as to regulate their density in young stands (thinning, clearing) and felling associated with the reconstruction of low-value forest stands and landscape formation, as well as during intermediate use felling and other felling in areas affected by fires, if the area of such fires exceeded one hundred hectares;

2) the volume of wood resources, resin, secondary forest materials removed for scientific research;

3) the volume of woody and shrub species sold by forest owners during intermediate use logging and other logging operations in areas affected by fires, if the area affected by such fires exceeded one hundred hectares.

Footnote. Article 586 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (effective from 01.01.2024); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 587. Payment rates for the use of forest and plant resources

Footnote. The title of Article 587 is in the wording of the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (effective from 01.01.2024).

1. Fee rates, excepting those specified in paragraph 2 of this article, shall be established by local representative bodies of oblasts, cities of republican status and the capital on the basis of calculations of local executive bodies of oblasts, cities of republican status and the capital, drawn up in accordance with the procedure determined by the authorized bodies for forestry and conservation, protection, restoration and use of plants.

2. The rates of the fee for standing timber are determined in the amount divisible by MCI established by the law on the national budget and effective as of the first day of a relevant financial year, in which the right to forest use arises, per one solid cubic meter and is as follows:

Item №	Species of trees and shrubs	Merchantable wood with respect to the diameter of the trunk's top end, without bark (MCI)			Firewood in bark (MCI)
		large (25 cm and more)	medium-size (from 13 to 24 cm)	small (from 3 to 12 cm)	
1	2	3	4	5	6
1.	Pine	1,48	1,05	0,52	0,21
2.	Shrenk's spruce	1,93	1,37	0,68	0,27
3.	Siberian spruce, fir	1,34	0,95	0,48	0,16
4.	Larch	1,19	0,85	0,41	0,15
5.	Cedar	2,67	1,91	0,93	0,23
6.	Juniperus arborescens (archa)	1,79	1,26	0,63	0,27
7.	Oak, ash tree	2,67	1,91	0,93	0,41
8.	Black alder, maple, elm, linden	0,60	0,42	0,21	0,14
9.	Saksaul				0,60
10.	Birch	0,69	0,48	0,23	0,16
11.	Aspen, willow tree, poplar	0,52	0,37	0,18	0,11
12.	Walnut, pistachio	3,24	2,32	1,15	0,35
13.	Apricot, white acacia, cherry-plum, hawthorn, cherry, oleaster, mountain ash,	1,90	1,35		0,23

	plum, bird cherry, mulberry, apple, other tree species			0,68	
14.	Juniper, dwarf pine			0,34	0,18
15.	Tamarisk			0,3	0,25
16.	Yellow acacia, willow shrubs, sea buckthorn, calligonum, salt tree and other shrubs			0,19	0,12

3. The following coefficients apply to the rates of the fee:

1) depending on the remoteness of cutting areas from public roads:

№	Remoteness	Coefficient
1	2	3
1.	up to 10 km	1,30
2.	10,1 - 25 km	1,20
3.	25,1 - 40 km	1,00
4.	40,1 - 60 km	0,75
5.	60,1 - 80 km	0,55
6.	80,1 - 100 km	0,40
7.	over 100 km	0,30

The remoteness of a cutting area from public roads is determined by cartographic materials as the shortest distance from the center of a cutting area to a road and is adjusted for the terrain relief using the following coefficients:

flat relief - 1,1;

hilly relief or swamp - 1,25;

mountainous relief - 1,5;

2) in case of intermediate cutting - 0.6;

3) in case of selective final cutting - 0.8;

4) if timber is sold at hillsides with a slope of more than 20 degrees - 0.7.

4. The amount of the rate of the fee for felling residues (crown firewood) left after the sale of standing timber shall be 20 percent of the rate for firewood of the same tree species specified in paragraph 2 of this article.

5. Fee rates for the use of plant resources located outside the territory of the state forestry fund and specially protected natural areas shall be determined in the amount that is a multiple of the MCI established by the law on the republican budget and valid on the first day of the corresponding financial year in which the right to use arises, for one kilogram.

Footnote. Article 587 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (effective from 01.01.2024).

Article 588. The order for calculation and payment

1. The fee amount for forest use shall be calculated by state forest owners and indicated in the permit document, with the exception of the fee, the amount of which is established in accordance with paragraph 2 of this article.

1-1. The fee amount for the use of plant resources outside the territory of the state forest fund and specially protected natural areas shall be calculated by local executive bodies of oblasts, cities of republican status, and the capital.

2. The fee is determined:

when selling standing timber - based on the volume of forest use and fee rates with account of the coefficients established by Article 587 of this Code;

for other types of forest use, except for forest uses, the amount of the fee for which is determined in accordance with paragraph 2 of Article 587 of this Code - based on the volume and (or) the area of forest use, the rates of the fee for other types of forest use established by local representative bodies of the regions, cities of national significance and the capital.

3. The fee amount for forest use shall be paid to the budget at the location of the forest use objecty within the following terms:

1) in case of long-term forest use – quarterly, on or before the 20th day of a month following a reporting quarter, in equal parts of the total amount of annual forest use volume;

2) in case short-term forest use - before or on the day of obtaining permits. In this case, there shall be an indication of the payment made in the permit, specifying the details of a payment document;

3) for the sale of standing timber - quarterly, on or before the 15th day of a month following a reporting quarter, in equal parts of the annual amount of the fee for the issued felling tickets;

4) for the removal of rare and endangered plant species, their parts or derivatives - within the time limits established on the basis of a relevant decision of the Government of the Republic of Kazakhstan in each individual case.

3-1. The payment amount for the use of plant resources outside the territory of the state forest fund and specially protected natural areas shall be paid to the budget at the location of the object of use quarterly in equal shares of the annual payment amount no later than the 20th day of the month following the reporting quarter.

4. If in case of sale of standing timber, resin, tree saps and secondary forest materials, the total quantity of standing timber, resin, tree saps and secondary forest materials does not coincide with the quantity (area) indicated in a felling ticket, state forest owners shall recalculate the amount of the fee for actually harvested volume. The amount of the recalculated fee shall be paid within the next scheduled period of its payment.

5. The amount of the fee for residual stand intended for felling in the next scheduled period, as well as for cutting areas where felling hasn’t been commenced in a previous year, shall be paid in the manner prescribed by Article 587 of this Code.

6. The fee amount is paid either by transfer through second-tier banks or organizations carrying out certain types of banking operations or in cash at cash desks of state forest owners using accountable forms in accordance with the procedure established by the authorized body for forestry.

State forest owners shall deliver the fee amounts received in cash to second-tier banks or organizations carrying out certain types of banking operations not later than the next business day of the day the money was received for its subsequent transfer to the state budget. If daily cash receipts are less than 10 times the MCI, the money is transferred to the budget once in three operational days of the day the money was received.

7. When individuals pay the fee amount in cash, state forest owners are required to indicate their business identification number on accountable forms.

Footnote. Article 588 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (effective from 01.01.2024).

Clause 7. Fee for the use of specially protected natural areas

Footnote. Paragraph 7 is excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 119-VIII (shall come into effect upon expiry of ten calendar days after the day of its first official publication).

Clause 8. Fee for the use of the radio-frequency spectrum

Article 593. General provisions

1. The fee for the use of the radio-frequency spectrum (for the purposes of this Clause, hereinafter referred to as the fee) is charged for the parts (bands, ranges) of the radio-frequency spectrum (hereinafter referred to as the radio-frequency spectrum) allocated by the authorized state body for the state policy in the field of communications.

2. The right to use the radio-frequency spectrum is certified by permits issued by the authorized state body for the state policy in the field of communications in accordance with the procedure established by the Law of the Republic of Kazakhstan “On Communication”.

3. The amounts of a one-off fee for carrying out entrepreneurial activity on rendering services in the field of communications with the use of the radio-frequency spectrum, payable to the budget in accordance with the Law of the Republic of Kazakhstan “On Communication ”, shall not be applied against the fee.

4. Territorial subdivisions of the authorized state body for the state policy in the field of communications shall submit to the tax authorities at the payers’ location information on the payers, taxable items, issued permits, the period of their validity, amendments and additions to the issued permits, notifications to taxpayers and the fee amounts in accordance with the procedure established by the authorized body, within the following time limits:

1) in the case provided for by part one of paragraph 3 of Article 596 of this Code – on or before February 25 of a taxable period;

2) in the case provided for by part two of paragraph 3 of Article 596 of this Code – on or before the 25th day of a month following the month of the taxpayer's receipt of a permit to use the radio-frequency spectrum.

5. On or before the 25th day of a month following a reporting quarter, territorial subdivisions of the authorized state body for the state policy in the field of communications shall submit to the tax authorities at the payers' location information on payers of a one-off fee for carrying out entrepreneurial activity on rendering services in the field of communications with the use of the radio-frequency spectrum, the amounts of such a one-off fee payable to the budget and the time limits for its payment in accordance with the procedure established by the authorized body.

Article 594. The fee payers

1. The fee payers are persons granted the right to use the radio-frequency spectrum as prescribed by the legislation of the Republic of Kazakhstan.

2. By its decision, a legal entity has the right to recognize its structural unit as an independent fee payer.

The decision of a legal entity or its cancellation shall be put into effect from January 1 of a year following the year of such a decision.

If a legal entity recognized its newly established structural unit as an independent fee payer by its decision, this decision shall be put into effect from the date of establishment of this structural unit or from January 1 of a year following the year of establishment of this structural unit.

3. The fee is not paid by:

1) state institutions using the radio-frequency spectrum to perform their main functional duties;

2) payers of the fee collected for issuing the permit to use the radio-frequency spectrum specified in subparagraph 4) of paragraph 3 of Article 550 of this Code;

3) owners of MW-range radio stations (27 MHz) for the frequencies used for one station.

Article 595. The fee rates

1. The annual fee rates shall be determined in the amount divisible by MCI established by the Law on the republican budget and effective as of the first day of a taxable period.

2. The annual fee rates for the following types of radio communications shall be:

№	Types of radio communication	Territory of use	Fee rate (MCI)
1	2	3	4
1.	Radio systems of personal radio call (for a 25 kHz wide frequency assignment)	region, city of republican significance and capital city	10

2.	Trunking communication (for a radio channel with a width of 25 kHz for reception / 25 kHz for transmission)		
2.1.		city of republican significance and capital city	140
2.2.		a settlement with a population of over 50,000 people	80
2.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	10
3.	VHF radio communication (for a duplex channel with a width of 25 kHz for reception / 25 kHz for transmission)		
3.1.		city of republican significance and capital city	80
3.2.		a settlement with a population of over 50,000 people	60
3.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	15
4.	VHF radio communication (per 25 kHz simplex channel)		
4.1.		city of republican significance and capital city	30
4.2.		a settlement with a population of over 50,000 people	20
4.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	10

5.	KB communication (per frequency assignment) with transmitter output power: - up to 50 W; - over 50 W	region, city of republican significance and capital city	10 20
6.	Radio extenders (per channel)	region, city of republican significance and capital city	2
7.	Cellular (per 1 MHz band for receive/1 MHz for transmit	region, city of republican significance and capital city	2300
8.	Global Personal Mobile Satellite (per 100 kHz duplex receive/100 kHz transmit)	The Republic of Kazakhstan	20
9.	Satellite communications with HUB technology (beyond the 100 kHz receive/100 kHz transmit bandwidth used on the HUB)	The Republic of Kazakhstan	30
9.1.	Satellite communications using non-geostationary satellites (for bandwidth of 2 MHz for reception / 2 MHz for transmission, per one transceiver of the gateway station)	The Republic of Kazakhstan	
10.	Satellite communication without HUB technology (for frequencies used by one station)	The Republic of Kazakhstan	100
11.	Radio relay lines (per duplex trunk on one span):		
11.1.	Local	district, city, township, village, rural district	40
11.2.	zone and trunk	The Republic of Kazakhstan	10
12.	Wireless radio access systems (for a duplex channel with a width of 25 kHz for reception /25 kHz for transmission)		
12.1.		a settlement with a population of over 50,000 people	25
12.2.		other administrative-territorial units (city of district significance, district,	2

		settlement, village, rural district)	
13.	Wireless radio access systems using BSS technology (for a duplex channel with a width of 2 MHz for reception /2 MHz for transmission)		
13.1.		city of republican significance and capital city	140
13.2.		a settlement with a population of over 50,000 people	70
13.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	5
14.	Terrestrial-cable television (for the frequency band 8 MHz)		
14.1.		a settlement with a population of over 200,000 people	300
14.2.		a settlement with a population of 50,000 to 200,000 people	135
14.3.		a city of district significance with a population of up to 50 thousand people, a district	45
14.4.		other administrative-territorial units (settlement, village, rural district)	5
15.	Maritime radio communications (radio modem, shore communications, telemetry, radar, etc.), per radio channel	region	10
16.	5G/IMT cellular communications (for a frequency band width of 5 MHz for reception/5 MHz for transmission)	region, city of national importance and the capital	1150

3. The annual fee rates for digital terrestrial television and radio broadcasting are as follows:

Item№	Frequency band for digital terrestrial television and radio broadcasting	Coveragearea	Feerate (MCI)
1	2	3	4
1.	Television/VHF band		
1.1.	Power of radio-electronic transmitter up to 50 W inclusive	city of republican significance and capital	81
		region	15
1.2.	Power of radio-electronic transmitter up to 250 W inclusive	city of republican significance and capital	361
		region	65
1.3.	Power of radio-electronic transmitter up to 500 W inclusive	city of republican significance and capital	957
		region	174
1.4.	Power of radio-electronic transmitter up to 1 000 W inclusive	city of republican significance and capital	1 353
		region	245
1.5.	Power of radio-electronic transmitter over 1 000 W	city of republican significance and capital	2 344
		region	425
2.	Television/UHF band		
2.1.	Power of radio-electronic transmitter up to 50 W inclusive	city of republican significance and capital	51
		region	9
2.2.	Power of radio-electronic transmitter up to 250 W inclusive	city of republican significance and capital	228
		region	41
2.3.	Power of radio-electronic transmitter up to 500 W inclusive	city of republican significance and capital	605
		region	110
2.4.	Power of radio-electronic transmitter up to 1 000 W inclusive	city of republican significance and capital	855
		region	155
2.5.	Power of radio-electronic transmitter over 1 000 W	city of republican significance and capital	1 481
		region	269

4. If the radio-frequency spectrum is used for pilot operation, competitions, exhibitions and other events for a period of up to six months inclusive, the fee amount shall be determined by the type of radio communication, the area of coverage by the radio-frequency spectrum and the power of a radio-electronic transmitter and shall correspond to the period of its actual use, but shall not be less than 1/12 of the annual fee rate.

In case of using technology with a duplex (simplex) channel with a bandwidth different from that specified in paragraphs 2 and 3 of this Article, the fee rates shall be determined on the basis of the proportion of the bandwidth of the duplex (simplex) channel actually applied by the payer to the bandwidth of the duplex (simplex) channel specified in paragraphs 2 and 3 of this Article.

In case of using broadband signal technology, the fee shall be charged for a bandwidth of 2 MHz to receive/2 MHz to transmit.

Footnote. Article 595 is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 № 210-VI (shall be enforced from 01.01.2019); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 596. The order for calculation and payment

1. The fee amount is calculated by the authorized state body for the state policy in the field of communications in accordance with technical parameters, including the power of a radio-electronic transmitter, specified in permits, based on the annual fee rates, depending on the type of radio communication and the area of coverage by the radio frequency spectrum.

2. If the period of use of the radio-frequency spectrum within a taxable period is less than one year, the fee amount is determined by dividing the fee amount, calculated for a year, by twelve and multiplying the quotient by the corresponding number of months of actual period of use of the radio-frequency spectrum within a year.

In this case, the actual period of use of the radio-frequency spectrum is determined as the one running from the beginning of a taxable period (if the right to use the radio-frequency spectrum on the basis of a permit was in effect (arose) as of the date of the beginning of the taxable period) or from the 1st day of the month, in which such right arose, until the 1st day of the month, in which such right shall be (was) terminated, or until the end of a taxable period (if such right was available (in effect) as of the date of the end of the taxable period).

3. The authorized state bodies for the state policy in the field of communications issue a notice indicating the annual fee amount and send it to the payers on or before February 20 of a current reporting period.

If a permit certifying the right to use the radio-frequency spectrum was obtained after the specified date, the authorized state body for the state policy in the field of communications

sends a notice to a taxpayer indicating the fee amount on or before the 20th day of a month following the month, in which the taxpayer received a permit to use the radio-frequency spectrum.

4. Unless otherwise established by this paragraph, the annual fee shall be paid to the state budget at the location of a payer in equal parts on or before March 25, June 25, September 25 and December 25 of a current year.

If a permit certifying the right to use the radio-frequency spectrum was obtained after one of the above deadlines for the payment, the first deadline for the payment to the state budget shall be the next scheduled payment date after receiving the notice specified in paragraph 3 of this article.

At the same time, the amount of the fee payable to the state budget is redistributed in equal parts among the forthcoming payment dates in a current taxable period.

5. Foreigners, stateless persons and non-resident legal entities, not operating in the Republic of Kazakhstan and not registered as taxpayers of the Republic of Kazakhstan, pay the fee to the budget at the location of the authorized state body for the state policy in the field of communications for the entire period of validity of the right to use the radio-frequency spectrum specified in a permit for the use of the radio-frequency spectrum, but not less than for 1 month, on or before the 25th day of a month following the month, in which such a permit was obtained.

Article 597. Taxable period

A taxable period is determined in accordance with Article 314 of this Code.

Clause 9. Fee for the provision of long-distance and (or) international telephone communication, as well as cellular communication

Article 598. General provisions

1. The fee for the provision of long-distance and (or) international telephone communication, as well as cellular communication (for the purposes of this Clause, hereinafter referred to as the fee) is charged for the right to provide:

1) long-distance and (or) international telephone communication;

2) cellular communication.

2. The right to provide long-distance and (or) international telephone communication, as well as cellular communication, is certified by permits issued by the authorized state body for the state policy in the field of communications in the manner prescribed by the legislation of the Republic of Kazakhstan.

3. Territorial subdivisions of the authorized state body for the state policy in the field of communications shall submit information on the payers, items subject to the fee, issued

permits, the period of their validity, alterations and additions to issued permits to tax authorities in accordance with the procedure established by the authorized body, within the following time limits:

1) in the case established by part one of paragraph 3 of Article 602 of this Code – on or before February 25 of a taxable period;

2) in the case established by part two of paragraph 3 of Article 602 of this Code – on or before the 25th day of a month following the month, in which a taxpayer obtained a permit to provide long-distance and (or) international telephone communication, as well as cellular communication.

Article 599. The fee payers

The fee payers are legal entities that are operators of long-distance and (or) international telephone communication, as well as cellular communication, whose right to provide long-distance and (or) international telephone communication, as well as cellular communication, was granted to them in the manner established by the Law of the Republic of Kazakhstan "On Communication".

Article 600. Taxable period

A taxable period for the fee calculation is a calendar year from January 1 through December 31.

Article 601. The fee rates

The fee rates are established by the Government of the Republic of Kazakhstan.

Article 602. The order for calculation and payment

1. The fee amount is calculated by the authorized state body for the state policy in the field of communications on the basis of the payers' income from the provision of electric communication (telecommunications) services for a previous year and the established fee rates of payment.

2. If a period for providing long-distance and (or) international telephone communication, as well as cellular communication, within a reporting taxable period is less than one year, the fee amount is determined by dividing the fee amount calculated for a year by twelve and multiplying the quotient by the actual number of months of provision of long-distance and (or) international telephone communication, as well as cellular communication, within a reporting period.

In this case, the actual period for the provision of long-distance and (or) international telephone communication, as well as cellular communication, within a reporting taxable period is determined from the beginning of a taxable period (if the right to provide long-distance and (or) international telephone communication, as well as cellular communication, based on a permit was in effect (arose) as of the date of the beginning of the

taxable period) or from the 1st day of the month, in which such right arose, until the 1st day of the month, in which such right is terminated, or until the end of the taxable period (if such right was available (in effect) as of the end date of the taxable period).

3. The authorized state body for the state policy in the field of communications shall issue a notice indicating the annual fee amount and send it to a payer on or before February 20 of a current reporting period.

If a permit certifying the right was obtained after the date established by part one of this paragraph, the authorized state body for the state policy in the field of communications sends a notice to a payer indicating the fee amount on or before the 20th day of a month following the month, in which a taxpayer obtained a permit to provide long-distance and (or) international telephone communication, as well as cellular communication.

4. Unless otherwise established by this paragraph, the annual fee shall be paid to the budget at the location of the payer in equal parts on or before March 25, June 25, September 25 and December 25 of a current year.

If a permit certifying the right to provide long-distance and (or) international telephone communication, as well as cellular communication, is obtained after one of the above dates for the fee payment, the first date for making the payment to the budget is the next scheduled payment date after the receipt of the notice specified in paragraph 3 of this article.

At the same time, the fee amount to be paid to the budget is redistributed in equal parts among the forthcoming payment dates in a current year.

Clause 10. Fee for the placement of outdoor (visual) advertising

Article 603. General provisions

1. The fee for the placement of outdoor (visual) advertising (for the purposes of this Clause, hereinafter referred to as the fee) shall be charged for the placement of outdoor (visual) advertising outside premises in the settlements, in a right-of-way of public roads, in the open, outside premises outside settlements and outside a right-of-way of public roads.

2. In case of non-direction appropriate notification, a ground for collecting and transferring the fee amount to the budget shall be actual placement of outdoor (visual) advertising.

3. Local executive authorities monthly, on or before the 15th day of a month following a reporting one shall submit information on the fee payers, amounts of fee, the period and place of outdoor (visual) advertising, direction (non-direction) of notification to the tax authorities at the place of outdoor (visual) advertising in the form established by the authorized agency.

Footnote. Article 603 is in the wording of the Law of the Republic of Kazakhstan dated 08.01.2019 № 215-VI (shall be enforced upon expiry of three months after its first official publication).

Article 604. The fee payers

1. The fee payers are persons that place outdoor (visual) advertising.

2. By its decision, a legal entity has the right to recognize its structural unit as an independent fee payer.

The decision of a legal entity or its cancellation shall be put into effect from January 1 of a year following the year of such a decision.

If a legal entity recognized its newly established structural unit as a fee payer, such a decision shall be put into effect from the date of establishment of this structural unit or from January 1 of a year following the year of establishment of this structural unit.

3. The state bodies of the Republic of Kazakhstan shall not pay the fee for the placement of outdoor (visual) advertising, which is required to perform their functional duties assigned to them.

Article 605. The fee rates

1. The fee rates are determined in the amount divisible by MCI established by the law on the national budget and effective as of the first day of a relevant calendar month of the placement of outdoor (visual) advertising.

2. Monthly basic rates of the fee for placement of outdoor (visual) advertising in a right-of-way of public roads of international and republican significance with the area of the placed outdoor (visual) advertising up to three square meters, are as follows:

Item №	Road category	Fee rate (MCI)
1	2	3
1.	Approaches to a city	8
2.	I, II	7
3.	III	3
4.	IV	2

If the area of outdoor (visual) advertising is three or more square meters, monthly basic rates of the fee are raised in proportion to the increase in the area of a side of the placed outdoor (visual) advertising with respect to the three square meters.

3. Monthly basic rates of the fee for placement of outdoor (visual) advertising in the open, outside premises in settlements, in a right-of-way of public roads of regional and district significance, in the open, outside premises outside settlements and outside a right-of-way of public roads shall be determined on the basis of the location and area of a side of outdoor (visual) advertising:

Item№	Types of outdoor (visual) advertising	Fee rates for one side of outdoor (visual) advertising (MCI)		
		in city of republican significance and capital	in city of regional significance and in a right-of-way of public roads of regional significance	in city of district significance, village, rural settlement and in a right-of-way of public of district significance, outside settlements and outside a

				right-of-way of public roads
1	2	3	4	5
1.	Outdoor (visual) advertising up to 2 sq.m, except for outdoor (visual) advertising distributed through video picture	2	1	0,5
2.	Light boxes (city format)	3	2	1
3.	Outdoor (visual) advertising, except for outdoor (visual) advertising distributed through video picture with the area:			
3.1.	from 2 up to 5 sq.m	5	3	1
3.2.	from 5 up to 10 sq.m	10	5	2
3.3.	from 10 up to 20 sq.m	20	10	3
3.4.	from 20 up to 30 sq.m	30	15	5
3.5.	from 30 up to 50 sq.m	50	20	7
3.6.	from 50 up to 70 sq.m	70	30	12
3.7.	over 70 sq.m	100	50	25
4.	Rooftop illuminated outdoor (visual) advertising (dynamic LED light panels or neon volumetric letters):			
4.1.	up to 30 sq.m	30	20	6
4.2.	over 30 sq.m	50	30	8
5.	Outdoor (visual) advertising on stall, awnings, tents, sheds, umbrellas, flags, pennants, standards, outdoor furniture (equipment), except for outdoor (visual) advertising, distributed through video picture:			

5.1.	up to 5 sq.m	1	1	0
5.2.	from 5 up to 10 sq.m	2	1	0
5.3.	over 10 sq.m	3	2	1
6.	Outdoor (visual) advertising on temporary kiosks except for outdoor (visual) advertising, distributed through video picture:			
6.1.	up to 2 sq.m	2	1	0
6.2.	from 2 up to 5 sq.m	2	1	0
6.3.	from 5 up to 10 sq.m	3	2	1
6.4.	over 10 sq.m	8	4	2
7.	Portablemobileadvertising	10	5	1
8.	Outdoor (visual) advertising, distributed through video picture:			
8.1.	under 20 sqm	20	14	6
8.2.	over 20 sqm	30	24	16
9.	Outdoor (visual) advertising distributed through a scrolling line	3	2	1

Local representative authorities of regions, cities of republican significance and capital for outdoor (visual) advertising placed in open space outside the premises in settlements and in a right-of-way of public of regional significance shall have the right to increase the base monthly rates not more than two times depending on the location of the outdoor (visual) advertising.

Note. The side where outdoor (visual) advertising is placed shall mean the side of the outdoor (visual) advertising object based on the location and area of the side of outdoor (visual) advertising, regardless of the number of outdoor (visual) advertising placed, including images, video images, creeping lines in Kazakh and Russian languages.

Footnote. Article 605 as amended by the Law of the Republic of Kazakhstan dated 08.01.2019 № 215-VI (shall be enforced upon expiry of three months after its first official publication); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 606. The order for calculation, payment and payment dates

1. The fee amount shall be calculated on the basis of the fee rates and the actual period of placement of outdoor (visual) advertising:

1) specified in notification;

2) established by the local executive authority of city of republican significance, capital, city of regional significance and district - in the case of placement of outdoor (visual) advertising without notification.

When placing outdoor (visual) advertising for less than one calendar month, the fee amount is determined as that for one calendar month.

2. The fee amount payable to the state budget shall be paid monthly, no later than the 25 day of the current month.

In this case, if outdoor (visual) advertising is placed on the basis of a notification, the fee for the first month of placement of advertising shall be paid prior to the receipt of such a notification.

3. When receiving a notification, the fee payers shall attach a document confirming the payment to the budget of the fee amount for the first month of placement of outdoor (visual) advertising to the local executive authorities of cities of republican significance, capital, cities of regional significance and districts.

4. The fee amount is paid to the budget at the place of placement of outdoor (visual) advertising.

Footnote. Article 606 as amended by the Law of the Republic of Kazakhstan dated 08.01.2019 № 215-VI (shall be enforced upon expiry of three months after its first official publication.

Paragraph 11. Payment for digital mining

Footnote. Chapter 69 was supplemented with paragraph 11 in accordance with the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall be enforced from 01.01.2022).

Article 606-1. General provisions

1. The fee for digital mining (hereinafter for the purposes of this paragraph) shall be charged for the amount of electrical energy consumed during digital mining.

2. Excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Footnote. Article 606-1 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 606-2. Fee payers

For the purposes of this chapter, fee payers shall be persons:

engaged in digital mining on the territory of the Republic of Kazakhstan;

providing complex computing infrastructure services for performing computing operations and data processing to persons engaged in digital mining.

Footnote. Article 606-2 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

Article 606-3. The fee rates

1. Unless otherwise provided by this article, for the purposes of digital mining, fees shall be calculated at the rate of 2 tenge per 1 KWh of consumed electrical energy during the reporting period.

2. For the purposes of digital mining, the fee shall be calculated at the rate of 1 tenge per 1 KWh of consumed electrical energy when using electrical energy produced from renewable sources of electrical energy at own power plants on the territory of the Republic of Kazakhstan or from generating installations not connected to the unified electrical power system of the Republic Kazakhstan.

3. In the absence of control devices for metering the electric energy consumption volume and (or) if they are in disrepair for the purpose of digital mining, the volume of consumed electric energy shall be calculated based on the round-the-clock consumption of the maximum capacity of electric energy.

4. excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Footnote. Article 606-3 - as amended by the Law of the Republic of Kazakhstan dated 11.07.2022 №135-VII (shall be enforced from 01.01.2023); as amended by the laws of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (shall be enforced from 01.01.2024); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 606-4. Tax period and tax declaration

1.The tax period for calculating the fee shall be a quarter.

2.The declaration shall be provided to the tax authority at the taxpayer's location on a quarterly basis no later than the 15th day of the second month following the reporting quarter.

Footnote. Article 606-4 - as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 606-5. Calculation and payment procedure

1. The amount of the fee shall be calculated by the fee payers based on the actual volumes of electric energy consumed in the course of digital mining and the established fee rate.

2. Fee payers shall pay the current fee amounts to the budget on a quarterly basis no later than the 25th day of the second month following the reporting quarter.

3. The amount of the fee is payable to the budget at the taxpayer's location.

Footnote. Article 606-5 - as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Chapter 70. STATE DUTY. CONSULAR FEE Clause 1. State duty

Article 607. General provisions

1. The state duty is a payment to the budget charged for committing legally significant actions, including those related to the issuance of documents (their copies, duplicates) by authorized state bodies or their officials.

2. Quarterly, on or before the 20th day of a month following a reporting quarter, the authorized state bodies or their officials shall submit information on the state duty payers and the state duty amounts calculated by them to the tax authority at the place of their location in accordance with the procedure established by the authorized body.

Article 608. State duty payers

1. The state duty payers are persons applying to authorized state bodies or their officials for the commission of legally significant actions.

2. By its decision, a legal entity has the right to assign the obligation to pay the state duty to its structural unit if legally significant actions were committed by relevant authorized bodies in the interest of such a structural unit.

Article 609. Items subject to the duty

1. The state duty is collected on:

1) on citizens' appeals lodged with the Constitutional Court of the Republic of Kazakhstan, administrative claims, statements of claim, statements of special proceedings, statements (complaints) in cases of special proceedings, applications for the issuance of a court order, applications for the issuance of a duplicate writ of execution, applications for writs of execution for the forced execution of arbitration decisions and foreign courts, petitions to cancel an arbitration decisions, applications for the re-issuance of copies of judicial acts, writs of execution and other documents;

2) for performing notarial acts, as well as for issuing copies (duplicates) of notarised documents by authorised persons, as stipulated by the Law of the Republic of Kazakhstan " On Notaries";

3) is excluded by Law of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (shall be enforced from 01.07.2023).

4) the execution of documents for departure from the Republic of Kazakhstan for permanent residence;

5) issuing invitations to foreigners and stateless persons for their entry into the Republic of Kazakhstan on private visit, on accepting and coordinating host parties' invitations for issuing visas to the Republic of Kazakhstan;

6) issuing, restoring or extending visas in the territory of the Republic of Kazakhstan to foreigners and stateless persons enabling them to leave and enter the Republic of Kazakhstan;

7) executing documents on acquisition of citizenship of the Republic of Kazakhstan, restoration of citizenship of the Republic of Kazakhstan and termination of citizenship of the Republic of Kazakhstan;

8) issuing (re-registering) a hunter's certificate (duplicate of a hunter's certificate);

9) for issuance:

permits for import into the territory of the Republic of Kazakhstan, export and (or) re-export from the territory of the Republic of Kazakhstan of flora objects, their parts and

derivatives, subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora;

permits for the import into the territory of the Republic of Kazakhstan, export and (or) re-export from the territory of the Republic of Kazakhstan of animal species falling under the Convention on International Trade in Endangered Species of Wild Fauna and Flora;

conclusion (permitting document) for the export from the customs territory of the Eurasian Economic Union of certain wild plants and wild medicinal raw materials, including rare and endangered ones;

conclusion (permitting document) for the export of wild animals from the customs territory of the Eurasian Economic Union, including rare and endangered animals;

10) for issuance of identity documents, with the exception of a refugee certificate;

11) issuing permits to purchase, keep or keep and bear, transport civilian, service weapons and cartridges thereto;

12) issuing opinions on importation of civilian, service weapons and cartridges thereto into the territory of the Republic of Kazakhstan and their exportation from the territory of the Republic of Kazakhstan;

13) is excluded by Law of the Republic of Kazakhstan № 272-VI dated November 25, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

14) registering and re-registering each unit of civilian, service weapons of individuals and legal entities (except for melee hunting, signal weapons, pressure sprayers, aerosol and other devices with tear or irritant agents, air weapons with muzzle energy under 7.5 J and caliber up to 4.5 mm inclusive);

15) affixing an apostille to official documents executed in the Republic of Kazakhstan in accordance with an international treaty ratified by the Republic of Kazakhstan by state bodies authorized thereto by the Government of the Republic of Kazakhstan;

16) issuing driver licenses, tractor driving certificates, certificates of state registration of motor vehicles;

17) for the issuance of state registration plates (duplicates), except state registration plates for a car that has been stored for a period not exceeding the period established for their storage by the legislation of the Republic of Kazakhstan on state registration plates recording;

18) legally significant actions, provided for by Article 614 of this Code, committed by the authorized state body for intellectual property;

19) issuing a permit to conduct international carriage of goods by road and its duplicate;

20) issuing a seafarer's identity document, a seaman's book of the Republic of Kazakhstan and a professional diploma;

21) issuing a permit to purchase civilian pyrotechnic substances and products and use them;

22) for issuing a permit for permanent residence in the Republic of Kazakhstan.

2. The state duty rates shall be determined in the amount divisible by the monthly calculation index established by the law on the national budget and effective as of the date of payment of the state duty (hereinafter referred to as MCI in this Chapter) or as a percentage of the amount of a lawsuit, unless otherwise established by Article 610 of this of the Code.

Footnote. Article 609 as amended by laws of the Republic of Kazakhstan № 268-VI dated 10.28.2019 (shall be enforced upon expiry of twenty one calendar days after the day of its first official publication); № 272-VI dated November 25, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 06.02.2023 № 196-VII (shall be enforced from 01.07.2023); № 208-VIII of 15.07.2025 (shall become effective upon expiry of sixty calendar days after the date of its first official publication).

Article 610. State duty rates in the Constitutional Court of the Republic of Kazakhstan and in courts

Footnote. The title of Article 610 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024).

1. From administrative claims filed with the court, claims, statements of special claim proceedings, applications (complaints) on special proceedings cases, applications for issuing a court order, applications for issuing a duplicate writ of execution, applications for issuing a writ of execution for the enforcement of arbitration and foreign courts' decisions, applications for re-issuance of copies of judicial acts, writs of execution and other documents, the state fee shall be charged in the following amounts:

1) unless otherwise provided by this paragraph, on pecuniary claims:

for individuals - 1 percent of the amount of the claim, but no more than 10,000 MCI;

for legal entities - 3 percent of the amount of the claim, but no more than 20,000 MCI;

2) on complaints about misconduct (inaction) and decisions of state bodies and their officials that infringe upon the rights of individuals - 0.3 MCI;

3) on complaints about misconduct (inaction) and decisions of state bodies and their officials that infringe upon the rights of legal entities - 5 MCI;

4) for administrative claims for contesting notifications on the acts of inspections and (or) notifications on the results of horizontal monitoring:

for individual entrepreneurs and peasant or farm enterprises - 0.1 percent of the disputed amount of taxes, customs payments and payments to the budget (including penalties) specified in the notification, but not more than 500 MCI;

for legal entities - 1 percent of the disputed amount of taxes, customs payments and payments to the budget (including penalties) specified in the notification, but not more than 20 000 MCI;

5) on divorce suits - 0.3 MCI.

In cases of division of property in divorce cases, the duty is determined on the basis of the value of a suit in accordance with subparagraph 1) of this paragraph;

6) on statements of claim for the division of property when divorcing persons recognized as missing in the prescribed manner or incapacitated due to mental illness or dementia, or with persons sentenced to imprisonment for more than three years - in accordance with subparagraph 1) of this paragraph;

7) on statements of claim for modifying or terminating a residential lease agreement, for extending a period for accepting an inheritance, for releasing seized property and for other non-pecuniary claims or those not subject to valuation - 0.5 MCI;

8) for the statements of special claims, applications (complaints) for special proceedings, administrative claims within the framework of the Administrative Procedural Code of the Republic of Kazakhstan, with the exception of those specified in subparagraphs 2), 3), 4) and 13) of this paragraph, - 0.5 MCI;

9) on petitions for the reversal of arbitral awards - 50 percent of the amount of the state duty collected on bringing about a non-property claim in court of the Republic of Kazakhstan, and on pecuniary disputes - 50 percent of the state duty collected on bringing about a pecuniary claim in court Of the Republic of Kazakhstan and calculated on the basis of the amount disputed by an applicant;

10) on motions for judgment - 50 percent of the state duty rates specified in subparagraph 1) of this paragraph;

11) on applications for issuing a duplicate of a writ of execution, applications for issuing a writ of execution for the enforcement of arbitral awards and foreign court decisions - 5 MCI;

12) on applications for re-issuing copies (duplicates) of court decisions, sentences, rulings , other court orders, as well as copies of other documents of a case, issued by courts at the request of the parties and other persons participating in the case - 0.1 MCI for each document, as well as 0.03 MCI for each prepared page;

13) from applications for declaring legal entities bankrupt, applying a rehabilitation procedure - 0.5 MCI;

13-1) from applications for the procedure for restoring solvency or judicial bankruptcy procedure - 0.3 MCI;

14) on statements of claim of individuals for recovery of monetary compensation for moral injury caused by dissemination of information discrediting honor, dignity and business reputation - 1 percent of the amount of the claim;

15) on statements of claim of legal entities for recovery of losses caused by dissemination of information discrediting business reputation - 3 percent of the amount of the claim.

1-1. On citizens' appeals lodged with Constitutional Court of the Republic of Kazakhstan, the state duty shall be charged at a zero rate.

2. For petitions for review of judicial acts in cassation for rulings on annulment of arbitration decisions and issuance of writs of execution for the enforcement of decisions of

arbitration and foreign courts, decisions and resolutions of courts on pecuniary and non-pecuniary disputes, the state duty shall be charged in the amount of 50 percent of the relevant state duty rates established by paragraph 1 of this article for the applying entity.

3. As for statements of claim of both pecuniary and non-pecuniary nature, it is necessary to collect the state duty set for claims of both pecuniary and non-pecuniary nature.

Footnote. Article 610 as amended by Law of the Republic of Kazakhstan № 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 20.03.2023 № 213-VII (enforcement, see Art. 2); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2024); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 611. State duty rates for notarial actions

The state duty for notarial actions is collected in the following amounts:

1) for notarization of agreements on alienation of immovable property (land plots, dwellings, dachas, garages, structures and other immovable property) in an urban area:

if one of the parties is a legal entity - 10 MCI;

worth up to 30 MCI:

to children, spouse, parents, siblings, grandchildren - 1 MCI;

to other persons - 3 MCI;

worth over 30 MCI:

to children, spouse, parents, siblings, grandchildren - 5 MCI;

to other persons - 7 MCI;

if a transaction is made for acquiring immovable property with the money of a granted mortgage housing loan - 2 MCI;

2) for notarization of agreements on alienation of immovable property (land plots, dwellings, dachas, garages, structures and other immovable property) in a rural area:

if one of the parties is a legal entity - 1 MCI;

to children, spouse, parents, siblings, grandchildren - 0.5 MCI;

to other persons - 0,7 MCI;

3) for notarization of contracts for alienation of motor vehicles:

if one of the parties is a legal entity - 7 MCI;

to children, spouse, parents, siblings, grandchildren - 2 MCI;

to other persons - 5 MCI;

4) for notarization of agreements on rent, loan (except for mortgage housing loan agreements), prepayment, lease, of a work contract, prenuptial agreements, on division of property in common ownership, division of an inheritance, on alimony, articles of incorporation - 5 MCIs;

5) for notarization of mortgage housing loan agreements - 2 MCI;

6) for notarization of wills - 1 MCI;

7) for issuing certificates of the right to an inheritance - 1 MCI for each certificate issued;

8) for issuing certificates of ownership of a share in the common property of spouses and other persons having property in common joint ownership - 1 MCI;

9) for notarization of powers of attorney for the right to use and dispose of property - 0.5 MCI;

10) for notarization of powers of attorney for the right to use and drive motor vehicles without the right to sell - 1 MCI;

11) for notarization of powers of attorney for the sale, giving as a gift, barter of motor vehicles - 2 MCI;

12) for notarization of other powers of attorney:

for individuals – 0.1 MCI;

for legal entities - 0.5 MCI;

12-1) for certification of consent, for which the legislation of the Republic of Kazakhstan provides for mandatory notarization, - 0.5 MCI;

13) for measures to protect inherited property - 1 MCI;

14) for a captain's protest - 0.5 MCI;

15) for certifying the accuracy of copies of documents and extracts from documents (per page):

for individuals - 0.05 MCI;

for legal entities - 0.1 MCI;

16) for certifying the authenticity of a signature on documents, as well as the accuracy of translation of documents from one language into another (per each document):

for individuals - 0.03 MCI;

for legal entities - 0.1 MCI;

17) for the delivery of applications of individuals and legal entities to other individuals and legal entities - 0.2 MCI;

18) for issuing notarized copies of documents - 0.2 MCI;

19) for issuing a duplicate - 1 MCI;

20) for certifying the authenticity of signatures in case of opening accounts with second-tier banks (per each document):

for individuals – 0.1 MCI;

for legal entities - 0.5 MCI;

21) for notarization of real estate mortgage agreements, rights to claim and mortgage certificates of mortgage housing loans - 2 MCI; for notarization of other pledge agreements - 7 MCI;

22) for a protest of a bill and for certifying a failure to cash a check - 0.5 MCI;

23) for executor endorsement - 0.5 MCI;

24) for the storage of documents and securities - 0.1 MCI for each month;

25) for notarization of surety and guarantee contracts – 0.5 MCI;

26) for other notarial actions provided for by other laws of the Republic of Kazakhstan - 0.2 MCI.

Footnote. Article 611 as amended by the Law of the Republic of Kazakhstan dated21.01.2019 № 217-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 612. State duty rates for registration of vital records

Footnote. Article 612 excluded by the Law of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (shall be enforced from 01.07.2023).

Article 613. Rates of state fee when issuing a visa of the Republic of Kazakhstan, execution of documents for departure from the Republic of Kazakhstan to a permanent place of residence, registration and coordination of invitations for foreigners and stateless persons to enter the Republic of Kazakhstan, acquisition of citizenship of the Republic of Kazakhstan, restoration of citizenship of the Republic of Kazakhstan or exit from citizenship of the Republic of Kazakhstan, issuing permissions for permanent residence in the Republic of Kazakhstan

Footnote. The title of Article 613 - as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382 -VI (shall be enforced from 01.01.2022).

For performance of actions related to the issuance of visas of the Republic of Kazakhstan, the execution of documents for departure from the Republic of Kazakhstan to a permanent place of residence, registration and coordination of invitations for foreigners and stateless persons to enter the Republic of Kazakhstan, acquisition of citizenship of the Republic of Kazakhstan, restoration of citizenship of the Republic of Kazakhstan or an exit from citizenship of the Republic of Kazakhstan, issuing permission for permanent residence in the Republic of Kazakhstan, the state fee is charged in the following amounts:

1) for issuing, restoring or extending a visa in the territory of the Republic of Kazakhstan to foreigners and stateless persons giving them the right to:

exit the Republic of Kazakhstan - 0.5 MCI;

enter and exit the Republic of Kazakhstan - 7 MCI;

multiple entry to and exit from the Republic of Kazakhstan - 30 MCI;

2) for executing documents for departure from the Republic of Kazakhstan for permanent residence to citizens of the Republic of Kazakhstan, as well as foreigners and stateless persons permanently residing in the territory of the Republic of Kazakhstan - 1 MCI;

3) for issuing invitations to foreigners and stateless persons for their entry into the Republic of Kazakhstan for private visit, for coordinating host parties' invitations for issuing visas of the Republic of Kazakhstan - 0.5 MCI for each invited person;

4) for registration of documents on acquisition of citizenship of the Republic of Kazakhstan, restoration of citizenship of the Republic of Kazakhstan, termination of citizenship of the Republic of Kazakhstan - 1 MCI;

5) for issuing permission for permanent residence in the Republic of Kazakhstan - 4 MCI.

Footnote. Article 613 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022).

Article 614. State duty rates for committing legally significant actions by the authorized state agency for intellectual property

The state duty shall be collected on committing legally significant actions by the authorized state agency for intellectual property in the following amounts::

1) for recognition of a trademark as well-known - 1 MCI;

2) for certification of patent attorneys - 15 MCI;

3) for registration as a patent attorney - 1 MCI.

Footnote. Article 614 is in the wording of the Law of the Republic of Kazakhstan dated 20.06.2018 № 161-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 615. State duty rates for other actions

The state duty is collected on other actions in the following amounts:

1) for issuing (re-registering) a hunter's certificate (duplicate of a hunter's certificate) - 2 MCI;

2) for issuance:

permits for import into the territory of the Republic of Kazakhstan, export and (or) re-export from the territory of the Republic of Kazakhstan of flora objects, their parts and derivatives falling under the Convention on International Trade in Endangered Species of Wild Fauna and Flora - 2 MCI;

permits for the import into the territory of the Republic of Kazakhstan, export and (or) re-export from the territory of the Republic of Kazakhstan of animal species subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora - 2 MCI;

conclusion (authorization document) for the export from the customs territory of the Eurasian Economic Union of certain wild plants and wild medicinal raw materials, including rare and endangered ones - 2 MCI;

conclusion (permitting document) for the export from the customs territory of the Eurasian Economic Union of wild animals, including rare and endangered animals - 2 MCI;

3) for issuing:

a passport of a citizen of the Republic of Kazakhstan in the size of:

24 pages – 4 MCI (for children under 16 years old);

36 pages – 8 MCI;

48 pages – 12 MCI;

identity card of a stateless person, travel document – 8 MCI;

identity cards of a citizen of the Republic of Kazakhstan – 0.2 MCI;

identity card of a citizen of the Republic of Kazakhstan in connection with its loss during the year more than two times - 1 MCI;

residence permit for a foreigner in the Republic of Kazakhstan – 0.2 MCI;

4) for issuance:

legal entities:

conclusions for the import into the territory of the Republic of Kazakhstan of civil, service weapons and cartridges for it - 2 MCI;

conclusions for the export from the territory of the Republic of Kazakhstan of civilian, service weapons and cartridges for it - 2 MCI;

permits for the storage of civilian, service weapons and ammunition for them - 1 MCI;

permits for the storage and carrying of civilian, service weapons and cartridges for it - 1 MCI;

permits for the transportation of civilian, service weapons and cartridges for it - 2 MCI;

permits for the purchase of civilian, service weapons and cartridges for them - 3 MCI;

permits for the purchase of civilian pyrotechnic substances and products with their use - 3 MCI;

individuals:

permits for the purchase of civilian weapons and ammunition for them - 0.5 MCI;

permits for the storage of civilian weapons and ammunition for them - 0.5 MCI;

permits to store and carry civilian weapons and ammunition for them - 0.5 MCI;

permits for the transportation of civilian weapons and ammunition for them - 0.1 MCI;

5) for registration and re-registration of each unit of civil, service weapons of individuals and legal entities (except for melee hunting, signal weapons, pressure sprayers, aerosol and other devices with tear or irritant agents, air weapons with muzzle energy under 7.5 J and caliber up to 4.5 mm inclusive) - 0.1 MCI;

6) for changes to identity documents - 0.1 MCI;

7) for affixing an apostille to official documents executed in the Republic of Kazakhstan in accordance with an international treaty ratified by the Republic of Kazakhstan by state bodies authorized thereto by the Government of the Republic of Kazakhstan - 0.5 MCI per each document;

8) for issuing:

a driver’s license – 1.25 MCI;

a certificate of state registration of motor vehicles – 1.25 MCI;

a state registration number plate, unless otherwise specified by this subparagraph - 2.8 MCI;

two duplicates of a state registration number plate for a car - 2.8 MCI;

one duplicate of a state registration number plate for a car - 1.4 MCI;

state registration number plates for a car with such numbers as 010, 020, 030, 040, 050, 060, 070, 077, 080, 090, 707 - 57 MCI;

state registration number plates for a car with such numbers as 010, 020, 030, 040, 050, 060, 070, 077, 080, 090, 707 and with the same letters - 114 MCI;

state registration number plates for a car with such numbers as 100, 111, 200, 222, 300, 333, 400, 444, 500, 555, 600, 666, 700, 800, 888, 900, 999 - 137 MCI;

state registration number plates for a car with such numbers as 100, 111, 200, 222, 300, 333, 400, 444, 500, 555, 600, 666, 700, 800, 888, 900, 999 and with the same letters - 194 MCI;

state registration number plates for a car with such numbers as 001, 002, 003, 004, 005, 006, 007, 008, 009, 777 - 228 MCI;

state registration number plates for a car with such numbers as 001, 002, 003, 004, 005, 006, 007, 008, 009, 777 and with the same letters - 285 MCI;

state registration number plates for a car (except for state registration number plates with such numbers as 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 020, 030, 040, 050, 060, 070, 077, 080, 090 , 100, 111, 200, 222, 300, 333, 400, 444, 500, 555, 600, 666, 700, 707, 777, 800, 888, 900, 999) and with the same letters - 57 MCI;

state registration number plate for motor transport, car trailer - 1.4 MCI;

duplicate state registration number plate for motor transport, car trailer - 1.4 MCI;

(transit) state registration number plate for transferring a vehicle - 0.35 MCI.

At the same time, the amount of the state duty for issuing a state registration number plate for a car used by a state body is 2.8 MCI;

9) for issuing:

a tractor driving certificate - 0.5 MCI;

a state registration number plate for tractors, tractor-based self-propelled chassis and mechanisms, trailers to them (including trailers with special built-in equipment), self-propelled agricultural, land reclamation and road-building machinery and mechanisms - 1 MCI;

a technical passport for the state registration of tractors, tractor-based self-propelled chassis and mechanisms, trailers to them (including trailers with special built-in equipment), self-propelled agricultural, land reclamation and road-building machinery and mechanisms - 0.5 MCI;

10) for issuing a permit to conduct international carriage of goods by road and its duplicate – 0.25 MCI;

11) for issuing:

a seafarer’s identity document - 5 MCI;

a seaman’s book of the Republic of Kazakhstan - 3.5 MCI;

a professional diploma - 2 MCI.

Footnote. Article 615 as amended by Laws of the Republic of Kazakhstan № 268-VI dated 28.10.2019 (shall be enforced upon expiry of twenty one calendar days after the day of its first official publication); № 272-VI dated November 25, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 №

382-VI (shall be enforced from 01.01.2022); dated 20.03.2023 № 213-VII (effective from 01.01.2024).

Article 616. Exemption from state duty in courts

Footnote. Title of Article 616 - as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024

The state duty in courts shall not be paid by:

1) plaintiffs - on claims for recovery of wages and other claims related to employment;

2) plaintiffs that are authors, executors and organizations administering their property rights on a collective basis - on claims arising from copyright and related rights;

3) plaintiffs that are authors of industrial property items - on claims arising from the right to invention, utility models and industrial designs;

4) plaintiffs - on claims for recovery of alimony;

5) plaintiffs - on claims for compensation for harm caused by injury or other damage to health, and also the death of the breadwinner;

6) plaintiffs - on claims for compensation of material damage caused by a criminal offense;

7) individuals and legal entities, except for persons not involved in a case - for issuing documents to them in connection with criminal and alimony cases;

8) plaintiffs - on claims for recovery of funds to the state budget to compensate for damage caused to the state by violation of the environmental legislation of the Republic of Kazakhstan;

9) claimants - on claims for violations of electoral rights of citizens and public associations, the rights of citizens and public associations to participate in a nationwide referendum;

10) vocational schools and vocational lyceums training skilled workers and high-skilled workers - on claims for recovery of expenses incurred by the state for the training of students who dropped out of educational institutions or were expelled from them;

11) individuals and legal entities applying to a court for the defense of rights and legally protected interests of other persons or the state in cases provided for by the legislation of the Republic of Kazakhstan;

12) an attorney (agent) who applied to a court with a claim for the refund of public budget loans, as well as government and government-backed loans in accordance with the budget legislation of the Republic of Kazakhstan;

13) veterans of the Great Patriotic War, veterans who are equivalent in terms of benefits to veterans of the Great Patriotic War, and veterans of combat operations on the territory of other states, persons awarded orders and medals of the former Union of Soviet Socialist Republics for selfless labour and impeccable military service in the rear during the Great Patriotic War, persons, who worked (served) for at least six months from 22 June 1941 to 9 May 1945 and were not awarded orders and medals of the former USSR for selfless labour

and impeccable military service in the rear during the Great Patriotic War, persons with disabilities, as well as one of the parents of a person with a disability since childhood, a child with a disability – in all cases and documents;

14) plaintiffs-compatriots - in all cases and documents related to the acquisition of citizenship of the Republic of Kazakhstan;

15) individuals and legal entities - on filing applications with a court for:

the reversal of a court ruling to terminate case proceedings or dismiss a claim;

suspension of judgment or extension of a deadline for it;

changing the method of and procedure for enforcement of a judgment;

securing claims or replacing one type of security with another;

the review of court decisions, rulings or judgments in connection with newly discovered facts;

addition or reduction of fines imposed by court rulings;

overturning the execution of court judgments on the revival of limitation periods;

placement in special educational institutions and educational institutions with a special treatment regime;

as well as complaints:

about actions of bailiffs;

private complaints about court rulings to refuse the addition or reduction of fines;

other private complaints about court rulings;

complaints about decisions on administrative cases;

16) authorities of the prosecutor's office - on all claims;

17) state institutions and state secondary education institutions – when filing statements of claim and appealing

against court decisions, except for cases of protection of interests of third parties;

18) public associations of persons with disabilities and (or) organizations created by them, in which at least 35 percent of persons with hearing, speech, and vision disabilities work - when filing claims in their own interests;

19) insuring and insured parties - on claims arising from compulsory insurance contracts;

20) plaintiffs and claimants - on disputes related to compensation for damage caused to a citizen by wrongful conviction, unlawful pretrial restraints in the form of detention or unlawful imposition of an administrative penalty in the form of arrest;

21) the National Bank of the Republic of Kazakhstan, its branches, representative offices and departments - when filing claims on matters within their competence;

21-1) the Commissioner for Human Rights in the Republic of Kazakhstan - when filing claims on issues within his competence;

22) liquidation commissions of financial institutions under compulsory liquidation - on claims, applications, complaints filed in the interests of liquidation proceedings;

22-1) liquidation commissions forcibly terminating the activities of branches of banks-non-residents of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations-non-residents of the Republic of Kazakhstan - on claims, applications, complaints filed in the interests of the procedure for the forced termination of activities;

23) interim administrations of financial institutions under compulsory liquidation - on claims, applications, complaints filed in the interests of the interim administration;

24) banks authorized to implement the state investment policy in accordance with the law of the Republic of Kazakhstan - when filing lawsuits:

to recover debts from loans granted on a repayable basis at the expense of budgetary funds;

to foreclose on property;

for bankruptcy of debtors in connection with their failure to fulfill their obligations under external government and government-backed loans, as well as public budget loans;

25) representatives of bondholders - when filing claims on behalf of bondholders for the failure to fulfill obligations under the bond issue prospectus by their issuers;

26) bankrupt and rehabilitation managers - when filing claims in the interests of bankruptcy procedure, rehabilitation procedure within the limits of their powers provided for by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

26-1) a unified accumulative pension fund, voluntary accumulative pension funds - when filing claims and appealing court decisions as part of ongoing work to collect debts from debtors that have arisen in connection with their failure to fulfill obligations in relation to pension assets;

27) internal affairs bodies - when submitting applications for issues related to the removal of foreigners and stateless persons from the Republic of Kazakhstan because of their violation of the legislation of the Republic of Kazakhstan;

28) plaintiffs (claimants) - on claims (applications) for the protection of rights, freedoms and legitimate interests of individuals and legal entities, also in the interests of public at large, on environmental protection and use of natural resources;

Subparagraph 29) is in effect until 01.01.2027 according to Law of the Republic of Kazakhstan № 121-VI as of 25.12.2017.

29) an organization for improving the quality of loan portfolios of second-tier banks, whose sole shareholder is the Government of the Republic of Kazakhstan - when filing lawsuits and appealing court decisions;

30) plaintiffs - in claims for recognition of a potential supplier or supplier as an unprincipled participant in public procurement.

The persons, specified in part one of this article, shall be exempt from payment of the state duty in courts also in case of appeal against judicial acts.

Footnote. Article 616 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 202-VI (shall be enforced from 01.01.2019); dated 06.05.2020 № 324-VI (

shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 10.12.2020 № 382-VI (see Article 2 for the procedure of entry into force); dated 29.12.2021 № 93-VII (shall be enforced six months after the day of its first official publication); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (effective from 01.01.2024); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 617. Exemption from payment of the state duty on notarial actions

The state duty on notarial actions is not paid by:

1) individuals - for notarization of their wills, deeds of gift of their property to the state;

2) state institutions - for issuing certificates (duplicate certificates) of the right of the state to an inheritance, as well as for all documents required to obtain these certificates (duplicate certificates);

3) individuals - for issuing to them certificates of the right to inherit:

property of persons who died defending the Republic of Kazakhstan, performing other public service and duties in connection with the performance of the duty of a citizen of the Republic of Kazakhstan to save a human life, protecting state property and law and order;

dwelling or a housing cooperative share, if an heir has lived with a testator for at least three years as of the day of the death of the testator and continues to reside in this dwelling after his/her death;

insurance payments under insurance contracts, government bonds, amounts of labor remuneration, copyrights, royalties and remuneration for discoveries, inventions and industrial designs;

property of rehabilitated citizens;

4) veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear in the years of the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War, persons with disabilities , also one of the parents of a person with a disability since childhood, a child with a disability –on all notarial actions;

5) compatriots - for all notarial acts related to the acquisition of citizenship of the Republic of Kazakhstan;

6) mothers with many children with the title of “Mother-Heroine” awarded the “Altyn alka”, “Kimis alka” pendants - on all notarial actions;

7) individuals suffering from chronic mental illness, who are under guardianship in accordance with the procedure established by the legislation of the Republic of Kazakhstan - for obtaining certificates of inheritance;

8) Union "Voluntary Society of Persons with Disabilities of Kazakhstan" (VSPDK), Kazakh Society of the Deaf (KSD), Kazakh Society of the Blind (KSB), as well as their production facilities - on all notarial actions;

9) orphaned children and children deprived of parental care, until they reach the age of eighteen - for issuing certificates of the right to inheritance to them.

Footnote. Article 617 as amended by the Law of the Republic of Kazakhstan dated 06.05.2020 № 324-VI (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 618. Exemption from payment of the state duty on registration of vital records

Footnote. Article 618 is excluded by the Law of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (effective from 01.07.2023).

Article 619. Exemption from payment of the state duty on processing documents on acquisition of citizenship of the Republic of Kazakhstan

1. The following persons shall be exempted from the state duty:

1) persons who were forced to leave the territory of the Republic of Kazakhstan during the periods of mass repression, forced collectivization, as a result of other inhuman political actions, and their descendants - for executing documents on acquisition of citizenship of the Republic of Kazakhstan;

2) compatriots - for execution of documents on the acquisition of citizenship of the Republic of Kazakhstan.

2. This exemption from payment of the state duty is granted only once.

Article 620. Exemption from payment of the state duty on legally significant actions by the authorized state body for intellectual property

In case of legally significant actions by the authorized state body for intellectual property, the state duty shall not be paid by:

1) the elderly and persons with disabilities living in medical and social institutions of a general type for the elderly and persons with disabilities;

2) students of boarding schools, vocational schools and professional lyceums fully supported by the state and living in dormitories;

3) compatriots;

4) the heroes of the Soviet Union and the heroes of Socialist Labor, persons awarded the Order of Glory of three degrees and that of Labor Glory of three degrees, “Altyn Kyran”, “ Otan”, with the title of “Halyk Kaharmany”, “Kazakstannyn Enbek Eri”, mothers with many children with the title of “Mother-Heroine” or awarded “Altyn alka” or “Kimis alka” pendants;

5) veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear in the years of the Great Patriotic War, persons who worked (

served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War, persons with a disability , one of the parents of a person with a disability since childhood, a child with a disability, also persons affected by the Chernobyl disaster.

Footnote. Article 620 as amended by the Law of the Republic of Kazakhstan dated 06.05.2020, № 324-VI (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 621. Exemption from payment of the state duty on the approval of host parties' invitations for issuing visas of the Republic of Kazakhstan, as well as for issuing, restoring or extending visas of the Republic of Kazakhstan

The state duty shall not be paid by:

1) in case of approval of host parties' invitations for issuing visas of the Republic of Kazakhstan:

individuals and legal entities of the states that have concluded an international agreement with the Republic of Kazakhstan on mutual waiver of collection of consular fees;

host parties applying for approval of invitations for issuing visas of the Republic of Kazakhstan to:

members of foreign official delegations and their accompanying persons intending to go to the Republic of Kazakhstan;

foreigners traveling to the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Parliament of the Republic of Kazakhstan, the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the Prime Minister of the Republic of Kazakhstan, state bodies, akimats of oblasts, cities of republican status and the capital;

foreigners intending to go to the Republic of Kazakhstan with humanitarian assistance agreed upon with concerned state bodies of the Republic of Kazakhstan;

foreign investors;

ethnic Kazakhs;

children under 16 years of age on the basis of the principle of reciprocity;

2) in case of issuance, restoration or extension of a visa to foreigners and stateless persons in the territory of the Republic of Kazakhstan:

members of foreign official delegations and accompanying persons arriving in the Republic of Kazakhstan;

arriving in the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Parliament of the Republic of Kazakhstan, the Constitutional Court of the Republic of

Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the Prime Minister of the Republic of Kazakhstan, state bodies, akimats of oblasts, cities of republican status and capitals;

foreigners intending to go to the Republic of Kazakhstan with humanitarian assistance agreed upon with concerned state bodies of the Republic of Kazakhstan;

ethnic Kazakhs;

children under 16 years of age on the basis of the principle of reciprocity;

persons that used to be citizens of the Republic of Kazakhstan, permanently residing abroad and intending to go to the Republic of Kazakhstan for the burial of close relatives;

foreign investors;

3) for reissuance of visas instead of primary visas containing errors committed by employees of consular offices of the Republic of Kazakhstan, the Ministry of Foreign Affairs of the Republic of Kazakhstan, the Ministry of Internal Affairs of the Republic of Kazakhstan

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Footnote. Article 621 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 622. Exemption from payment of the state duty on other actions

The state duty shall not be paid:

1) on filing a civil lawsuit in a criminal case;

2) on affixing an apostille to documents submitted for this purpose through diplomatic missions and consular offices of the Republic of Kazakhstan;

3) on reissuing certificates of registration of vital records – by citizens who applied through diplomatic missions and consular offices of the Republic of Kazakhstan;

4) on issuing passports and identity cards of citizens of the Republic of Kazakhstan, as well as residence permits for foreign citizens in the Republic of Kazakhstan and stateless person certificates by:

the heroes of the Soviet Union, the heroes of Socialist Labor;

persons awarded the Orders of Glory of three degrees and that of Labor Glory of three degrees, “Altyn Kyran”, “Otan”, having the title of “Halyk Kaharmany”, “Kazakstannyn Enbek Eri”;

mothers with many children with the title of “Mother-Heroine” or awarded “Altyn alka” or “Kimis alka” pendants;

veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear in the years of the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the

Great Patriotic War, persons with disabilities , also one of the parents of a person with a disability since childhood, a child with a disability;

the elderly living in medical and social institutions of general type for the elderly and persons with a disability, orphans and children left without parental care, who are fully supported by the state, living in orphanages and (or) boarding schools;

citizens that suffered from the Chernobyl disaster;

5) when issuing a state registration plate for a car, trailer to a car, motor vehicles, except for issuing state registration plates of increased demand:

the heroes of the Soviet Union, the heroes of Socialist Labor, persons awarded the Orders of Glory of three degrees and Labor Glory of three degrees, “Altyn Kyran”, “Otan”, having the title of “Halyk Kaharmany”, “Kazakstannyn Enbek Eri”;

veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear in the years of the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for dedicated work and honorable military service in the rear during the Great Patriotic War, persons with disabilities , also one of the parents of a person with a disability since childhood, a child with a disability;

citizens that suffered from the Chernobyl disaster.

Footnote. Article 622 as amended by the Laws of the Republic of Kazakhstan dated 06.05.2020 № 324-VI (shall come into effect ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 623. The order for payment of state duty

1. The state duty is paid on:

1) on cases reviewed by courts - before filing the corresponding claim, administrative claim, application (complaint) or application for a court order, with the exception of cases provided for in Article 51-2 of this Code, cases provided for in part three of Article 106 of the Civil Procedure Code of the Republic of Kazakhstan, as well as when the court issues copies of documents;

on appeals from citizens considered by the Constitutional Court of the Republic of Kazakhstan - before filing an appeal;

2) notarial actions, and also for the issuance of copies of documents, duplicates – when registering a notarial action;

3) excluded by the Law of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (effective from 01.07.2023);

4) excluded by the Law of the Republic of Kazakhstan dated 06.02.2023 № 196-VII (effective from 01.07.2023);

5) before the issuance of the relevant documents:

for issuance of passports and identity documents of citizens of the Republic of Kazakhstan, IDs of stateless persons, a residence permit of a foreigner in the Republic of Kazakhstan and a travel document;

for the issuance of a certificate of admission to the implementation of international road transport of goods (a duplicate of the admission certificate);

for the issuance (renewal) of a hunter's certificate (a duplicate of a hunter's certificate);

for issue:

permits for import into the territory of the Republic of Kazakhstan, export and (or) re-export from the territory of the Republic of Kazakhstan of flora objects, their parts and derivatives, subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora;

permits for the import into the territory of the Republic of Kazakhstan, export and (or) re-export from the territory of the Republic of Kazakhstan of animal species falling under the Convention on International Trade in Endangered Species of Wild Fauna and Flora;

conclusion (permitting document) for the export from the customs territory of the Eurasian Economic Union of certain wild plants and wild medicinal raw materials, including rare and endangered ones;

conclusion (permitting document) for the export of wild animals from the customs territory of the Eurasian Economic Union, including rare and endangered animals;

for the issuance of permits for the acquisition, storage or storage and carrying, transportation, conclusions for the import into the territory of the Republic of Kazakhstan and export from the territory of the Republic of Kazakhstan of civil, service weapons and cartridges for it;

for the issuance of permits for the purchase of civilian pyrotechnic substances and products with their use;

for registration and re-registration of each unit of civil, service weapons of individuals and legal entities (with the exception of cold hunting, signal weapons, mechanical sprays, aerosols and other devices equipped with tear or irritating substances, pneumatic weapons with a muzzle energy of not more than 7.5 J and a caliber up to 4.5 mm inclusive);

in cases related to the acquisition of citizenship of the Republic of Kazakhstan or termination of citizenship of the Republic of Kazakhstan, as well as with departure from the Republic of Kazakhstan and entry into the Republic of Kazakhstan;

for the commission by the authorized state body in the field of intellectual property of legally significant actions related to the recognition of a trademark as well-known, certification of patent attorneys and registration as a patent attorney;

for the issuance of a seaman's identity card, a seaworthy book of the Republic of Kazakhstan and a professional diploma;

6) for issuing driver’s licenses, tractor driving certificates, certificates of state registration of motor vehicles and trailers, state registration number plates, as well as a duplicate of the

state registration number plate - prior to the issuance of relevant documents, state registration number plates, a duplicate of the state registration number plate;

7) for affixing an apostille to official documents executed by state bodies and notaries of the Republic of Kazakhstan by state bodies authorized thereto by the Government of the Republic of Kazakhstan - before affixing an apostille.

2. The state duty shall be credited at the place of committing legally significant actions and (or) issuing documents by authorized state bodies or officials.

3. The amount of the state duty shall be transferred to the state budget through second-tier banks or organizations carrying out certain types of banking operations, or paid in cash on the basis of accountable forms in accordance with the procedure established by the authorized body.

4. If the state duty is paid in cash, authorized state bodies shall deliver such accepted state duty amounts to second-tier banks or organizations carrying out certain types of banking operations not later than the next business day of the day the money was received for its subsequent transfer to the budget. If daily cash receipts are less than 10 times the MCI, the money is deposited once every three business days of the day the money was received.

Footnote. Article 623 as amended by the Law of the Republic of Kazakhstan dated 20.06.2018 № 161-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 268-VI dated 28.10.2019 (shall be enforced upon expiry of twenty one calendar days after the day of its first official publication); № 272-VI dated November 25 , 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (effective from 01.01.2024); dated 06.02.2023 № 196-VII (shall be enforced from 01.07.2023) ; dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Clause 2. Consular fee

Article 624. General provisions

Consular fee is a payment to the budget collected by diplomatic missions and consular offices of the Republic of Kazakhstan, the Ministry of Foreign Affairs of the Republic of Kazakhstan from foreigners, stateless persons, non-resident foreign legal entities, individuals and legal entities of the Republic of Kazakhstan, for performing consular actions and issuing documents with legal significance.

Footnote. Article 624 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024.

Article 625. Consular fee payers

The consular fee payers are foreigners, stateless persons and foreign non-resident legal entities, individuals and legal entities of the Republic of Kazakhstan, in whose interests consular actions, provided for in Article 626 of this Code, are committed.

Article 626. Items subject to the fee

The consular fee is charged for the following consular actions:

1) issuance of a passport of a citizen of the Republic of Kazakhstan, except for the issuance of diplomatic and service passports of the Republic of Kazakhstan;

2) processing of applications of citizens and legal entities of the Republic of Kazakhstan, as well as foreigners and stateless persons, foreign legal entities for issuing visas and sending instructions to foreign missions of the Republic of Kazakhstan on issuing visas (visa support);

3) issuance of visas of the Republic of Kazakhstan;

4) issuance of a certificate of return to the Republic of Kazakhstan;

5) registration of applications of citizens of the Republic of Kazakhstan for issues related to their stay abroad;

6) execution of documents on the issues of citizenship of the Republic of Kazakhstan;

7) registration of vital records;

8) request for documents;

9) legalization of documents, as well as acceptance and forwarding of documents for apostilling;

10) performance of notarial actions;

11) safekeeping of a will, a package of documents (except for a will), money, securities and other valuables (except for inherited ones) in a consular institution;

12) sale of goods or other property at public auctions;

13) deposit-taking of property or sums of money for a period of up to six months for their delivery to proper persons;

14) sending documents to legal entities by diplomatic mail;

15) issuance of a temporary certificate of the right to sail under the State Flag of the Republic of Kazakhstan in case of acquisition of a ship abroad;

16) drawing up or certification of any declaration or another document provided for by the legislation of the Republic of Kazakhstan or international treaties, to which the Republic of Kazakhstan is a party, in respect of vessels of the Republic of Kazakhstan;

17) drawing up an act of maritime protest in case of destruction of or damage to a vessel or cargo (shipwreck) of the Republic of Kazakhstan abroad;

18) issuance of other documents (certificates) of legal significance.

Article 627. Consular fee rates

The Ministry of Foreign Affairs of the Republic of Kazakhstan, in agreement with the authorized body and the tax policy authority, shall develop and approve consular fee rates:

1) collected on the territory of the Republic of Kazakhstan;

2) for performing consular actions on the territory of a foreign state.

The Ministry of Foreign Affairs of the Republic of Kazakhstan shall be entitled to establish, in addition to the rates approved in accordance with subparagraph 2) of part one of this article, the rates of consular fees for urgency based on reciprocity principle.

Footnote. Article 627 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024.

Article 628. Exemption from payment of consular fee

The consular fee is not charged:

1) in cases provided for by Articles 617 - 622 of this Code;

2) from individuals and legal entities of the states that have concluded an international agreement with the Republic of Kazakhstan on mutual refusal to collect consular fees;

3) for the demand, at the request of the authorities and individual citizens of the states that have concluded an international agreement on legal assistance with the Republic of Kazakhstan, documents on family, civil and criminal cases, on alimony, state benefits and pensions, on adoption;

4) for preparation and printing of notes to foreign diplomatic missions and consular offices for the issuance of visas to:

members of official delegations of the Republic of Kazakhstan and their accompanying persons;

members of the Parliament of the Republic of Kazakhstan;

state employees of the Republic of Kazakhstan that are holders of diplomatic, service or national passports of the Republic of Kazakhstan, going on official business;

family members of the staff of foreign missions of the Republic of Kazakhstan;

close relatives of the staff of foreign missions of the Republic of Kazakhstan and accompanying persons, departing in connection with an illness or death of an employee or staff member of a foreign mission of the Republic of Kazakhstan;

5) for processing applications of citizens and legal entities of the Republic of Kazakhstan, as well as foreigners and stateless persons, foreign legal entities for issuing visas and sending instructions to foreign missions of the Republic of Kazakhstan on issuing visas (visa support) to:

members of foreign official delegations and their accompanying persons intending to go to the Republic of Kazakhstan;

foreigners intending to go to the Republic of Kazakhstan to participate in events of national and international significance (symposia, conferences and other political, cultural, scientific and sports events);

foreigners traveling to the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Parliament of the Republic of Kazakhstan, the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the Prime Minister of the Republic of Kazakhstan, state bodies, oblast akimats, cities of republican status and the capital;

foreigners intending to go to the Republic of Kazakhstan with humanitarian assistance agreed upon with concerned state bodies of the Republic of Kazakhstan;

employees of international organizations going to the Republic of Kazakhstan on official business;

foreigners intending to go to the Republic of Kazakhstan at the invitation of foreign diplomatic missions and consular offices, as well as international organizations accredited in the Republic of Kazakhstan, on the basis of the principle of reciprocity;

investor visas;

ethnic Kazakhs who are not citizens of the Republic of Kazakhstan;

children under 16 years of age on the basis of the principle of reciprocity;

6) for issuing visas to:

members of foreign official delegations and their accompanying persons intending to go to the Republic of Kazakhstan;

foreigners intending to go to the Republic of Kazakhstan to participate in events of national and international significance (symposia, conferences and other political, cultural, scientific and sports events);

foreigners traveling to the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Parliament of the Republic of Kazakhstan, the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the President of the Republic of Kazakhstan, the Office of the Prime Minister of the Republic of Kazakhstan;

foreigners intending to go to the Republic of Kazakhstan with humanitarian assistance agreed upon with concerned state bodies of the Republic of Kazakhstan;

employees of international organizations going to the Republic of Kazakhstan on official business;

foreigners intending to go to the Republic of Kazakhstan at the invitation of foreign diplomatic missions and consular offices, as well as international organizations accredited in the Republic of Kazakhstan, on the basis of the principle of reciprocity;

foreigners that are holders of diplomatic and official passports, going to the Republic of Kazakhstan on official business;

children under 16 years of age on the basis of the principle of reciprocity;

ethnic Kazakhs who are not citizens of the Republic of Kazakhstan;

former citizens of the Republic of Kazakhstan permanently residing abroad and intending to go to the Republic of Kazakhstan for the burial of close relatives;

investor visas;

official visas;

diplomatic visas;

7) for reissuance of visas instead of primary visas containing errors committed by employees of consular offices of the Republic of Kazakhstan and the Ministry of Foreign Affairs of the Republic of Kazakhstan;

8) for issuance of certificates of return to the Republic of Kazakhstan and statements to citizens of the Republic of Kazakhstan without documents and money due to their loss, natural disasters or other force majeure circumstances;

9) for issuance of death certificates and statements in case of sending coffins and urns with ashes of citizens of the Republic of Kazakhstan, who died abroad, to the Republic of Kazakhstan;

10) for requesting documents upon applications of foreign diplomatic missions and consular offices, on the basis of the principle of reciprocity;

11) for legalization of documents of citizens of the Republic of Kazakhstan requested through foreign missions of the Republic of Kazakhstan;

12) for legalization of documents at the request of foreign diplomatic missions and consular offices, as well as international organizations, on the basis of the principle of reciprocity;

13) for consular registration and de-registration of citizens of the Republic of Kazakhstan temporarily and permanently residing abroad, as well as children, who are citizens of the Republic of Kazakhstan, adopted by foreigners.

Footnote. Article 628 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023)

Article 629. The order for payment of consular fee

1. The consular fee is paid before consular actions are committed.

2. Diplomatic missions and consular offices of the Republic of Kazakhstan shall commit consular actions after the consular fee is paid by its payer.

3. In the territory of the Republic of Kazakhstan, consular fees, the rate of which is set in US dollars, are paid in tenge at the official rate established by the National Bank of the Republic of Kazakhstan as of the day of payment of the fee.

4. The consular fee shall be paid:

1) within the Republic of Kazakhstan - by transferring through second-tier banks or organizations carrying out certain types of banking operations to the state budget at the place of consular actions or in cash at consular offices on the basis of accountable forms in accordance with the procedure established by the Ministry of Foreign Affairs of the Republic of Kazakhstan.

If a consular fee is paid in cash, the authorized state body shall deliver these amounts of the consular fee to second-tier banks or organizations carrying out certain types of banking

operations not later than the next business day of the day the money was received for its subsequent transfer to the state budget. If daily cash receipts are less than 10 times the MCI, the money is transferred once every three business days of the day the money was received;

2) outside the Republic of Kazakhstan - by transferring through banks or organizations carrying out certain types of banking operations to the bank account of a diplomatic mission or a consular office without the right of economic use or in cash at consular offices on the basis of accountable forms in accordance with the procedure established by the Ministry of Foreign Affairs cases of the Republic of Kazakhstan.

5. Payment of the consular fee shall be made in the currency of the state in whose territory consular operations are performed, or in any other freely convertible currency.

6. Accepted amounts of the consular fee abroad shall be transferred by a diplomatic mission or consular office to a foreign bank of the host state of the diplomatic mission or consular office no later than ten business days from the date of their receipt for crediting to a foreign bank account.

Consular fees received on a foreign bank account in the currency of the host state of a diplomatic mission or consular office shall be converted into US dollars, euros, British pounds sterling, Swiss francs, Canadian dollars, Japanese yens, Russian rubles, Chinese yuans by a foreign bank on behalf of a diplomatic mission or consular office of the Republic of Kazakhstan.

The manager of a foreign bank account is the head of a diplomatic mission or consular office of the Republic of Kazakhstan with the right of first signature.

Consular fees received in a foreign bank account on a monthly basis on or before the 10th day of a month following a reporting month shall be transferred by a diplomatic mission or consular office to the foreign exchange account of the Ministry of Foreign Affairs of the Republic of Kazakhstan for further transfer to budget revenue. If monthly proceeds from consular fees to a diplomatic mission or consular office are less than 1 000 USD or its equivalent in the types of currency specified in this paragraph at the rate as of the end of a reporting period, the transfer shall be made quarterly, on or before the 10th day of a month following a reporting month.

Within three business days of receipt from the National Bank of the Republic of Kazakhstan of correspondent account statements in foreign currency together with payment documents in electronic form, the Ministry of Foreign Affairs of the Republic of Kazakhstan shall transfer consular fees from a diplomatic mission or consular office to the national budget revenue.

7. The paid amounts of consular fees are not refundable.

Footnote. Article 629 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Chapter 71. GENERAL DECLARATION OF INCOME AND PROPERTY OF INDIVIDUALS

Paragraph 1. Declaration of assets and liabilities

Article 630. Declaration of assets and liabilities

1. The individuals specified in paragraph 2 of this article shall prepare a declaration of assets and liabilities as of December 31 of the year preceding the year of submission of the declaration of assets and liabilities, unless otherwise established by the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the laws of the Republic of Kazakhstan "On Combating Corruption", "On Banks and Banking Activities in the Republic of Kazakhstan", "On Insurance Activities", "On the Securities Market".

2. The following individuals shall submit a declaration of assets and liabilities:

1) persons who are required to file declarations of assets and liabilities pursuant to the Constitutional Law of the Republic of Kazakhstan “On Elections in the Republic of Kazakhstan and the laws of the Republic of Kazakhstan “On Combating Corruption”, “On Banks and Banking Activities in the Republic of Kazakhstan”, “On Insurance Activities”, and “On the Securities Market”;

2) nationals of the Republic of Kazakhstan, residents of the Republic of Kazakhstan in the event of ownership (claims) of the following property outside the Republic of Kazakhstan:

property, the rights and/or transactions in respect of which are subject to state or other registration with a competent authority of a foreign state pursuant to the legislation of that foreign state;

money in bank accounts in foreign banks in an amount that exceeds 1,000 times the monthly calculation index for all bank deposits;

investment gold;

shares in the authorised capital of a legal entity established outside the Republic of Kazakhstan;

shares in housing construction;

securities whose issuers are registered outside the Republic of Kazakhstan, excluding derivative securities whose underlying assets are securities whose issuers are registered in the Republic of Kazakhstan;

money in foreign brokerage accounts;

intellectual property and copyright outside the Republic of Kazakhstan;

debts owed by other persons to an individual (accounts receivable) and/or debts owed by an individual to other persons (accounts payable) outside the Republic of Kazakhstan, as stated in paragraph 5 of Article 631 of this Code;

other property mentioned in paragraph 4 of Article 631 of this Code;

3) nationals of the Republic of Kazakhstan, residents of the Republic of Kazakhstan in the case of digital assets;

4) persons engaged in private practice.

The provisions of sub-paragraphs 2) – 4) of this paragraph shall not apply to persons who have filed a declaration of assets and liabilities by 1 January 2025.

3. To apply this Code, the tax obligation of a minor and (or) an incapacitated or partially incapacitated person shall be fulfilled by a legal representative in accordance with the laws of the Republic of Kazakhstan.

4. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall go into effect since 01.01.2025).

5. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall go into effect since 01.01.2025).

5-1. The provisions of this article shall not apply to foreigners or stateless persons who are employees of diplomatic missions or equivalent missions accredited in the Republic of Kazakhstan, consular offices of foreign states, international organizations and their missions, as well as members of their families living with them.

5-2. When a natural person fails to file an initial declaration of assets and liabilities within the time limit established by Article 632 of this Code, the tax authorities shall, in the course of tax administration, use information on property (assets) and liabilities received from authorised bodies, third parties, second-tier banks and entities engaged in certain types of banking operations, as of 31 December of the year preceding the year in which the obligation or right to file the declaration arose.

The authorised body shall publish the following information in the web application of an individual annually by 1 June of the calendar year:

property subject to state or other registration, as well as property for which rights and/or transactions are subject to state or other registration;

the balance of funds in bank accounts as of 31 December of the reporting year;

income received during the reporting calendar year.

6. The declaration of assets and liabilities shall be divided into the following types:

1) initial - a declaration of assets and liabilities submitted by an individual in connection with the fact that the established obligation to submit such a declaration arose for the first time;

2) regular declaration is a declaration of assets and liabilities filed by an individual under the Constitutional Law of the Republic of Kazakhstan “On Elections in the Republic of Kazakhstan”, the Laws of the Republic of Kazakhstan “On Combating Corruption”, “On Banks and Banking Activities”, “On Insurance Activities”, “On the Securities Market” in the event that such an individual has filed an initial declaration of assets and liabilities;

3) additional - a declaration of assets and liabilities submitted by an individual when making changes and (or) additions to a previously submitted declaration of assets and liabilities of an individual to which these changes and (or) additions relate;

4) additional upon notification - a declaration of assets and liabilities submitted by an individual when making changes and (or) additions to a previously submitted declaration of

assets and liabilities in which the tax authority has identified violations as a result of a desk audit of the assets and liabilities of an individual.

7. The declaration of assets and liabilities shall be submitted once, except for the submission of:

1) individuals who are obliged to submit a declaration in accordance with the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the laws of the Republic of Kazakhstan "On Combating Corruption", "On Banks and Banking Activities in the Republic of Kazakhstan", "On Insurance Activities", "On the Securities Market";

2) additional tax reporting provided for in Article 211 of this Code.

Note. For the purposes of this chapter, the monthly calculation indicator shall be understood to mean the monthly calculation indicator established by the law on the republican budget and in force on 31 December of the reporting tax period preceding the year of filing the declaration of assets and liabilities of an individual.

Footnote. Article 630 as amended by the Laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2019); dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 631. Peculiarities of drawing up a declaration of assets and liabilities

1. The declaration of assets and liabilities shall be used by individuals listed in paragraph 2 of Article 630 of this Code to report information on the existence of:

1) property for which rights and (or) transactions are subject to state or other registration with the competent authority of a foreign state in accordance with the legislation of a foreign state:

real estate, land plots and (or) land shares, aircraft and sea vessels, inland waterway vessels, river-sea vessels;

vehicles, special equipment and (or) trailers;

money in bank accounts in foreign banks located outside the Republic of Kazakhstan, in an amount that, in total, exceeds all bank deposits 1000 times the monthly calculation indicator established by the law on the republican budget and in effect on December 31 of the reporting tax period.

Herein, individuals who, in accordance with the Law of the Republic of Kazakhstan "On Combating Corruption", accept anti-corruption restrictions on opening and owning accounts (deposits) in foreign banks located outside the Republic of Kazakhstan, storing cash and valuables in foreign banks located outside the Republic of Kazakhstan, in the declaration of assets and liabilities shall reflect information on the availability of money in foreign banks located outside the Republic of Kazakhstan, regardless of the amount of the bank deposit;

2) property in the Republic of Kazakhstan and (or) outside it:

share in the construction of real estate under a shared construction participation agreement ;

share in the authorized capital of a legal entity established outside the Republic of Kazakhstan;

securities, excluding derivative securities whose underlying assets are securities issued by issuers registered in the Republic of Kazakhstan, digital assets;

investment gold;

objects of intellectual property, copyright;

money in foreign brokerage accounts;

cash, which is indicated in an amount not exceeding the limit of 10,000 times the monthly calculation indicator established by the law on the republican budget and in effect on December 31 of the year preceding the year of submission of the declaration of assets and liabilities of an individual;

debts owed by other persons to an individual (accounts receivable) and/or debts owed by an individual to other persons (accounts payable) referred to in paragraph 5 of this article;

3) other property specified in paragraph 4 of this article.

2. Appendices to the declaration of assets and liabilities are intended to provide a detailed reflection of information on the data specified in paragraph 1 of this article, used by tax authorities for tax control purposes.

3. Individuals who, in accordance with the Law of the Republic of Kazakhstan "On Combating Corruption", are obliged to submit declarations of individuals, in appendices to the declaration of assets and liabilities shall also reflect information on the transfer of property to trust management, trusts.

4. In the declaration of assets and liabilities, an individual may specify other property with a unit value exceeding 1,000 times the monthly calculation index, provided that the value as of 31 December of the reporting tax period is specified in the valuation report conducted under an agreement between the appraiser and the taxpayer under the legislation of the Republic of Kazakhstan on appraisal activities or the legislation of a foreign state.

Herewith, the estimated value shall be established no later than the deadline for filing the declaration established by Article 632 of this Code.

The provisions of this paragraph shall not apply to property subject to state or other registration, as well as property in respect of which rights and/or transactions are subject to state or other registration.

5. The declaration of assets and liabilities shall reflect the debts of other persons to an individual (accounts receivable) and/or the debts of an individual to other persons (accounts payable) that arose on the date of the declaration:

1) between individuals – if there is a notarised contract (transaction, agreement) that forms the ground for the obligation or claim, concluded with an individual.

The debt referred to in this sub-paragraph must be certified by a notary no later than the deadline for filing the declaration established by Article 632 of this Code;

2) between an individual and a legal entity and/or individual entrepreneur, including non-residents, subject to the availability of a reconciliation statement and a civil law agreement, excluding debts to banks and organisations engaged in certain types of banking operations, microfinance organisations established under the laws of the Republic of Kazakhstan;

3) confirmed by a court decision that has entered into legal force.

The documents mentioned in the first part of this paragraph must be enclosed when filing a declaration of assets and liabilities.

Debts that are not confirmed by supporting documents shall be considered equal to zero.

Herewith, accounts receivable and/or accounts payable shall not be reflected in the statement of assets and liabilities if there is an agreement concluded using the borrowed crowdfunding platform of a participant of the Astana International Financial Centre operating under an issued licence.

Footnote. Article 631 as amended by the Laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2019); dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); dated 21.12.2022 № 165-VII (shall come into effect on 01.01.2023); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 632. Deadlines for filing a declaration of assets and liabilities

The declaration of assets and liabilities shall be submitted at the place of residence (stay) no later than September 15 of the current year in which the obligation to submit the declaration arose.

The provisions of part one of this article regarding the deadlines for filing a declaration of assets and liabilities shall not apply to persons who submit a declaration of assets and liabilities as:

candidates for elective positions, for a public position or a position related to the performance of state or equivalent functions, in accordance with the Constitutional Law of the Republic of Kazakhstan “On Elections in the Republic of Kazakhstan” and the Law of the Republic of Kazakhstan “On Combating Corruption” and their spouses;

persons wishing to become major participants in a bank, insurance (reinsurance) organization, managing an investment portfolio in accordance with the laws of the Republic of Kazakhstan “On banks and banking activities in the Republic of Kazakhstan”, “On insurance activities”, “On the securities market”.

The deadline for filing declarations of assets and liabilities for military personnel serving on fixed-term contracts shall be prolonged without sending a notification of the prolongation to the tax authority for the period of fixed-term service from the date of issue of the order to leave the local military administration to the place of military service.

Upon loss of status as a conscripted serviceman based on an order to remove the serviceman from the personnel lists of the military unit, the individual shall file a declaration of an individual, where the deadline for filing is extended, no later than sixty calendar days from the date of issuance of the order to remove from the lists of the military unit.

Footnote. Article 632 as amended by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024; as amended by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall come into force on 01.01.2025).

Paragraph 2. Declaration of income and property

Article 633. Declaration of income and property

1. Unless otherwise stated in part two of this paragraph, nationals of the Republic of Kazakhstan and resident individuals shall provide a declaration of income and assets if they comply with one of the following conditions within the reporting tax period:

1) persons who, under the Law of the Republic of Kazakhstan “On Combating Corruption ”, are required to submit a declaration of income and assets;

2) major participants in a bank, insurance (reinsurance) entity, managing an investment portfolio pursuant to the laws of the Republic of Kazakhstan “On Banks and Banking Activities in the Republic of Kazakhstan”, “On Insurance Activities”, “On the Securities Market”, as well as their resident spouses;

3) managers, founders (participants) of legal entities owning more than 10 per cent of the share capital (shares of joint-stock companies), as well as their resident spouses, apart from founders (participants) of non-profit entities;

4) persons engaged in private practice;

5) persons who received income in a reporting tax period that is subject to taxation by the individual independently, excluding income from entrepreneurial activities;

6) persons who, as of 31 December of the reporting tax period, have money in bank accounts in foreign banks located outside the Republic of Kazakhstan in an amount that exceeds 1,000 times the monthly calculation index;

7) persons who, as of 31 December of the reporting tax period, own property for which rights and/or transactions are subject to state or other registration with a competent authority of a foreign state under the laws of that foreign state;

8) persons who, as of 31 December of the reporting tax period, own digital assets;

9) persons who, within the reporting tax period, acquired property worth more than 20,000 times the monthly calculation index established by the law on the republican budget and effective as of 31 December of the reporting tax period, in the Republic of Kazakhstan and/or outside its borders:

real estate subject to state or other registration, as well as property for which rights and/or transactions are subject to state or other registration;

motor vehicles and trailers subject to state registration;

shares in the authorised capital of a legal entity;

securities;

derivative financial instruments (excluding derivative financial instruments that are settled by delivery or acceptance of the underlying asset);

shares in housing construction;

investment gold;

10) persons who have filed an application with the tax agent for tax deductions in the form of an advance amount of other deductions.

The provisions of sub-paragraphs 6) to 8) of part one of this paragraph shall not apply to persons who, at the same time, are required to file a declaration of assets and liabilities under Article 630 of this Code in the current reporting period.

2. Foreigners or stateless persons who are non-residents shall submit a declaration of income and property if one of the following conditions is met:

1) received income from sources in the Republic of Kazakhstan during the reporting tax period that is subject to taxation by an individual independently;

2) were individuals who were obliged to submit a declaration of income and property in accordance with the laws of the Republic of Kazakhstan.

In the event of an obligation to pay individual income tax on income subject to taxation by an individual independently, received in the reporting tax period, the payment of individual income tax by such individual shall be carried out in the manner and within the timeframes established by subparagraph 2) of Article 641 of this Code.

3. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

4. Excluded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

5. The provisions of this article shall not apply to foreigners or stateless persons who are employees of diplomatic missions or equivalent missions accredited in the Republic of Kazakhstan, consular offices of foreign states, international organizations and their missions, as well as members of their families living with them.

6. Failure by an individual to submit a declaration of income and property within the period established by Article 635 of this Code shall be considered confirmation of the absence of such individual:

income subject to taxation by an individual independently;

the fact of acquisition, alienation, gratuitous receipt of property subject to state or other registration, property for which rights and (or) transactions are subject to state or other registration, including outside the Republic of Kazakhstan.

Footnote. Article 633 as amended by the Laws of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall come into effect on 01.01.2019); dated 10.12.2020 № 382-VI (

shall come into effect on 01.01.2021); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 634. Features of preparation of a declaration of income and property

1. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

2. A declaration of income and property is intended to reflect by individuals of the information about:

1) income subject to taxation by an individual independently, with the exception of income of an individual entrepreneur from entrepreneurial activity subject to declaration;

2) tax deductions;

3) acquisition and (or) alienation of property outside the Republic of Kazakhstan, including free of charge;

4) a requirement for offsetting and refunding the excess amount of individual income tax, including in the case of application of the tax deduction specified in Article 351 of this Code, indicating the consent of the individual to the submission by banking institutions of information on the individual's expenses for the repayment of interest on mortgage housing loans received for the purchase of housing in the Republic of Kazakhstan.

5) money in bank accounts in foreign banks located outside the Republic of Kazakhstan, in the total, in total exceeding the 1000-fold amount of the monthly calculation indicator established by the Law on the Republican Budget and valid in the reporting tax period as of December 31.

6) property available as of December 31 of the reporting tax period on the basis of the right of ownership of an individual:

property that is subject to state or other registration (accounting) or the right and (or) transactions for which are subject to state or other registration (accounting) in the competent authority of a foreign state in accordance with the legislation of a foreign state;

securities whose issuers are registered outside the Republic of Kazakhstan, digital assets;

investment gold;

the share of participation in the authorized capital of a legal entity registered outside the Republic of Kazakhstan;

7) debts owed by other persons to an individual (accounts receivable) and/or debts owed by an individual to other persons (accounts payable) outside the Republic of Kazakhstan, as referred to in paragraph 6 of Article 634 of this Code.

3. Attachments to the declaration of income and property are intended for detailed reflection of information on the calculation of the tax liability used by the tax authorities for tax control.

4. Individuals listed in sub-paragraphs 1) – 3) and 9) of part one of paragraph 1 of Article 633 of this Code shall reflect in their income and property declarations data on the acquisition and (or) disposal of property, as well as on the sources of coverage of expenses for the

acquisition within the reporting tax period of the following property, including outside the Republic of Kazakhstan:

1) real estate, subject to state or other registration, as well as property under which the rights and (or) transactions are subject to state or other registration;

2) mechanical vehicles and trailers subject to state registration;

3) shares of participation in the authorized capital of a legal entity;

4) securities, digital assets;

5) investment gold;

6) derivatives of financial instruments (with the exception of derivatives of financial instruments, the execution of which occurs by acquiring or selling a basic asset);

7) shares of participation in housing construction.

Individuals who accept, in accordance with the Law of the Republic of Kazakhstan On Combating Corruption an anti-corruption restriction on opening and holding accounts (deposits) in foreign banks located outside the Republic of Kazakhstan, storing cash and valuables in foreign banks located outside the Republic of Kazakhstan, shall reflect information in the declaration of income and property about the money in foreign banks located outside the Republic of Kazakhstan, regardless of the amount of the bank deposit.

The requirement to reflect these information is indicated in the attachment to the declaration of income and property.

5. Excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

6. The income and property declaration shall show the debts of other persons to the individual (accounts receivable) and/or the debts of the individual to other persons (accounts payable) as of the date of the declaration:

1) between individuals – if there is a notarised contract (transaction, agreement) that forms the ground for the obligation or claim, concluded with an individual.

The debt mentioned in this sub-paragraph must be notarised no later than the deadline for filing the declaration set out in Article 632 of this Code;

2) between an individual and a legal entity and/or individual entrepreneur, including non-residents, subject to the availability of a reconciliation statement and a civil law agreement, excluding debts to banks and organisations engaged in certain types of banking operations, microfinance organisations established under the laws of the Republic of Kazakhstan;

3) confirmed by a court decision that has entered into legal force.

The documents referred to in the first part of this paragraph must be enclosed when filing a declaration of income and property.

Any debt not confirmed by the enclosed documents shall be deemed to be zero.

However, accounts receivable and/or accounts payable shall not be reported in the income and property declaration if there is an agreement concluded using a borrowed crowdfunding

platform of a participant of the Astana International Financial Centre operating under an issued licence.

Footnote. Article 634 as amended by the laws of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (effective from 01.01.2024; № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 635. Deadlines for submitting income and property declarations

1. The declaration of income and property shall be filed at the place of residence (stay) no later than September 15 of the year following the reporting calendar year.

2. Excluded by the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

3. If there are no approved financial statements as of the date of submission of the income and assets declaration, the calculation of the total profit of controlled foreign companies or permanent establishments of controlled foreign companies shall be made in an additional income and assets declaration submitted within sixty business days following the day approval of financial statements, but no later than March 31 of the second year following the reporting tax period, subject to the provisions of Article 211 of this Code.

4. The deadline for filing income and property declarations for conscripted military personnel shall be prolonged without sending a notification of prolongation to the tax authority for the period of conscription service from the date of issue of the order to leave the local military administration to the place of military service.

Upon loss of status as a conscripted serviceman based on an order to remove the serviceman from the personnel lists of the military unit, the individual shall file a declaration of an individual, in respect of which the deadline for filing has been extended, no later than sixty calendar days from the date of issue of the order to remove him/her from the lists of the military unit.

Footnote. Article 635 as amended by the laws of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall come into effect ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 12.12.2023 № 45-VIII (effective from 01.01.2024); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 636. Calculation of an individual's taxable income based on the results of the calendar year

1. The taxable income of an individual at the end of the calendar year shall be calculated as per this article.

2. The taxable income of an individual, subject to taxation by the individual themselves, excluding the income of individual entrepreneurs and resident labour immigrants, shall be calculated as follows:

income subject to taxation by the individual independently, excluding income of individual entrepreneurs and resident labour immigrants,

plus

taxable income of persons engaged in private practice,

plus

the amount of the employee's income accrued by the employer, subject to taxation at source in the event of the application of a preliminary amount of other deductions to such income,

minus

the income adjustment envisaged in Article 341 of this Code,

minus

the tax deductions referred to in paragraph 1 of Article 342 of this Code.

3. The taxable income of an individual entrepreneur shall be calculated as follows:

the taxable income of an individual entrepreneur, established pursuant to the procedure set forth in paragraph 1 of Article 366 of this Code,

minus

the income adjustment envisaged by Article 341 of this Code,

minus

the tax deductions referred to in paragraph 1 of Article 342 of this Code.

4. The taxable amount of income of a resident labour immigrant shall be calculated in the order established by Article 642 of this Code.

5. Individual entrepreneurs applying a special tax regime for small businesses shall calculate individual income tax on income taxable under the specified special tax regimes pursuant to Chapter 77 of this Code.

Footnote. Article 636 - as revised by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force since 01.01.2025).

Article 637. Calculation of individual income tax on income of an individual liable to taxation independently

1. Personal income tax on income subject to taxation by individuals shall be calculated by the individual:

1) in the personal income tax return for entrepreneurial activity – on the income of an individual entrepreneur, calculated following the standard procedure;

2) in the income and property declaration – for other income subject to taxation independently.

2. The amount of individual income tax on the income of an individual subject to taxation independently shall be calculated by applying the rates established by Article 320 of this Code to the corresponding amount of taxable income of the individual.

3. The amount of personal income tax payable to the budget shall be calculated as follows :

the amount of personal income tax calculated pursuant to paragraph 2 of this article,

minus

the amount of personal income tax calculated on the employee's income subject to taxation at source in the event that other deductions are applied to such income,

minus

the amount of personal income tax against which the offset is made pursuant to Article 638 of this Code,

minus

the amount of corporate income tax subject to offset pursuant to Article 638-1 of this Code.

4. The amount of personal income tax on the income of labour immigrants shall be calculated by labour immigrants independently following the procedure established in paragraph 2 of Article 642 of this Code.

Footnote. Article 637 – as revised by Law of the Republic of Kazakhstan № 208-VIII of 01.01.2025 (shall enter into force since 01.01.2025).

Article 638. The credit of foreign tax

1. Amounts of income taxes or other foreign taxes similar to individual income tax (hereinafter, for the purposes of this article, the Foreign income tax) paid outside the Republic of Kazakhstan on income received by a resident individual from sources outside the Republic of Kazakhstan shall be credited against the payment of individual income tax in the Republic of Kazakhstan in the manner determined by Article 303 of this Code, within the limits of the individual income tax rate, provided there is a document confirming the payment of such foreign income tax.

2. The amount of foreign income tax on the financial profit of a controlled foreign company or the financial profit of a permanent institution of a controlled foreign company, calculated according to the following formula, shall be credited against the payment of individual income tax in the Republic of Kazakhstan:

Nz = P x D x Se /100%, where:

Nz – the amount of foreign income tax subject to offset;

P – a positive amount of financial profit of a controlled foreign company or a positive amount of financial profit of a permanent institution of a controlled foreign company, included in the annual income of a resident individual in accordance with Article 340 of this Code;

D – the coefficient of direct or indirect, or constructive participation or direct or indirect, or constructive control of a resident in a controlled foreign company, determined in accordance with Article 297 of this Code;

Сэ – the effective rate calculated in accordance with subparagraph 12) of paragraph 4 of Article 294 of this Code, excluding income tax, including withheld at the source of payment in the Republic of Kazakhstan from the income specified in subparagraphs 1) – 10) of paragraph 3 of Article 340 of this Code.

The provisions of this paragraph shall not apply to a controlled foreign company and/or a permanent institution of a controlled foreign company that is registered in states with preferential taxation, and/or when calculating the total profit of a controlled foreign company and/or a permanent institution of a controlled foreign company, a resident uses a formula with a share of passive income in the current tax period.

The provisions of this paragraph shall apply in the case of payment of foreign income tax on the financial profits of a controlled foreign company or the financial profits of a permanent institution of a controlled foreign company at an effective rate of less than 10 percent in the states in which:

1) a controlled foreign company or a permanent institution of a controlled foreign company;

2) a controlled foreign company that has established a permanent institution;

3) a controlled individual through whom a resident indirectly owns shares (voting shares) or has indirect control in a controlled foreign company.

If the financial profits of a controlled foreign company or the financial profits of a permanent institution of a controlled foreign company have been subject to foreign income tax in two or more foreign countries, then the credit shall be taken only for that foreign income tax whose effective rate is the maximum of the effective rates of foreign income tax paid in such foreign countries. The provisions of this paragraph shall apply:

1) in case of indirect ownership of participation interests (voting shares) or indirect control in a controlled foreign company and payment of foreign income tax in two or more foreign countries (in which the controlled individual (controlled persons) through which such indirect ownership or such indirect control is exercised is registered) on the financial profit of the controlled foreign company or the financial profit of a permanent institution of the controlled foreign company, or

2) in the case of direct ownership of participation interests (voting shares) or direct control in a controlled foreign company and payment of foreign income tax on the financial profits of a permanent institution of a controlled foreign company in foreign countries in which the following are registered:

a permanent institution of a controlled foreign company;

a controlled foreign company that has established a permanent institution.

In the event of a resident's direct and indirect or direct and constructive ownership of participating interests (voting shares), or the resident's direct and indirect or direct and constructive control in a controlled foreign company, the amount of foreign income tax on the financial profit of a controlled foreign company or the financial profit of a permanent institution of a controlled foreign company that is subject to offset in accordance with this paragraph shall be calculated separately for each direct and indirect ownership or direct and constructive ownership of participating interests (voting shares), or direct and indirect control or direct and constructive control in a controlled foreign company. In this case, the amount of such foreign income tax calculated separately for the direct and indirect ownership or direct and constructive ownership of participating interests (voting shares), or direct and indirect control or direct and constructive control in a controlled foreign company shall be offset in accordance with this paragraph.

To apply this paragraph, the resident must have the documents specified in part five of paragraph 4 of Article 303 of this Code.

Footnote. Article 638 as amended by the Laws of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall come into effect upon expiry of ten calendar days after the date of its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 638-1. Offset of tax payable by a foreign company being controlled

1. Individual income tax shall be reduced by an amount specified in one of the following orders:

1) the amount of corporate income tax withheld at source in the Republic of Kazakhstan in the tax period from the income or taxable income of a controlled foreign company from sources in the Republic of Kazakhstan, included in the financial profit of the controlled foreign company subject to taxation (taxed) in the reporting or previous tax period in the Republic of Kazakhstan pursuant to Article 340 of this Code, excluding the amount of corporate income tax withheld at source in the Republic of Kazakhstan from income in the form of dividends. The provision of this sub-paragraph shall apply to the amount of corporate income tax withheld at source, calculated using a rate of less than 10 per cent, and in cases where the resident does not apply the provisions of paragraph 2 of Article 638 of this Code;

2) a value calculated as follows:

Td = I x (Rc - Re)/100 %, where:

Td – tax deductible in accordance with this subparagraph;

I – income or taxable income received by a foreign company under control from sources in the Republic of Kazakhstan, excluding income in the form of dividends;

Rc – corporate income tax rate withheld in the Republic of Kazakhstan from the income or taxable income of a foreign company under control from sources in the Republic of Kazakhstan at a rate of less than 10 per cent (hereinafter referred to as the corporate income tax rate);

Re – the effective rate of foreign income tax or other foreign tax similar to corporate income tax in the Republic of Kazakhstan, paid in a foreign state on the financial income of a controlled foreign company, including income or taxable income from sources in the Republic of Kazakhstan, on which foreign income tax is calculated, offset or subject to offset pursuant to paragraph 2 of Article 638 of this Code (hereinafter referred to as the effective foreign income tax rate).

The provisions of this sub-paragraph shall apply in cases where a resident applies the provisions of paragraph 2 of Article 638 of this Code and where the corporate income tax rate exceeds the effective foreign income tax rate.

2. The provisions of sub-paragraph 1) or 2) of paragraph 1 of this article shall apply if a resident individual has copies of the following documents:

confirming the withholding and transfer by a resident to the budget of the Republic of Kazakhstan of corporate income tax at source from the income or taxable income of a foreign company under control received from sources in the Republic of Kazakhstan;

internal document(s) drawn up in a foreign language (with mandatory translation into Kazakh or Russian) confirming the inclusion in the taxable (taxed) in the Republic of Kazakhstan of the financial profit of a foreign company under control income or taxable income from sources in the Republic of Kazakhstan;

stated in part five of paragraph 4 of Article 303 of this Code when applying sub-paragraph 2) of paragraph 1 of this article.

Footnote. Chapter 71 has been supplemented with Article 638-1 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 639. Controlled foreign company tax credit

Footnote. Article 639 excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 640. Excess of individual income tax

An excess of individual income tax shall be recognized as a positive difference between the amount of individual income tax withheld at the source of payment from income subject to taxation at the source of payment, except for income provided for in Articles 327 and 328 of this Code, and the amount of individual income tax calculated from the income of an individual based on the results of the calendar year in the manner determined by Article 637 of this Code.

Article 641. Procedure and terms for payment of tax calculated in the income and property declaration

Individual income tax calculated on the taxable income of an individual at the end of the calendar year shall be paid by the taxpayer no later than 25 September of the year following the reporting tax period, in the following order:

1) an individual entrepreneur, an individual engaged in private practice – at the place of location;

2) by an individual not specified in subparagraph 1) of this paragraph – at the place of residence (stay).

An individual shall pay the individual income tax calculated on the total profit of a controlled foreign company and (or) a permanent institution of a controlled foreign company based on the results of the tax period no later than ten calendar days after the deadline established by paragraph 3 of Article 635 of this Code. In this case, the provisions of this part shall not apply to the individual income tax calculated on the total profit of controlled foreign companies and (or) permanent institutions of controlled foreign companies registered in states with preferential taxation.

Footnote. Article 641 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect on 01.01.2021); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 642. Income of a resident labor immigrant

1. Resident labor immigrants shall make an advance payment of individual income tax.

The advance payment of individual income tax shall be calculated in the amount of 2 times the monthly calculation indicator established by the law on the republican budget and in effect on January 1 of the corresponding financial year, for each month of performance of work, provision of services of the corresponding period indicated by the labor immigrant-resident in the application for obtaining (extending) a permit for a labor immigrant .

Payment of the advance payment of the individual income tax shall be made by the resident labor immigrant at the place of stay before receiving (extending) the labor immigrant permit.

2. At the end of the reporting tax period, resident labor immigrants shall calculate the amount of individual income tax by applying the rate established by paragraph 1 of Article 320 of this Code to the taxable amount of income.

The taxable amount of income shall be defined as the amount of income received (to be received) from the performance of work, and provision of services, reduced by the amount of the minimum wage established by the law on the republican budget and in effect on January 1 of the relevant financial year, calculated for each month of performance of work, provision of services of the relevant period specified in the permit for the labor immigrant.

The number of advance payments paid by a resident labor immigrant to the budget during the tax period shall be credited towards the payment of individual income tax calculated for the reporting tax period.

If the amount of advance payments of individual income tax paid during the tax period exceeds the amount of individual income tax calculated for the reporting tax period, then the amount of such excess is not the amount of overpaid individual income tax and is not subject to refund or offset.

Article 643. Declaration on individual income tax on entrepreneurial activity and deadlines for its filing

1. Individual entrepreneurs who apply the generally established taxation procedure shall file a declaration on individual income tax on entrepreneurial activity.

2. The individual income tax return for entrepreneurial activities shall be filed with the tax authority at the place of residence no later than 31 March of the year following the reporting tax period, except for liquidation tax returns.

3. The deadline for filing a liquidation declaration on individual income tax on entrepreneurial activity upon termination of the individual entrepreneur's activity is established by Articles 65, 66 and 67 of this Code.

Footnote. Article 643 – as reworded by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force since 01.01.2025).

Article 643-1. Procedure and deadlines for payment of personal income tax calculated in the personal income tax return for entrepreneurial activities

1. Unless otherwise established by this article, individual income tax calculated in the individual income tax return for entrepreneurial activities shall be paid at the place of residence no later than 10 April of the year following the reporting tax period.

2. Individual income tax calculated in the liquidation declaration for individual income tax on entrepreneurial activity shall be paid at the place of residence no later than ten calendar days from the date of submission of the liquidation tax report upon termination of the individual entrepreneur's activity.

Footnote. Chapter 71 has been supplemented with Article 643-1 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall become effective since 01.01.2025).

Section 19. Taxation of non-residents

Article 644. Income of a non-resident from sources in the Republic of Kazakhstan

1. The following types of income are recognized as income of a non-resident from sources in the Republic of Kazakhstan:

1) income from the sale of goods in the territory of the Republic of Kazakhstan, as well as income from the sale of goods, located in the Republic of Kazakhstan, beyond its borders for the purposes of foreign trade activity;

2) income from the performance of works, rendering of services in the territory of the Republic of Kazakhstan;

3) income from the provision of managerial, financial, consulting, engineering, marketing, auditing and legal services (except for services for representation and protection of rights and legitimate interests in courts, arbitration tribunals or mediation courts, as well as notarial services) outside the Republic of Kazakhstan.

For the purposes of this Section, financial services are as follows:

the activity of participants in the insurance market (except for insurance and (or) reinsurance services), securities market;

the activity of the single accumulative pension fund and voluntary accumulative pension funds;

banking activities, activities of organizations for conducting certain types of banking operations (except for services provided to a structural unit of a legal entity-resident of the Republic of Kazakhstan, located outside the Republic of Kazakhstan, for opening and maintaining bank accounts, transfer, cash transactions, exchange transactions with foreign currency, including exchange operations with foreign currency in cash, acceptance of payment documents for collection);

the activity of the central depository and mutual insurance companies;

the activity of the social health insurance fund;

4) income of a person, registered in a state with preferential taxation, included in the list approved by the authorized body, from performing works, rendering services irrespective of the place of their actual performance, rendering and also other income indicated in this article.

The provisions of this subparagraph do not apply to income from:

rendering tourist services to an individual in the territory of such a state;

carrying out the airport activity defined in accordance with the legislation of the Republic of Kazakhstan;

5) income of a person registered in a foreign state in the form of obligations on the advance payment (prepayment) received, not taxed in accordance with subparagraph 5-1) of this part, if one of the following conditions is met:

not satisfied by a non-resident after a two-year period from the day of an advance payment (prepayment);

not satisfied by a non-resident as of the date of filing liquidation tax returns in the course of liquidation of a person that made an advance payment (prepayment) prior to expiration of a two-year period from the day of an advance payment (prepayment), unless otherwise provided for in this subparagraph.

If in case of liquidation of a person that made an advance payment (prepayment), it is required to conduct a liquidation tax audit or issue an opinion following the results of an in-house audit in accordance with this Code, the amount of such an obligation is determined as:

the amount of obligations (except for VAT amount) payable in accordance with the taxpayer’s source documents and (to be) indicated on interim liquidation balance-sheet, as of the date of approval of such balance-sheet

minus

the amount of obligations that will be satisfied between the day of approval of interim liquidation balance-sheet and the day of completion of a liquidation tax audit or an in-house audit.

Pursuant to the results of the liquidation tax audit, the amount of the obligation is determined by a tax authority on the basis of actual amount of satisfied obligations for the specified period. The amount of such an obligation is indicated in a tax audit report.

Pursuant to the results of an in-house audit, the amount of the obligation is determined by a tax authority on the basis of actual amount of satisfied obligations for the specified period and is indicated in a notification about elimination of violations revealed by the results of the in-house audit;

In this case, the provisions of this Subparagraph regarding the income of persons registered with the states not included in the list approved by the authorized agency of states with preferential taxation, apply to advances (prepayment) paid (from January 1, 2019);

5-1) income of a person registered in a foreign state in the form of obligations on the received advance payment (prepayment) if the following conditions are present simultaneously:

an international agreement on double taxation avoidance has not been concluded with the non-resident state;

the term of the agreement (contract) is more than two years;

6) income from increase in value in case of sale of:

property located in the territory of the Republic of Kazakhstan, the right to which or transactions for which are subject to state registration in accordance with the laws of the Republic of Kazakhstan;

property located in the territory of the Republic of Kazakhstan subject to state registration in accordance with the laws of the Republic of Kazakhstan;

securities issued by a resident, as well as participatory interests in the authorized capital of a resident legal entity, a consortium located in the Republic of Kazakhstan;

shares issued by a non-resident, as well as participatory interests in the authorized capital of a non-resident legal entity, a consortium, if 50 or more percent of the value of such shares, participatory interests or assets of a non-resident legal entity is property located in the Republic of Kazakhstan;

7) income from assigning the right to claim a debt to a resident or a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment - for a non-resident that conceded the right to claim.

At the same time, the amount of such income is determined in the form of positive difference between the value of the right of claim, for which the assignment was made, and the value of the claim receivable from the debtor as of the date of assignment of the right of claim, according to the non-resident's source documents;

8) income from the assignment of rights of claim when acquiring rights to claim a debt from a resident or a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, with the exception of income provided for in subparagraph 8-1) of this paragraph - for a non-resident acquiring the right of claim.

In this case, the amount of such income shall be determined in the form of a positive difference between the amount to be received from the debtor upon request of the principal debt, including the amount in excess of the principal debt on the date of assignment of the claim, and the cost of acquiring the claim;

8-1) income from the assignment of claims when acquiring rights to claim debt from a resident or non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, which are assigned (re-assigned) in accordance with the laws of the Republic of Kazakhstan “On banks and banking activities in the Republic Kazakhstan" and " On microfinance activities" - for a non-resident acquiring the right of claim.

In this case, the amount of such income shall be determined in the form of a positive difference between the amount actually paid by the debtor and the cost of acquiring the right of claim.

Income from the assignment of the right of claim shall be recognized in the tax period in which the positive difference arises (increases). This does not take into account the positive difference previously recognized in previous tax periods;

9) income in the form of forfeit (fines, penalty) and other types of sanctions, except for unreasonably withheld fines that were returned from the budget;

10) income in the form of dividends received from a resident legal entity, as well as from mutual funds established in accordance with the laws of the Republic of Kazakhstan;

11) income in the form of interest, except for interest on debt securities;

12) income in the form of interest on debt securities received from their issuer;

13) income in the form of royalties;

14) income from providing property into property lease (rent) that is or will be located in the Republic of Kazakhstan, except for financial lease;

15) income received from immovable property located in the Republic of Kazakhstan;

16) income in the form of insurance premiums paid under insurance or reinsurance contracts for risks arising in the Republic of Kazakhstan;

17) income from rendering international transportation services.

For the purposes of this Section, any transportation of passengers, baggage, goods, including mail, by sea, river or air, road or rail between points located in different states, one of which is the Republic of Kazakhstan, is recognized as international transportation.

For the purposes of this Section, the following is not recognized as international transportation:

transportation carried out only between points outside the Republic of Kazakhstan, and also only between points located in the territory of the Republic of Kazakhstan;

transportation of goods through main pipelines;

18) income in the form of payment for the demurrage of a vessel during loading and unloading operations in excess of the lay time provided for in an agreement (contract) on (for) the carriage of goods by sea;

19) income received from the operation of pipelines, power transmission lines, fiber-optic communication lines located in the territory of the Republic of Kazakhstan;

20) income of a non-resident individual from activity in the Republic of Kazakhstan under an employment contract (agreement) concluded with a resident or non-resident employing him/her;

21) income of a non-resident migrant worker under an employment contract concluded in accordance with the labor legislation of the Republic of Kazakhstan on the basis of a permit to a migrant worker;

22) the director's fee and (or) other payments to members of the management body (the board of directors or other body) received by the said persons in connection with the performance of management duties imposed on them with respect to a resident, regardless of the place of actual performance of such duties;

23) allowances to a non-resident individual paid to him/her in connection with residence in the Republic of Kazakhstan by a resident or non-resident employing him/her;

24) income of a non-resident individual from activity in the Republic of Kazakhstan in the form of material benefits received from his/her employer.

For the purposes of this Section, material benefits also include:

payment and (or) reimbursement of the value of goods, performed works, rendered services that were received by a non-resident individual from third parties;

negative difference between the value of goods, works, services sold to a non-resident individual and the purchase price or production cost of these goods, works, services;

write-off of the amount of debt or obligation of a non-resident individual;

25) income of a non-resident individual in the form of material benefits received from a person, who is not his/her employer

26) pension payments made by a resident accumulation pension fund;

26-1) insurance payments to non-resident individuals, made under a pension annuity agreement;

27) income of a theater, film, radio, TV actor/actress, musician, artist, athlete and another non-resident individual from his/her activity in the Republic of Kazakhstan in the field of culture, art and sports, regardless of how and to whom payments are made;

28) income in the form of a prize;

29) income from rendering independent personal (professional) services in the Republic of Kazakhstan;

30) income in the form of property received for free or inherited one, including works, services, except for property received for free by a non-resident individual from a resident individual.

The value of works performed and services rendered free of charge is determined as the amount of expenses incurred in connection with the performance of such works, rendering of such services.

The value of property received for free, except for works performed and services rendered for free, is determined as the amount of its book value according to accounting records of a person, who transferred such property, as of the date of transfer of the property.

If it is not possible to determine the value of the property received free of charge according to accounting records, and also that of inherited property, the value of such property as of the date of transfer or inheritance is established in one of the following ways:

on the basis of the value established by the "Government for Citizens" State Corporation as of January 1 of a calendar year, within which such property was received;

on the basis of the quotation price of a security traded on a Kazakhstani or foreign stock exchange, as of the day of coming into inheritance (possession) of the said security.

If it is not possible to determine the value of the property received for free or inherited in the manner prescribed by this subparagraph, the value is determined on the basis of a property appraisal report;

31) income from derivative financial instruments;

32) income from transfer of property into trust management to a resident not obliged to fulfill a tax obligation in the Republic of Kazakhstan for a non-resident, who is a trust management founder;

33) income from an investment deposit placed with an Islamic bank;

34) other income arising from activity in the territory of the Republic of Kazakhstan.

In this case, the provisions of subparagraphs 3), 4), 5), 11), 12), 13), 25) and 28) of this paragraph shall apply if income is assessed, paid and (or) expenses for income payment are allocated to deductibles by:

a resident;

a non-resident operating in the Republic of Kazakhstan through a permanent establishment if the assessment, payment of income and (or) allocation of expenses for income payment to deductibles are related to the activity or property of such a permanent establishment;

a structural unit of a non-resident legal entity, in case such a structural unit does not set up a permanent establishment in accordance with an international treaty regulating the avoidance of double taxation and prevention of tax evasion, or paragraph 6 of Article 220 of this Code.

2. The income of a non-resident from sources in the Republic of Kazakhstan is not:

1) the amount of income tax calculated from the income of a non-resident in accordance with the provisions of this Code and paid to the budget of the Republic of Kazakhstan by a tax agent with his/heregulatingiblesto , as t ln e a own funds without withholding this income tax;

2) compensation of expenses to members of the management body (the board of directors or other body) incurred in connection with the performance of managerial duties imposed on them by a resident, to the extent of:

actually incurred travel expenses to the place of performance of managerial duties and back, including the payment of expenses for reservation, on the basis of documents confirming such expenses (including an electronic ticket, an electronic travel document given a document confirming its payment, as well as a boarding pass or another document confirming the fact of travel and issued by a carrier);

accommodation expenses actually incurred outside the Republic of Kazakhstan on the basis of documents confirming such expenses, but within the ceiling rates for reimbursement of expenses for hiring single standard hotel rooms for civil servants being on business trips abroad;

accommodation expenses actually incurred in the Republic of Kazakhstan on the basis of documents confirming such expenses;

the amount of money not exceeding 6 times the monthly calculation index established by the law on the national budget and effective as of January 1 of a relevant financial year for each calendar day of stay within the Republic of Kazakhstan for performing managerial duties for a period not exceeding forty calendar days;

the amount of money not exceeding 8 times the monthly calculation index established by the law on the national budget and effective as of January 1 of a relevant financial year for each calendar day of stay outside the Republic of Kazakhstan for performing managerial duties for a period not exceeding forty calendar days. In this case, the place of fulfillment of managerial duties shall not coincide with the place of permanent residence;

3) income of a non-resident legal entity received from:

autonomous educational organizations defined by subparagraphs 1), 2) and 3) of paragraph 1 of Article 291 of this Code;

a non-profit organization applying the provisions of Article 289 of this Code, established by the person specified in the second paragraph of this subparagraph;

autonomous educational organizations, defined by subparagraphs 4) and 5) of paragraph 1 of Article 291 of this Code, for the performance of work, the provision of services for the types of activities specified in subparagraphs 4) and 5) of paragraph 1 of Article 291 of this Code;

bodies of the Astana International Financial Center or organizations of the body of the Astana International Financial Center;

Paragraph 3-1) shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

3-1) income, except for income of a person registered with a state with preferential taxation, included in the list approved by the authorized agency, from the provision of consulting, marketing, engineering services, information security services, work on the creation of data processing centers, paid by the legal entity specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code.

The provision of this subparagraph shall apply subject to the acquisition of such works, services for the implementation of activities included in the list of priority activities in the field of information and communication technologies, approved by the authorized body in the field of informatization in agreement with the central authorized body for state planning, the authorized state body carrying out state regulation in the field of technical regulation, and the authorized body;

4) income of a non-resident legal entity in the form of royalties paid by the autonomous educational organizations defined by subparagraphs 2), 3), 4) and 5) of paragraph 1 of Article 291 of this Code;

4-1) was valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI;

5) the value of property received as a contribution to the authorized capital of a non-resident legal entity, as well as the value of property received by a non-resident issuer from the placement of shares issued by it.

Footnote. Article 644 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (see Article 2); dated 26.12.2018 № 203-VI (enforcement see Art. 2); dated 03.07.2019 № 262-VI (shall come into effect from 01.01.2021); dated December 10, 2020, № 382-VI (refer to Article 2 for the procedure of enacting); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 20.03.2023 № 213-VII (effective from 01.01.2024).

Chapter 72. THE ORDER FOR TAXATION OF INCOME OF A NON-RESIDENT LEGAL ENTITY, WHOSE ACTIVITY DOES NOT RESULT IN THE FORMATION OF A PERMANENT ESTABLISHMENT IN THE REPUBLIC OF KAZAKHSTAN

Article 645. The order for calculating and withholding corporate income tax at source of payment

1. Income from sources in the Republic of Kazakhstan of a non-resident legal entity, whose activity does not result in the formation of a permanent establishment in the Republic of Kazakhstan (for the purposes of this Chapter, hereinafter referred to as the non-resident) is subject to corporate income tax at source of payment without deductions.

At the same time, the amount of corporate income tax withheld at source of payment is calculated by a tax agent by applying the rates, established by Article 646 of this Code, to the amount of income, specified in Article 644 of this Code, except for the income, specified in paragraph 9 of this article.

A tax agent calculates and withholds corporate income tax on income taxed at source of payment:

1) not later than the day of payment of income to a non-resident – with regard to assessed and paid income;

2) within the period for submission of a corporate income tax declaration established by paragraph 1 of Article 315 of this Code – with regard to assessed and unpaid income, which is allocated to deductibles.

2. A tax agent withholds corporate income tax at source of payment, regardless of the form and place of payment of income to a non-resident.

3. Income of a non-resident is taxed at source of payment regardless of whether this non-resident disposes of its income in favor of third parties and (or) its structural units in other states.

4. For the purposes of this article, an increase in value in case of sale of securities, participatory interests is determined in accordance with Article 228 of this Code.

5. The tax agent's duty to withhold and transfer corporate income tax at source of payment shall be considered fulfilled, provided that the tax agent pays the amount of corporate income tax, calculated from the income of a non-resident in accordance with the provisions of this Code, with its own funds without withholding this tax.

6. The obligation and responsibility for calculating, withholding and transferring corporate income tax at source of payment to the state budget are imposed on the persons paying income to a non-resident and recognized as tax agents, such as:

1) an individual entrepreneur;

2) a non-resident legal entity operating in the Republic of Kazakhstan through a structural unit.

In this case, a non-resident legal entity is recognized as a tax agent from the date of its structural unit's registration with tax authorities of the Republic of Kazakhstan;

3) a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without opening a structural unit.

In this case, a non-resident legal entity is recognized as a tax agent from the date of registration of its permanent establishment without opening a structural unit with tax authorities of the Republic of Kazakhstan;

4) a resident legal entity, including the issuer of the underlying asset of depositary receipts ;

5) a non-resident legal entity, except for those indicated in subparagraphs 2) and 3) of this paragraph, acquiring the property, specified in subparagraph 6) of paragraph 1 of Article 644 of this Code, if the conditions established by subparagraph 8) of paragraph 9 of this article are not observed;

6) a resident individual who has paid the income specified in subparagraph 6) of part one of paragraph 1 of Article 644 of this Code to a non–resident legal entity not registered with a tax authority as a taxpayer.

At the same time, a resident individual who has paid the income specified in subparagraph 6) of part one of paragraph 1 of Article 644 of this Code, for the purpose of implementing

part one of this subparagraph, is recognized as a tax agent, except in cases of transactions with securities on the stock exchange.

Calculation, withholding and transfer of corporate income tax at the source of payment to the budget from the income of a non–resident legal entity shall be carried out in accordance with the procedure established by Article 650 of this Code;

7) a resident legal entity that is a service company, when the debtor pays to a non-resident the income established by subparagraph 8-1) of paragraph 1 of Article 644 of this Code, on assets, rights (claims) for which are assigned (re-assigned) in accordance with the laws of the Republic of Kazakhstan " On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities."

Calculation, withholding and transfer of corporate income tax at the source of payment to the budget on the income of a non-resident shall be carried out as prescribed by Article 645 of this Code;

8) individual entrepreneur, resident legal entity who are debtors on assets, the rights (claims) for which are assigned (re-assigned) in accordance with the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities", according to income established by subparagraph 8-1) of paragraph 1 of Article 644 of this Code, in the absence of a trust management agreement between a non-resident and the service company defined by subparagraph 7) of this paragraph.

7. The payment of income shall be understood to mean the transfer of money in cash and (or) non-cash forms, transfer of securities, participatory interests, goods, property, performance of works, rendering of services, writing off and (or) offsetting debt claims to pay off arrears of income from sources in the Republic of Kazakhstan to a non-resident.

For the purposes of this Section, when taxing dividends, arising from the adjustment of taxable items in accordance with this Code and the legislation of the Republic of Kazakhstan on transfer pricing, the payment of income shall be understood as the income defined in accordance with Subparagraph 16) of Paragraph 1 of Article 1 of this Code. In this case, the date of income payment shall be March 31 of the year following the reporting taxable period.

8. If a contract concluded with a non-resident stipulates the performance of various types of works, rendering of various types of services in and outside the territory of the Republic of Kazakhstan, the procedure for calculating and withholding

income tax at source of payment, established by this article, shall apply separately to each type of works, services. Each stage of works performed, services rendered by a non-resident as part of a single engineering and manufacturing cycle shall be considered as a separate type of works, services for the purposes of calculating and withholding income tax at source of payment from the non-resident's income.

At the same time, total amount of the non-resident's income under the above contract shall be justifiably distributed into income received from performing works, rendering services in and outside the Republic of Kazakhstan.

For the purposes of application of the provisions of this paragraph, a non-resident is required to provide a service recipient with a copy of accounting records drawn up in accordance with the legislation of the Republic of Kazakhstan and (or) a foreign country confirming that total amount of the non-resident's income is distributed into income received from performing works, rendering services in the Republic of Kazakhstan and that received from performing works, rendering services outside it.

In case of no such distribution or unjustifiable distribution of the non-resident's income resulting in the understatement of the non-resident's income amount subject to taxation in the Republic of Kazakhstan in accordance with the provisions of this article, the total amount of the non-resident's income received under the above contract from performing works, rendering services both in and outside the Republic of Kazakhstan shall be subject to taxation.

9. Not subject to taxation:

1) are payments related to the supply of goods to the territory of the Republic of Kazakhstan as part of the foreign trade activity, except for services and works that were rendered and performed in the territory of the Republic of Kazakhstan in connection with such a supply.

If under an agreement (contract) on (for) the supply of goods, the transaction price includes expenses for rendering services, performing works in the territory of the Republic of Kazakhstan without specifying the amounts of purchased goods and (or) such expenses in the agreement (contract), the value of purchased goods is determined on the basis of the transaction price, specified in the agreement (contract), including such expenses.

If under an agreement (contract) on (for) the supply of goods, the transaction price includes expenses for rendering services, performing works in the territory of the Republic of Kazakhstan, and the amount of purchased goods is indicated separately from such expenses, the value of purchased goods is determined exclusive of such expenses;

2) is income from rendering services for opening and maintaining resident banks' correspondent accounts and for settling them, and also from settlements using international payment cards;

3) dividends and remuneration on securities that are on the date of accrual of such dividends and remuneration in the official list of stock exchanges operating in the territory of the Republic of Kazakhstan.

In this case, the provisions of this subparagraph shall apply to dividends and remunerations accrued on securities on which trading was completed on the stock exchange during the tax period in accordance with the criteria determined by the Government of the Republic of Kazakhstan;

4) Excluded by the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023);

5) Excluded by the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023);

Subparagraph 6) is provided for in the wording of the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2030).

6) is interest on government-issued securities, agency bonds and income from increase in value in case of sale of government-issued securities and agency bonds;

7) is income from increase in value in case of sale through open bids at a stock exchange, operating in the territory of the Republic of Kazakhstan or a foreign stock exchange, of securities that are in the official lists of this stock exchange as of the day of sale;

8) is income from increase in value in case of sale of shares issued by a legal entity or participatory interests in a legal entity or consortium, specified in subparagraph 6) of paragraph 1 of Article 644 of this Code, except for income of persons registered in a state with preferential taxation included in the list approved by the authorized body, unless otherwise provided for by subparagraph 7) of this paragraph, provided all of the following requirements are met:

as of the day of sale of shares or participatory interests, a taxpayer has been holding these shares or participatory interests for more than three years;

an issuing legal entity or a legal entity, whose participatory interest is being sold, or a participant in such a consortium, selling a participatory interest in such a consortium, is not a subsoil user;

as of the day of such sale, the property of persons (a person) that are (is) subsoil users (a subsoil user) is not worth more than 50 percent of the value of assets of such an issuing legal entity or a legal entity, whose participatory interest is being sold, or total value of assets of participants in such a consortium, whose participatory interest is being sold.

The period of the taxpayer's ownership of shares or participatory interests, specified in part one of this subparagraph, shall also include the periods of ownership of shares or participatory interests by their previous owners if the taxpayer received such shares or participatory interests as a result of reorganization of their previous owners.

For the purposes of this subparagraph, a subsoil user shall not be recognized as a subsoil user who is such solely because of the possession of the right to extract groundwater and (or) common minerals for his own needs, as well as a subsoil user who, during the twelve-month period preceding the first day of the month in which shares or participation interests, subsequent processing (after primary processing) of at least 70 percent of the mineral raw materials extracted during the specified period, including coal, at its own and (or) owned by a resident legal entity that is a related entity, production facilities located on the territory of the Republic of Kazakhstan.

When determining the volume of mineral raw materials, including coal, for subsequent processing, it shall include raw materials:

used in manufacturing products obtained as a result of any processing subsequent to primary processing;

used in manufacturing products of primary processing for their further use in subsequent processing.

In this case, the share of the property of persons (a person) that are (is) subsoil users (a subsoil user) in the value of assets of a legal entity or consortium, whose shares or participatory interests are being sold, is determined in accordance with Article 650 of this Code.

9) is the amount of accumulated (accrued) interest on debt securities paid by resident buyers purchasing them;

10) is income from transfer of fixed assets into financial lease under international financial lease agreements;

11) is income from performing works, rendering services outside the Republic of Kazakhstan, except for income specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 644 of this Code;

12) are payments related to the value adjustment in connection with the quality of sale of crude oil transported out of the Republic of Kazakhstan through a single pipeline system;

13) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

14) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

Subparagraph 15) shall come into effect from 01.01.2020 to 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020, № 382-VI.

15) the amount of debt on a credit (loan) and (or) debt associated with a credit (loan), including penalties (fines, late fees), for which waiver of debt was carried out in the manner and on the conditions established by paragraph 2-1 of the Article 232 of this Code, including debt on remuneration accrued up to December 31, 2012, inclusive.

16) was effective from 01.01.2020 to 01.01.2021 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

Footnote. Article 645 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated December 10, 2020, № 382-VI (for the procedure of enacting refer to Article 2); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2023); dated 12.21.2022 № 165-VII (effective after sixty calendar days after the date of its first official publication); dated 20.03.2023 № 213-VII (effective from 01.01.2024; dated12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 646. Rates of income tax at source of payment

Note!

The introduced amendment to Sub-paragraph one of Paragraph 1 shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

1. Income of a non-resident from sources in the Republic of Kazakhstan is subject to taxation at the source of payment at the following rates, unless otherwise provided by paragraphs 2, 3, 4 and 5 of this article:

1) 20 percent – regarding income specified in Article 644 of this Code, except for income indicated in subparagraphs 2) - 5) of this paragraph;

2) 15 percent – regarding insurance premiums under risk insurance contracts;

3) 5 percent - regarding insurance premiums under risk reinsurance contracts;

4) 5 percent – regarding income from rendering international transportation services;

5) 15 percent - income from increase in value, dividends, interest, royalties.

2. Income of a person registered in a state with preferential taxation included in the list approved by the authorized body, defined in Article 644 of this Code, shall be subject to taxation at source of payment at a rate of 20 percent.

Paragraph 3 shall remain in force before 01.01.2029 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

3. Income from increment of value in sale of shares issued by legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code, participatory interests in legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code, as well as dividends received from legal entities specified in Subparagraph 6) of Paragraph 1 of Article 293 of this Code shall be subject to taxation at the source of payment at a rate of 5 percent.

4. Income of a non-resident in the form of dividends, with the exception of those paid to persons registered in a state with preferential taxation, included in the list approved by the authorized body, is subject to taxation at the rate of 10 percent, provided that the following conditions are met simultaneously:

on the date of accrual of dividends, the taxpayer has held shares or participation interests on which dividends have been paid for more than three years;

a resident legal entity paying dividends is not a subsoil user during the period for which dividends are paid;

the property of persons (person) who are (is) subsoil users (subsoil user) in the value of the assets of a resident legal entity paying dividends, as of the date of payment of dividends, is no more than 50 percent.

If a resident legal entity, with the exception of the legal entity specified in subparagraph 6) of paragraph 1 of Article 293 of this Code, which pays dividends, reduces the calculated corporate income tax by 100 percent on activities, including those carried out under an investment contract, which provides for such a reduction, the provisions of this paragraph shall apply in the following order:

if the share of corporate income tax reduced by 100 percent in the total amount of the calculated corporate income tax on the whole for the resident legal entity paying dividends is 50 percent or more, then the provision of this paragraph shall not apply; if the share of the corporate income tax reduced by 100 percent in the total amount of the calculated corporate

income tax on the whole for the resident legal entity paying dividends is less than 50 percent, then the provisions of this paragraph shall apply to the entire amount of dividends.

The period of ownership of shares or participation interests by the taxpayer specified in part one of this paragraph is determined in aggregate, taking into account the periods of ownership by the previous owners of shares or participation interests, if such shares or participation interests were received by the taxpayer as a result of reorganization of the former owners or acquiring by one legal entity from another legal entity, provided that the founders (owners) of these legal entities are the same persons.

The provisions of this paragraph shall apply only to income previously subject to corporate income tax and received from a resident legal entity in the form of:

income payable on shares, including those that are the underlying assets of depositary receipts;

parts of net income distributed by a resident legal entity between its founders, participants ;

income from the distribution of property upon liquidation of a resident legal entity or reduction of the authorized capital by proportionally reducing the amount of contributions of the founders, participants or by full or partial redemption of the shares of the founders, participants, as well as withdrawal by the founder, a member of the participation interest in the resident legal entity, with the exception of property made by the founder, participant as a contribution to the authorized capital.

In this case, the share of property of persons (person) who are (are) subsoil users (subsoil user) in the value of assets of a resident legal entity paying dividends shall be determined in accordance with Article 650 of this Code.

For the purposes of this paragraph, a subsoil user shall not be recognized as a subsoil user who is such solely because of the possession of the right to extract groundwater and (or) common minerals for his own needs.

5. Income of a non-resident in the form of dividends paid by legal entities - subsoil users, with the exception of those paid to persons registered in a state with preferential taxation, included in the list approved by the authorized body, is subject to taxation at the rate of 10 percent, provided that the following conditions are met simultaneously:

on the date of accrual of dividends, the non-resident taxpayer has held shares or participation interests on which dividends are paid for more than three years;

within the twelve-month period preceding the first day of the month in which the dividends are accrued, the legal entity - subsoil user, which is a resident, paying dividends, carries out subsequent processing (after primary processing) of at least 70 percent of the mineral raw materials extracted during the specified period, including coal, on its own and (or) owned by a legal entity - a resident, which is a related entity, production facilities, located in the territory of the Republic of Kazakhstan. In the event that a legal entity - a subsoil user that is a resident, with the exception of the legal entity specified in subparagraph 6) of paragraph 1

of Article 293 of this Code, which pays dividends, reduces the calculated corporate income tax by 100 percent on activities, including those carried out as part of an investment contract under which such a reduction is stipulated, the provisions of this paragraph shall apply in the following order:

if the share of corporate income tax reduced by 100 percent in the total amount of the calculated corporate income tax on the whole for the resident legal entity paying dividends is 50 percent or more, then the provision of this paragraph shall not apply; if the share of the corporate income tax reduced by 100 percent in the total amount of the calculated corporate income tax on the whole of the resident legal entity paying the dividends is less than 50 percent, then the provisions of this paragraph shall apply to the entire amount of dividends.

The period of ownership of shares or participation interests by the taxpayer specified in part one of this paragraph is determined in aggregate, taking into account the periods of ownership of shares or participation interests by the previous owners, if such shares or participation interests were received by the taxpayer as a result of reorganization of the former owners.

For the purposes of this paragraph, when determining the volume of mineral raw materials , including coal, sent for further processing, the following raw materials shall be taken into account:

sent directly to the production of products resulting from any processing following primary processing;

used in the production of primary processing products for the purpose of their further use in subsequent processing.

The provisions of this paragraph shall apply only to income previously subject to corporate income tax and received from a resident legal entity in the form of:

income payable on shares, including those that are the underlying assets of depositary receipts;

parts of net income distributed by a resident legal entity between its founders, participants ;

income from the distribution of property upon liquidation of a resident legal entity or reduction of the authorized capital by proportionally reducing the amount of contributions of the founders, participants or by full or partial redemption of the shares of the founders, participants, also when the founder, participant withdraws the participation interest in the resident legal entity, except for property contributed by the founder, participant as a contribution to the authorized capital.

At the same time, the share of property of persons (person) who are (is) subsoil users (subsoil user) in the value of assets of a resident legal entity paying dividends shall be determined in accordance with Article 650 of this Code.

For the purposes of paragraph 4 of this article and this paragraph, income previously subject to corporate income tax is determined in the following order:

taxable income reduced by the amount of income and expenses provided for in Article 288 of this Code, as well as by the amount of losses carried forward in accordance with Article 300 of this Code,

minus

the amount of corporate income tax calculated by multiplying the rate established by paragraph 1 or 2 of Article 313 of this Code and taxable income reduced by the amount of income and expenses provided for by Article 288 of this Code, as well as by the amount of losses carried forward in accordance with Article 300 of this Code.

Income previously subject to corporate income tax shall be determined for each tax period for which dividends are distributed.

At the same time, when determining income previously subject to corporate income tax, the amount of paid advance payments on corporate income tax shall not be taken into account .

In cases of distribution and payment of dividends before the end of the tax period specified in Article 314 of its Code, the tax agent is not entitled to apply the provisions of paragraph 4 of this article and this paragraph.

At the same time, after the end of the relevant tax period, if the conditions established by paragraph 4 of this article and this paragraph are met, the tax agent has the right to make changes and additions to the previously submitted tax reporting on corporate income tax withheld at the source of payment from the income of a non-resident, in the manner prescribed by Article 211 of this Code. In the event of an overpaid amount of corporate income tax, the tax agent has the right to offset and (or) return such an amount in the manner prescribed by paragraph 1 of Chapter 11 of this Code.

Footnote. Article 646 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2023).

Article 647. The order and time limits for transfer of corporate income tax at source of payment

1. A tax agent shall transfer corporate income tax at source of payment, withheld from the non-resident’s income, to the state budget:

1) with regard to amounts of income assessed and paid, except for the case specified in subparagraph 3) of this paragraph – within twenty five calendar days after the end of the month, in which income was paid, at the market exchange rate set on the last business day preceding the date of income payment;

2) with regard to amounts of income assessed but unpaid, when allocating them to deductibles - within ten calendar days of the deadline set for submitting a corporate income tax declaration, at the market exchange rate set on the last business day preceding the last day of a taxable period, established in Article 314 of this Code in a corporate income tax declaration, for which the non-resident’s income was allocated to deductibles.

The provisions of this subparagraph do not apply to interest on debt securities and deposits, the maturity dates for which come after expiration of ten calendar days of the deadline set for submitting a corporate income tax declaration. In this case, the provisions of subparagraph 1) of paragraph 1 of this article shall apply;

3) in case of prepayment - within twenty-five calendar days after expiration of the month, in which the non-resident's income was assessed within the amount of the prepayment made, at the market exchange rate set on the last business day preceding the day of income assessment.

2. If the non-resident's assessed income was allocated to deductibles in a corporate income tax declaration for the taxable period, established by Article 314 of this Code, but at the same time such income was paid to a non-resident after this period, a tax agent shall transfer income tax at source of payment to the budget within the time limits established by subparagraph 2) of paragraph 1 of this article.

3. A tax agent shall transfer to the budget the amount of income tax from the non-resident 's income at source of payment at its location.

Article 648. Filing of tax returns

A tax agent is obliged to submit the calculation of the corporate income tax withheld at source of payment from the non-resident's income to the tax authority at the place of its location within the following time limits:

1) for the first, second and third quarters – on or before the 15th day of the second month following the quarter, in which income was paid to a non-resident;

2) for the fourth quarter – on or before March 31 of a year following a reporting taxable period established by Article 314 of this Code, in which income to a non-resident was paid and (or) for which income of a non-resident, assessed but unpaid, was allocated to deductibles .

Article 649. Features of filing tax returns

A non-resident operating in the Republic of Kazakhstan through its structural unit, which does not result in the formation of a permanent establishment in accordance with an international treaty or paragraph 6 of Article 220 of this Code, shall submit a corporate income tax declaration to the tax authority at its location within the time limits established by Article 315 of this Code.

Article 650. Calculation, withholding and transfer of tax on income from increase in value when selling property located in the Republic of Kazakhstan and shares, participatory interests related to subsoil use in the Republic of Kazakhstan

1. This article shall apply to the non-resident's income from sources in the Republic of Kazakhstan from increase in value when selling:

1) property located in the territory of the Republic of Kazakhstan, the right to which or transactions for which are subject to state registration in accordance with the laws of the Republic of Kazakhstan;

2) property located in the territory of the Republic of Kazakhstan, subject to state registration in accordance with the laws of the Republic of Kazakhstan;

3) shares issued by a resident and participatory interests in the authorized capital of a resident legal entity that is a subsoil user, or a consortium, whose participant (participants) is (are) a subsoil user (subsoil users);

4) shares issued by a resident legal entity and participatory interests in the authorized capital of a resident legal entity or consortium, in case of non-compliance with the conditions established by subparagraph 8) of paragraph 9 of Article 645 or subparagraph 7) of Article 654 of this Code;

5) shares issued by a non-resident legal entity and participatory interests in the authorized capital of a non-resident legal entity or a consortium, in case of non-compliance with the conditions established by subparagraph 8) of paragraph 9 of Article 645 or subparagraph 7) of Article 654 of this Code.

In this case, an increase in value is determined as follows:

1) as a positive difference between the property's selling price and purchase price - when selling the property specified in subparagraphs 1) and 2) of this paragraph;

2) in accordance with Article 228 of this Code - when selling shares and participatory interests.

For the purposes of this subparagraph, a subsoil user is not recognized as a subsoil user only because of its right to extract groundwater and (or) common minerals for own use.

2. For the purposes of this article and Articles 288, 341, 645 and 654 of this Code, the share of the subsoil user's (subsoil users') property in the value of the legal entity's assets, as of the day of sale of shares (participatory interests) or dividend payment, is the ratio of the value (values) of the subsoil user's (subsoil users') property, whose shares or participatory interests in which are owned by a legal entity paying dividends or whose shares (participatory interests) are being sold, to the total value of assets of such a legal entity.

For the purposes of this article and Articles 288, 341, 645 and 654 of this Code, the share of the subsoil user's (subsoil users') property in the total value of assets of consortium participants, as of the day of sale of participatory interests, is the ratio of the value (values) of the subsoil user's (subsoil users') property, whose shares or participatory interests in which are owned by consortium participants, participatory interests in which are being sold, to the total value of assets of such participants.

The value of the subsoil user's property (depending on its organizational and legal form) is the book value of:

1) a participatory interest in such a subsoil user owned by a legal entity paying dividends, or shares (participatory interests) of which (in which) are being sold;

2) shares issued by such a subsoil user owned by a legal entity paying dividends, or shares (participatory interests) of which (in which) are being sold.

The total value of assets of a legal entity paying dividends or that, whose shares (participatory interests in which) are being sold, is the amount of the book value of all the assets of such a legal entity.

The book value of assets is determined on the basis of the data of separate financial statements of a legal entity paying dividends or that, whose shares (participatory interests in which) are being sold, or the data of participants in a consortium, whose participatory interests are being sold, which are prepared and approved in accordance with the requirements of the legislation of the state of establishment of such a legal entity or a consortium:

1) as of the date of payment of dividends or transfer of the right of ownership of shares (participatory interests) to a buyer;

2) in case of no separate financial statements as of the date of payment of dividends or transfer of the right of ownership of shares (participatory interests) to a buyer - as of the last reporting date preceding the date of payment of dividends or transfer of the right of ownership of shares (participatory interests) to a buyer.

3. The non-resident's income, specified in paragraph 1 of this article, except for the income indicated in subparagraph 7) of paragraph 9 of Article 645 of this Code, shall be subject to income tax at source of payment at the rate established by Article 646 of this Code.

4. Authorized state and local executive bodies, carrying out state regulation in the field of subsoil use within their competence in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, submit to the authorized body information on a transaction for the purchase and sale of securities, participatory interests, specified in subparagraphs 3), 4) and 5) of paragraph 1 of this article, indicating:

1) the identification number and (or) its equivalent in the country of residence and the name of the legal entity and (or) the last name, first name, patronymic (if any) of an individual selling and purchasing the said shares (participatory interests);

2) the purchase price of the said shares (participatory interests);

3) the date of payment of income from the transaction;

4) information on the buyer's previous activity, including the list of states, in which it has been operating within the last three years preceding the year of the transaction;

5) information on the affiliation of the person, selling the property, with other persons (the amount of direct or indirect participation).

5. Within three business days of the day of receipt of information from authorized state and local executive bodies carrying out state regulation in the field of subsoil use within their competence in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, the authorized body submits it to the tax authority at the location of a legal entity entitled to subsoil use in the Republic of Kazakhstan, specified in subparagraphs 3), 4) and 5)

of paragraph 1 of part one of this article, concurrently notifying a tax authority vertically subordinated to it.

6. Within five business days of the day of receipt of the information, specified in paragraph 4 of this article, the tax authority at the location of a legal entity entitled to subsoil use in the Republic of Kazakhstan shall send to such a legal entity information on the acquirer of shares (participatory interests) and on the purchase price of such shares (participatory interests).

7. A person selling shares, participatory interests, immovable property is required to produce a copy of a document confirming the purchase (contribution) price to the buyer that is a tax agent.

In case of failure to submit to the tax agent a document confirming the purchase (contribution) price, the selling price shall be subject to income tax at source of payment.

8. The obligation and responsibility for calculating, withholding and transferring income tax at source of payment to the budget are imposed on a tax agent paying income.

In this case, a non-resident legal entity is recognized as a tax agent, regardless of whether or not it has a permanent establishment in the Republic of Kazakhstan, as well as a structural unit, whose activity does not result in the formation of a permanent establishment in accordance with the provisions of this Code or an international treaty.

9. A non-resident who is a tax agent is subject to mandatory registration.

Therewith, a non-resident legal entity that is a tax agent is subject to registration as a taxpayer with a tax authority in the manner prescribed by Article 76 of this Code.

10. Income tax at source of payment is withheld by a tax agent when paying income to a non-resident, regardless of the form and place of income payment.

11. A non-resident receiving income in the form of an increase in value, specified in paragraph 1 of this article, from a person that is not a tax agent shall calculate the income tax on its own by applying the rate established by Article 646 of this Code to the amount of such income.

12. A tax agent shall transfer the income tax amount to the budget within the time limits established by Article 647 of this Code.

The income tax, calculated in accordance with paragraph 11 of this article, shall be transferred to the budget within ten calendar days of the deadline set for filing tax returns.

Tax returns on the income tax withheld at source of payment from non-residents' income are filed by a tax agent to the tax authority at the place of its registration in the Republic of Kazakhstan within the time limits established by Articles 648 and 657 of this Code.

Non-residents who calculate income tax under paragraph 11 of this article shall file a corporate income tax return or a return on income and property within the time limits established by Articles 635 or 659 of this Code.

13. A resident legal entity that is a subsoil user may pay income tax with the funds of a tax agent (taxpayer). At the same time, income tax shall be transferred to the budget by such a

resident legal entity within 25 calendar days of the end of the month, in which the income tax amount is received from the tax agent (taxpayer). Tax returns on income tax withheld at source of payment from the non-resident's income are filed by such a resident legal entity on or before the 15th day of the second month following the quarter, in which the income tax amount was received from the tax agent (taxpayer), to the tax authority at the location of the resident legal entity in the Republic of Kazakhstan.

The income tax amount transferred by a tax agent (taxpayer) to a resident legal entity that is a subsoil user specified in subparagraphs 3), 4) and 5) of part one of paragraph 1 of this article shall not be recognized as income of such a resident legal entity.

14. If a tax agent (taxpayer) fails to apply the provisions of paragraphs 12 and 13 of this article, a resident legal entity that is a subsoil user has the right to pay income tax on income from increase in value for a non-resident with its own funds within twenty five calendar days of the end of the month, in which the information specified in paragraph 6 of this article is received.

In case of payment of income tax in accordance with this paragraph, the resident legal entity, specified in subparagraphs 3), 4) and 5) of part one of paragraph 1 of this article, is required to file tax returns on income tax withheld at source of payment from the non-resident 's income to the tax authority at its location on or before the 15th day of the second month following the quarter, in which the information specified in paragraph 6 of this article is received.

At the same time, the tax amount paid for a non-resident is not subject to deduction when determining the taxable income of a legal entity that is a subsoil user.

15. If a tax agent (taxpayer), a resident legal entity that is a subsoil user specified in subparagraphs 3), 4) and 5) of part one of paragraph 1 of this article, apply the provisions of paragraphs 10, 12, 13 and 14 of this article, it is the duty of a resident legal entity that is a subsoil user to fulfill this obligation in the manner specified in Chapters 13 and 14 of this Code.

Footnote. Article 650 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Chapter 73. THE ORDER FOR TAXATION OF INCOME OF A NON-RESIDENT LEGAL ENTITY OPERATING IN THE REPUBLIC OF KAZAKHSTAN THROUGH A PERMANENT ESTABLISHMENT

Article 651. Identification of taxable income

1. Unless otherwise established by this article and Article 653 of this Code, the identification of taxable income, the calculation and payment of corporate income tax on the income of a permanent establishment of a non-resident legal entity shall be made in accordance with the provisions of this article and Articles 224-293, 299-315 of this Code.

2. The total annual income of a permanent establishment of a non-resident legal entity consists of the following types of income from the activity of such a permanent establishment (to be) received from the date of commencement of its activity in the Republic of Kazakhstan:

1) income from sources in the Republic of Kazakhstan provided for by paragraph 1 of Article 644 of this Code;

2) income specified in paragraph 1 of Article 226 of this Code, not included in subparagraph 1) of part one of this paragraph;

3) income from sources outside the Republic of Kazakhstan, including that received through employees or other hired personnel;

4) income of a non-resident legal entity, including income of its structural units in other states, received from carrying out activity in the Republic of Kazakhstan, which is similar to or of the same kind of that carried out through the permanent establishment of this non-resident legal entity in the Republic of Kazakhstan.

The total annual income of a permanent establishment of a non-resident legal entity shall not include:

1) income identified in subparagraphs 3) and 4) of paragraph 2 of Article 644 of this Code ;

2) excess of the amount of the positive exchange rate difference over the amount of the negative exchange rate difference arising in accordance with international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting for the obligations of a permanent establishment of a non-resident legal entity to its head office or other structural units of such a resident legal entity.

3. If a non-resident carries out entrepreneurial activity both in and outside the Republic of Kazakhstan within the framework of one and the same project or related projects performed together with its permanent establishment in the Republic of Kazakhstan, the income of such a permanent establishment is the income it could receive if it were an independent and separate legal entity, engaged in the same or similar activity under the same or similar conditions, and acted independently of the resident legal entity, whose permanent establishment it is.

4. If the goods produced by a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan are sold by another structural unit of the non-resident legal entity located outside the Republic of Kazakhstan, the income of such a permanent establishment of a non-resident legal entity is recognized as income that it could receive if it were an independent and separate legal entity, engaged in the same or similar activity under the same or similar conditions, and acted independently of the non-resident legal entity, whose permanent establishment it is.

5. For the purposes of applying this article, the income of a permanent establishment of a non-resident legal entity shall be determined with account of the norms of the legislation of the Republic of Kazakhstan on transfer pricing.

6. Expenses directly related to the receipt of income from activity in the Republic of Kazakhstan through a permanent establishment shall be allocated to deductibles, regardless of that whether they were incurred in or outside the Republic of Kazakhstan, except for expenses not subject to deduction in accordance with this Code, and expenses aimed at obtaining income defined in subparagraphs 3) and 4) of paragraph 2 of Article 644 of this Code.

7. A non-resident legal entity shall not be entitled to allocate to deductibles of its permanent establishment the amounts presented to the permanent establishment in the form of :

1) royalties, fees, charges and other payments for the use or granting of the right to use the property or intellectual property of this non-resident legal entity;

2) income from services rendered by the non-resident legal entity to the permanent establishment;

3) interest on loans granted by this non-resident legal entity to the permanent establishment;

4) expenses not related to the receipt of income from the activity of the non-resident legal entity through the permanent establishment in the Republic of Kazakhstan;

5) expenses without supporting documents;

6) managerial and general administrative expenses of the non-resident legal entity specified in paragraph 2 of Article 662 of this Code, not related to carrying out its activity in the Republic of Kazakhstan through its permanent establishment.

8. It is not allowed to allocate to deductibles of a permanent establishment of a non-resident legal entity the excess of the amount of the negative exchange rate difference over the amount of the positive exchange rate difference arising in accordance with international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting for obligations of the permanent establishment of the non-resident legal entity to its head office or other structural units of such a resident legal entity.

Article 652. The order for taxation of net income

1. The net income of a non-resident legal entity from activity in the Republic of Kazakhstan through a permanent establishment is subject to corporate income tax on net income at a rate of 15 percent.

The order for determining net income is as follows:

taxable income reduced by the amount of income and expenses provided for by Article 288 of this Code, and also by the amount of losses carried forward in accordance with Article 300 of this Code

minus

the corporate income tax amount calculated by multiplying the rate, established by paragraph 1 or paragraph 2 of Article 313 of this Code, and the taxable income, reduced by

the amount of income and expenses provided for in Article 288 of this Code, and also by the amount of losses carried forward in accordance with Article 300 of this Code.

2. The calculated corporate income tax amount is indicated in a corporate income tax declaration.

3. A non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall pay corporate income tax on net income to the budget at the location of the permanent establishment within ten calendar days of the deadline set for submitting a corporate income tax declaration.

Article 653. Taxation of income in individual cases

1. A tax agent, paying income from performing works, rendering services in the territory of the Republic of Kazakhstan, and also income indicated in subparagraph 4) of part one of paragraph 2 and paragraph 3 of Article 651 of this Code, calculates, withholds and transfers corporate income tax on the specified income without deductions at a rate of 20 percent, provided all of the following requirements are met:

1) there is no contract concluded with a structural unit of a non-resident legal entity, a permanent establishment of a non-resident legal entity without opening a branch or representative office;

2) there is no invoice for sold goods, works, services issued by a branch, representative office of a non-resident legal entity, permanent establishment of a non-resident legal entity without opening a branch or representative office.

The corporate income tax at source of payment, withheld by a tax agent from the income of a non-resident legal entity, shall be applied against tax obligations of the permanent establishment of the specified non-resident legal entity.

At the same time, a non-resident legal entity operating in the Republic of Kazakhstan through its permanent establishment calculates corporate income tax retrospectively in accordance with Articles 651 and 652 of this Code, starting from the date of commencement of its entrepreneurial activity that resulted in the formation of its permanent establishment, and submits a corporate income tax declaration to the tax authority at the location of such a permanent establishment, including the said income.

The corporate income tax amount calculated by a non-resident legal entity operating in the Republic of Kazakhstan through its permanent establishment is reduced by the amount of corporate income tax withheld at source of payment from the income of such a non-resident legal entity in accordance with this paragraph. The reduction is allowed given documents confirming the withholding of the tax by the tax agent.

The positive difference between the amount of corporate income tax withheld at source of payment from the income of a non-resident legal entity in accordance with this paragraph and the amount of corporate income tax calculated by a non-resident legal entity operating in the

Republic of Kazakhstan through its permanent establishment is carried forward to the coming ten taxable periods inclusive, and sequentially reduces the corporate income tax amounts, payable to the budget, for these taxable periods.

2. The income of a non-resident legal entity received from its activity in the Republic of Kazakhstan through its permanent establishment not registered with tax authorities as a taxpayer in violation of the requirements of Article 76 of this Code shall be subject to corporate income tax at source of payment without deductions at a rate of 20 percent.

A non-resident legal entity operating through its permanent establishment registered with the tax authorities as a taxpayer and failing to observe the time limits established by Article 76 of this Code is required to indicate, in its initial declarations for relevant types of taxes, taxable and tax-related items that have arisen retrospectively from the date of commencement of its entrepreneurial activity, which resulted in the formation of the permanent establishment, to calculate and fulfill the arisen tax obligations for the payment of taxes, except for the tax agent's tax obligations.

At the same time, the corporate income tax amount, calculated by such a non-resident legal entity from the date of commencement of entrepreneurial activity until the date of its registration with the tax authority, is reduced by the amount of corporate income tax withheld at source of payment in accordance with this paragraph on the income of such a non-resident legal entity for the specified period.

The reduction is made given documents confirming the withholding of the tax by the tax agent.

Chapter 74. THE ORDER FOR TAXATION OF INCOME OF NON-RESIDENT INDIVIDUALS

Article 654. Income of a non-resident individual exempted from taxation

The income of a non-resident individual exempted from taxation is as follows:

1) payments related to the supply of goods to the territory of the Republic of Kazakhstan as part of the foreign trade activity, except for services rendered in the territory of the Republic of Kazakhstan under a contract for this foreign trade activity;

2) the amount of accumulated (accrued) interest on debt securities in case of their purchase, which is paid by resident buyers;

3) dividends and remuneration on securities that are on the date of accrual of such dividends and remuneration in the official list of stock exchanges operating in the territory of the Republic of Kazakhstan;

In this case, the provision of part one of this subparagraph shall apply to dividends and remunerations accrued on securities on which trading was completed on the exchange during the calendar year in accordance with the criteria determined by the Government of the Republic of Kazakhstan;

4) Excluded by the Law of the Republic of Kazakhstan dated 11.07.2022 №135-VII (shall be enforced from 01.01.2023).

Note!

Subparagraph 5) is provided for in the wording of the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (effective from 01.01.2030).

5) remuneration on agency bonds and income from the increase in value when selling agency bonds;

6) income from increase in value in case of sale through open bids at a stock exchange, operating in the territory of the Republic of Kazakhstan or a foreign stock exchange, of securities that are in the official lists of this stock exchange as of the day of sale;

7) income from increase in value in case of sale of shares issued by a legal entity or participatory interests in a legal entity or consortium, established in the Republic of Kazakhstan, specified in subparagraph 6) of paragraph 1 of Article 644 of this Code, except for income of a person that is a resident of a state with preferential taxation included in the list approved by the authorized body, unless otherwise provided for by subparagraph 6) of this paragraph, provided all of the following requirements are met:

as of the day of sale of shares or participatory interests, a taxpayer has been holding these shares or participatory interests for more than three years;

an issuing legal entity or a legal entity, whose participatory interest is being sold, or a participant in such a consortium, selling a participatory interest in such a consortium, is not a subsoil user;

as of the day of such sale, the property of persons (a person) that are (is) subsoil users (a subsoil user) is not worth more than 50 percent of the value of assets of such an issuing legal entity or a legal entity, whose participatory interest is being sold, or total value of assets of participants in such a consortium, whose participatory interest is being sold.

For the purposes of this subparagraph, a subsoil user is not recognized as a subsoil user only because of its right to extract groundwater and (or) common minerals for own use.

In this case, the share of the property of persons (a person) that are (is) subsoil users (a subsoil user) in the value of assets of a legal entity or consortium, whose shares or participatory interests are being sold, is determined in accordance with Article 650 of this Code.

8) income from performing works and rendering services outside the Republic of Kazakhstan, except for the income specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 644 of this Code;

9) payments made with the grant funds within the framework of an intergovernmental agreement, to which the Republic of Kazakhstan is a party, aimed at supporting (providing assistance to) low-income citizens in the Republic of Kazakhstan;

10) material benefit actually generated by the autonomous educational organization, specified in paragraph 1 of Article 291 of this Code, in the form of payment (compensation)

of living expenses, medical insurance, travel by air from a place of residence outside the Republic of Kazakhstan to the place of activity in the Republic of Kazakhstan and back, received by a non-resident individual:

that is an employee of such an autonomous educational organization;

carrying out activity in the Republic of Kazakhstan on performing works, rendering services to such an autonomous educational organization;

that is an employee of a non-resident legal entity performing works, rendering services to such an autonomous educational organization and who performs such works and renders such services on his/her own;

11) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

12) was valid until 01.01.2020 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017;

Subparagraph 13) effective from 01.01.2020 to 01.01.2027 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI.

13) the amount of debt on a credit (loan) for which waiver of debt was carried out in the manner and on the conditions established by paragraph 2-1 of Article 232 of this Code, including the debt on interest on such loans accrued up to December 31, 2012, inclusive.

Footnote. Article 654 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated December 10, 2020, № 382 -VI (refer to Article 2 for the procedure of enacting); dated 11.07.2022 №135-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 655. The order for calculating, withholding and transferring an individual income tax on income subject to taxation at source of payment

1. Income of a non-resident individual from sources in the Republic of Kazakhstan, except for income specified in paragraph 1 of Article 656 of this Code, is subject to individual income tax at source of payment at the rates, specified in Article 646 of this Code, without tax deductions, unless otherwise established by this article.

For the purposes of this article, the increase in value in the sale of securities and participatory interests is determined in accordance with Article 228 of this Code.

2. Notwithstanding the provisions of this article, the calculation, withholding and transfer of individual income tax at source of payment to the budget on the income of a non-resident individual, specified in paragraph 1 of Article 650 of this Code, shall be made in the manner specified in Article 650 of this Code.

3. A tax agent calculates individual income tax on income subject to taxation at source of payment with account of the provisions of paragraph 2 of Article 319 of this Code without tax deductions by applying the rate, set in paragraph 1 of Article 320 of this Code, to the amount of the following types of income of a non-resident individual, including the income defined in paragraph 1 of Article 322 of this Code, such as:

that from activity in the Republic of Kazakhstan under an employment agreement (contract)concluded with a resident or non-resident that are employers;

that from activity in the Republic of Kazakhstan in the form of material benefits received from an employer;

director's fees and (or) other payments to members of the management body (the board of directors or other body) received by these persons in connection with the performance of managerial duties imposed on them with respect to a resident, regardless of the place of actual performance of such duties;

allowances paid to him/her in connection with residing in the Republic of Kazakhstan by a resident or non-resident who are employers;

insurance payments to non-resident individuals under a pension annuity agreement;

pension payments made by a resident accumulation pension fund.

4. A tax agent calculates and withholds individual income tax on income subject to taxation at source of payment not later than the day of payment of income to a non-resident individual, except for the case specified in paragraph 7 of this article.

A tax agent withholds individual income tax at source of payment, regardless of the form and place of payment of income to a non-resident individual.

5. The transfer of individual income tax from the income of a non-resident individual subject to taxation at the source of payment to the budget shall be made by the tax agent at the location no later than the 25th day of the month following the month in which the tax is subject to withholding.

6. When paying income in foreign currency, the amount of income taxed at source of payment shall be recalculated in tenge using the market exchange rate set on the last business day preceding the date of income payment.

7. In case of provision of foreign employees by a non-resident whose activity does not result in the formation a permanent establishment in the Republic of Kazakhstan in accordance with the provisions of paragraph 7 of Article 220 of this Code, the income of such employees from their activity in the Republic of Kazakhstan is subject to individual income tax at source of payment.

In this case, an item subject to individual income tax is the income of a non-resident individual, including other material benefits received by such a person in connection with his/ her activity in the Republic of Kazakhstan.

If such employees receive income from a non-resident, the tax base, for the purposes of calculating the individual income tax, is determined by the tax agent on the basis of documents submitted by a non-resident in accordance with paragraph 7 of Article 220 of this Code.

Individual income tax at source of payment from the income of foreign employees shall be withheld by a tax agent when paying income to a non-resident legal entity from services for providing foreign employees.

A tax agent calculates individual income tax withheld at source of payment by applying the rate, set in paragraph 1 of Article 320 of this Code, to the amount of income of foreign employees, determined in accordance with this paragraph, with account of the provisions of paragraph 2 of Article 319 of this Code, without tax deductions.

A tax agent is obliged to transfer the amounts of the individual income tax withheld at source of payment at the place of its location prior to the 25th day of a month following the month, in which the tax shall be withheld.

8. The following persons, who pay income to a non-resident and are recognized as tax agents, are responsible for calculating, withholding and transferring individual income tax at source of payment to the budget:

1) an individual entrepreneur;

2) a non-resident legal entity operating in the Republic of Kazakhstan through its structural unit.

In this case, a non-resident legal entity is recognized as a tax agent from the date of its structural unit's registration with tax authorities of the Republic of Kazakhstan;

3) a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without opening a structural unit.

In this case, a non-resident legal entity is recognized as a tax agent from the date of registration of its permanent establishment without opening a structural unit with tax authorities of the Republic of Kazakhstan;

4) a resident legal entity, including the issuer of the underlying asset of depositary receipts .

For the purposes of this Chapter, by its decision, a resident legal entity has the right to recognize its structural unit as a tax agent for individual income tax withheld at source of payment with regard to income taxable at source of payment, which is (to be) paid by such a structural unit in the manner specified in Article 353 of this Code;

5) a legal entity, including a non-resident one, operating in the Republic of Kazakhstan through a permanent establishment, to which foreign employees were provided by a non-resident, whose activity does not result in the formation of a permanent establishment in accordance with the provisions of paragraph 7 of Article 220 of this Code;

6) a non-resident legal entity acquiring property, specified in subparagraph 5) of part one of paragraph 1 of Article 650 of this Code, in case of failure to observe the conditions established by subparagraph 7) of Article 654 of this Code.

9. A tax agent is considered to have performed its duty to withhold and transfer individual income tax at source of payment, after the amount of individual income tax calculated from the non-resident individual's income in accordance with the provisions of this Code was paid by it with its own funds without withholding the tax.

Footnote. Article 655 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 656. The order of taxation of income of foreigners and stateless persons sent to the Republic of Kazakhstan by a non-resident legal entity not registered as a taxpayer of the Republic of Kazakhstan

Footnote. The title of Article 656 as amended by Law of the Republic of Kazakhstan № 272-VI dated 25.11.2019 (shall be enforced since 01.01.2018).

1. The taxation procedure established by this article shall apply to the income of foreigners and stateless persons sent to the Republic of Kazakhstan by a non-resident legal entity not registered as a taxpayer of the Republic of Kazakhstan, including income, determined by Article 322 of this Code, received (to be received):

from activities in the Republic of Kazakhstan under an employment contract (agreement, contract) concluded with such a non-resident legal entity that is an employer;

from activities in the Republic of Kazakhstan under an agreement (contract) of a civil nature concluded with such a non-resident legal entity;

from activities in the Republic of Kazakhstan in the form of material benefits received from a person who is not an employer;

allowances paid in connection with the residence in the Republic of Kazakhstan by such a non-resident legal entity.

For the purposes of this article, a non-resident legal entity not registered as a taxpayer of the Republic of Kazakhstan shall also be recognized as a non-resident legal entity registered as a taxpayer of the Republic of Kazakhstan in connection with the opening of a current account in resident banks and (or) in connection with the occurrence of obligations in accordance with article 650 of this Code.

The provisions of this article shall apply to the income of a foreigner or stateless person referred to in this article, sent to the Republic of Kazakhstan, unless otherwise established by paragraph 7 of Article 655 of this Code, provided that the following conditions are met:

1) a foreigner or stateless person is an employee and (or) a contractor (subcontractor) of a non-resident legal entity that is not registered as a taxpayer of the Republic of Kazakhstan, or an employee of a contractor (subcontractor) of the specified non-resident legal entity;

2) a foreigner or stateless person is recognized as permanently residing in the Republic of Kazakhstan in accordance with paragraph 2 of Article 217 of this Code.

In this case, if a foreigner or stateless person is not recognized as permanently residing in the Republic of Kazakhstan in accordance with paragraph 2 of Article 217 of this Code, then income from activities in the Republic of Kazakhstan in the form of material benefits received from a person who is not an employer shall be subject to taxation according to the rate established by Article 646 of this Code.

2. The obligation and responsibility for calculating, withholding and transferring individual income tax at source of payment to the budget from the income of a foreigner or a stateless person specified in paragraph 1 of this article are imposed on a person (including a non-resident operating through a permanent establishment) for whom works are performed, services are rendered by a non-resident legal entity. Such a person is recognized as a tax agent .

3. The calculation of individual income tax shall be made by a tax agent from the income of a foreigner or stateless person specified in a document submitted by a non-resident in accordance with this paragraph, without tax deductions at the rate established by Article 320 of this Code. In this case, a non-resident legal entity shall be obliged to submit to the tax agent:

notarized copies of an individual labor agreement (contract) and (or) a civil law agreement concluded with a foreigner or stateless person sent to the Republic of Kazakhstan;

another document containing information about the income of an individual received from employment under an employment contract and (or) a civil law contract concluded with such a non-resident.

If the tax agent fails to submit the documents specified in this paragraph, individual income tax at the source of payment shall be subject to income in the amount of 80 percent of the amount of income payable to a non-resident legal entity for work performed, services rendered, which is distributed in equal shares to all foreigners and stateless persons.

In this case, the income specified in this paragraph shall be reduced by the amount:

the income specified in the documents specified in this paragraph, if submitted;

income from activities in the Republic of Kazakhstan in the form of material benefits received from a person who is not an employer, if such income is provided for by the terms of an agreement (contract, agreement).

4. A tax agent calculates and withholds individual income tax at source of payment not later than the day of payment of income to a non-resident legal entity regardless of the form and place of income payment.

5. A tax agent transfers individual income tax on the income of a foreigner or stateless person to the budget at the place of its location prior to the 25th day of a month following the month, in which the tax is to be withheld in accordance with paragraph 4 of this article.

6. When paying income in foreign currency, the amount of income taxable at the source of payment shall be recalculated in tenge using the market exchange rate determined on the last business day preceding the date of income payment.

Footnote. Article 656 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); № 272-VI dated November 25, 2019 (see Art. 3 for the enactment procedure); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2018).

Article 657. Submission of individual income tax declaration and social tax declaration

A tax agent submits an individual income tax declaration and a social tax declaration to the tax authority at the place of tax payment on a quarterly basis, on or before the 15th day of the second month following the quarter, which includes reporting taxable periods.

Article 658. The order for calculation and payment of individual income tax on income of a non-resident individual in individual cases

1. The provisions of this article shall apply to the income of a non-resident individual received from sources in the Republic of Kazakhstan from a person that is not a tax agent in accordance with the provisions of this Code.

2. Unless otherwise established by this article, the calculation of individual income tax on income of a non-resident individual, received from sources in the Republic of Kazakhstan from a person who is not a tax agent in accordance with the provisions of this Code, shall be made by applying the rate established by Article 646 of this Code to the assessed amount of income without tax deductions.

3. Unless otherwise established by this article, a non-resident individual shall pay individual income tax on his/her own within ten calendar days of the deadline set for submitting an individual income tax declaration for a taxable period.

4. Individual income tax on income of a non-resident individual, specified in paragraph 1 of Article 650 of this Code, shall be calculated and withheld in the manner prescribed by Article 650 of this Code.

5. With regard to income (to be) received under employment contracts concluded in accordance with the labor legislation of the Republic of Kazakhstan on the basis of a permit to a migrant worker, non-resident migrant workers shall make a prepayment of individual income tax within a taxable period.

A prepayment of individual income tax is calculated in the amount of 2 monthly calculation indices established by the law on the national budget and effective as of January 1 of a relevant financial year, for each month of performance of works, rendering of services of the relevant period specified by a non-resident migrant worker in his/her application for obtaining (extending) a permit to a migrant worker.

A non-resident migrant worker shall make a prepayment of individual income tax at the place of his/her residence prior to the receipt (extension) of the permit to a migrant worker.

With respect to income indicated in this paragraph, at the end of a taxable period, non-resident migrant workers shall calculate the amount of individual income tax by applying the rate established by paragraph 1 of Article 320 of this Code to the taxable amount of income.

The taxable amount of income shall be defined as the amount of income (to be received) from performing works, rendering services, reduced by the amount of 12 times of the monthly

calculation indicator, established by the law on the republican budget and effective as of January 1 of a relevant financial year, calculated for each month of performance of works, rendering of services of the relevant period specified in the permit to a migrant worker.

The amount of prepayments made by a non-resident migrant worker to the budget within a taxable period is applied against individual income tax calculated for a reporting taxable period.

If the amount of prepayments of individual income tax made within a taxable period exceeds the amount of individual income tax calculated for a reporting taxable period, the amount of such excess is not deemed to be the amount of overpaid individual income tax and is not subject to refund or offset.

When the amount of advance payments for personal income tax paid during the tax period is less than the amount of personal income tax calculated for the reporting tax period, the calculation of individual income tax shall be reflected in the income and property declaration, and the payment of individual income tax based on the declaration for the tax period shall be made by the labour immigrant -non-resident at the place of stay no later than ten calendar days after the deadline for filing the income and property declaration stipulated in Article 659 of this Code.

Footnote. Article 658 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); № 208-VIII of 15.07.2025 (shall be enacted since 01.01.2025).

Article 659. Filing a declaration of income and property

Unless otherwise established by this article, the declaration of income and property shall be filed at the place of residence (stay) no later than 15 September of the year following the reporting calendar year, by a non-resident individual receiving income from sources in the Republic of Kazakhstan that is subject to taxation by the individual independently hereunder.

Should an individual leave the Republic of Kazakhstan within the current tax period without subsequently re-entering the territory of the Republic of Kazakhstan until 31 March of the year following the current tax period, the non-resident individual shall be entitled to submit a declaration of income and property and pay individual income tax within the current tax period. In this case, the income and property declaration shall be presented for the period from the commencement of the current tax period until the date of departure of such person from the Republic of Kazakhstan.

A declaration of income and property shall be filed by non-resident labour immigrants who have received income referred to in sub-paragraph 21) of part one of paragraph 1 of Article 644 of this Code, if the amount of personal income tax calculated for the reporting tax period exceeds to the tax authority at their place of residence no later than 31 March of the year following the reporting tax period.

Herewith, in the event of departure from the Republic of Kazakhstan of a non-resident labour immigrant who has received income specified in sub-paragraph 21) of part one of

paragraph 1 of Article 644 of this Code within the tax period, the income and property declaration(s) shall be filed prior to the date of such person's departure from the Republic of Kazakhstan.

Footnote. Article 659 - as revised by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall enter into force on 01.01.2025).

Chapter 75. SPECIAL PROVISIONS ON INTERNATIONAL TREATIES REGULATING THE AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF TAX EVASION

Article 660. Conditions of application of an international treaty

1. The provisions of an international treaty regulating the avoidance of double taxation and prevention of tax evasion, to which the Republic of Kazakhstan is a party (hereinafter referred to as an international treaty), shall apply to persons who are residents of one of or both states that have entered into such a treaty.

2. The provisions of paragraph 1 of this article shall not apply to a resident of a state, with which an international treaty is concluded, if this resident uses the provisions of this international treaty in the interests of another person who is not a resident of the state, with which an international treaty is concluded.

Article 661. The order for applying an international treaty

The provisions of an international treaty are applied in the manner prescribed by this Code and a relevant international treaty.

Article 662. The order for recognizing managerial and general administrative expenses of a non-resident legal entity as deductibles for the purposes of taxation of income from sources in the Republic of Kazakhstan

1. If the provisions of an international treaty allow recognizing managerial and general administrative expenses of a non-resident legal entity as deductibles (hereinafter referred to as allocable expenses of a non-resident legal entity) when determining taxable income of a non-resident legal entity from activity in the Republic of Kazakhstan through its permanent establishment, the amount of such expenses shall be determined by such a non-resident legal entity using one of the following methods of its choice:

1) the method of proportional distribution of expenses;

2) the method of immediate (direct) allocation of expenses to deductibles.

For the purposes of this article and Articles 663, 664 and 665 of this Code, allocable expenses of a legal entity are recognized as managerial and general administrative expenses of a non-resident legal entity related to the performance of its activity in the Republic of Kazakhstan through a permanent establishment that are actually incurred both in and outside the Republic of Kazakhstan.

At the same time, the expenses of a non-resident legal entity shall not include:

managerial and general administrative expenses incurred directly by a structural unit of a non-resident legal entity, whose activity resulted in the formation of a permanent

establishment in the Republic of Kazakhstan, or a permanent establishment of a non-resident legal entity without opening a structural unit in the Republic of Kazakhstan, which are recognized as deductibles in accordance with Articles 242 - 273 of this Code (hereinafter referred to as managerial and general administrative expenses of a permanent establishment in the Republic of Kazakhstan);

managerial and general administrative expenses incurred directly by structural units or permanent establishments of a non-resident legal entity in other countries, not related to the activity of a permanent establishment registered as a taxpayer in the Republic of Kazakhstan (hereinafter referred to as managerial and general administrative expenses of permanent establishments in other countries);

managerial and general administrative expenses of a non-resident legal entity that are not related to the activity of a permanent establishment registered in the Republic of Kazakhstan.

2. Managerial and general administrative expenses are expenses related to the management of an organization, labor remuneration of managerial staff, not related to manufacturing process.

3. Within a reporting taxable period, a non-resident legal entity shall choose and use only one method of recognizing allocable expenses of a non-resident legal entity as deductibles of its permanent establishment.

The method used by a non-resident legal entity to recognize allocable expenses as deductibles is indicated in an annex to a corporate income tax declaration containing information on managerial and general administrative expenses of a non-resident legal entity recognized as deductibles.

4. A permanent establishment in the Republic of Kazakhstan recognizes allocable expenses of a non-resident legal entity as deductibles in case of:

1) compliance with the provisions of an international treaty;

2) presence of documents specified in paragraph 3 of Article 663 or paragraph 3 of Article 665 of this Code;

3) presence of a document confirming the residency of a non-resident legal entity.

5. If the documents, specified in subparagraph 2) of paragraph 4 of this article, are drawn up in a foreign language, it is mandatory to have such documents translated into Kazakh or Russian and notarized in the manner prescribed by the legislation of the Republic of Kazakhstan.

6. A document confirming the residency shall be submitted by a non-resident legal entity to a relevant tax authority within the time limits established for submitting a corporate income tax declaration.

Article 663. Method of proportional distribution of expenses

1. When using the method of proportional distribution, the amount of allocable expenses of a non-resident legal entity that are recognized as deductibles by a permanent establishment

in the Republic of Kazakhstan is defined as the product of the amount of allocable expenses of a non-resident legal entity and the calculation index.

2. The calculation index is calculated using one of the following methods chosen by a non-resident legal entity:

1) the ratio of total annual income, determined in accordance with paragraph 2 of Article 651 of this Code, received by a non-resident legal entity from operating in the Republic of Kazakhstan through its permanent establishment for a reporting taxable period, to the total amount of total annual income of a non-resident legal entity for the said taxable period;

2) determination of the average value (AV) by three indicators such as:

the ratio of total annual income, determined in accordance with paragraph 2 of Article 651 of this Code, received by a non-resident legal entity from operating in the Republic of Kazakhstan through its permanent establishment for a reporting taxable period, to the total amount of total annual income of a non-resident legal entity for the specified taxable period (I);

the ratio of the initial (current) value of fixed assets recorded in financial statements of a permanent establishment in the Republic of Kazakhstan as of the end of a reporting taxable period to the total initial (current) value of fixed assets of a non-resident legal entity for the same taxable period (FA);

the ratio of the amount of expenses for remuneration of staff, working at a permanent establishment in the Republic of Kazakhstan, as of the end of a reporting taxable period, to the total amount of expenses for labor remuneration of staff of a non-resident legal entity for the same taxable period (RP).

The average value is determined using the formula:

$AV = (I + FA + RP)/3$

3. When using the method of proportional distribution, a permanent establishment in the Republic of Kazakhstan recognizes the amount of allocable expenses of a non-resident legal entity as deductibles only in case of compliance with the provisions of an international treaty and given the presence of the following supporting documents:

1) copies of financial statements of a permanent establishment of a non-resident in the Republic of Kazakhstan;

2) copies of financial statements of a non-resident legal entity drawn up in accordance with the requirements of the legislation of the state of its establishment and (or) residency of the legal entity, certified with a seal bearing the name of a non-resident legal entity (if any), as well as a signature of its head.

In this case, the financial statements, specified in subparagraphs 1) and 2) of this paragraph, shall indicate in a separate line:

the amount of managerial and general administrative expenses;

total annual income;

the amount of labor remuneration of staff;

initial (current) and book value of fixed assets;

3) the breakdown of the amount of managerial and general administrative expenses, specified in the financial statements provided for in subparagraph 2) of this paragraph, indicating:

allocable expenses of a non-resident legal entity by types of expenses;

managerial and general administrative expenses of a permanent establishment in the Republic of Kazakhstan;

4) copies of a tax audit report on the audit of financial statements of a non-resident legal entity (in case of auditing such financial statements).

Article 664. The order for adjusting financial statements of a non-resident legal entity when applying the method of proportional distribution of expenses in individual cases

1. A non-resident legal entity is obliged to adjust the data of financial statements, which are used when calculating the amount of managerial and general administrative expenses to be recognized as deductibles of a permanent establishment, in the following cases:

if the duration of taxable periods in the Republic of Kazakhstan and those in the country of residence of such a non-resident differ;

if dates of the beginning and ending of taxable periods in the Republic of Kazakhstan and those in the country of residence of such a non-resident differ, whereas the indicated taxable periods are of the same duration.

To adjust the data of the non-resident's financial statements, it is necessary to apply the adjustment factor (F) that reconciles a taxable period in the country of residence of such a non-resident with that in the Republic of Kazakhstan.

2. The factor (F) is defined as the ratio of the number of months of a taxable period in the country of residence of such a non-resident, included in a taxable period in the Republic of Kazakhstan, to the number of months of a taxable period in the country of residence of the non-resident.

If a taxable period in the Republic of Kazakhstan includes two taxable periods in the country of residence of such a non-resident in full or in part, two factors (F1, F2) are applied.

3. The data of financial statements of a non-resident legal entity are adjusted as follows:

F1xFS(CR)1 + F2xFS(CR)2,

where F1 = TP(CR)1/TP(CR)3; F2 = TP(CR)2/TP(CR)3,

wherein:

TP(CR)1 - the number of months of one taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan;

TP(CR)2 - the number of months of the other taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan;

TP(CR)3 - the total number of months of a taxable period in the country of residence of a non-resident;

FS(CR)1 - financial statements of a non-resident in the country of residence for one taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan;

FS(CR)2 - financial statements of a non-resident in the country of residence for the other taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan.

Article 665. Method of immediate (direct) recognition of expenses as deductibles

1. The method of immediate (direct) recognition of allocable expenses of a non-resident legal entity as deductibles is used if a non-resident legal entity maintains separate accounting for income and expenses (including managerial and general administrative expenses) of its head office and permanent establishments in the Republic of Kazakhstan and other countries.

2. Allocable expenses of a non-resident legal entity shall be recognized as deductibles by a permanent establishment in the Republic of Kazakhstan in accordance with this article if they are identified on the basis of supporting documents and directly incurred in order to obtain income from activity in the Republic of Kazakhstan through a permanent establishment.

3. The below mentioned documents are considered to be supporting ones:

1) accounting source documents confirming allocable expenses of a non-resident legal entity incurred in the territory of the Republic of Kazakhstan in order to receive income from activity in the Republic of Kazakhstan through its permanent establishment;

2) copies of accounting source documents confirming allocable expenses of a non-resident legal entity incurred outside the Republic of Kazakhstan in order to receive income from activity in the Republic of Kazakhstan through its permanent establishment;

3) tax registers accounting for allocable expenses of a non-resident legal entity incurred both in and outside the Republic of Kazakhstan the Republic of Kazakhstan in order to receive income from activity in the Republic of Kazakhstan through its permanent establishment, which are drawn up on the basis of accounting source documents confirming these expenses.

The form of a tax register, the order for its completion are recorded in the tax accounting policy of a non-resident legal entity operating in the Republic of Kazakhstan through its permanent establishment;

4) a copy of financial statements of a non-resident legal entity drawn up in accordance with the requirements of the legislation of the state of its establishment and (or) residency of such a legal entity and certified by a signature of its head and a seal (if any) of such a non-resident legal entity.

At the same time, the total amount of managerial and general administrative expenses of a non-resident legal entity shall be indicated in a separate line in the financial statements, specified in this subparagraph;

5) a copy of a tax audit report on the audit of financial statements of a non-resident legal entity (in case of auditing such financial statements).

Article 666. The order for application of an international treaty in respect of full exemption from taxation of non-resident's income received from sources in the Republic of Kazakhstan

1. The taxation procedure established by this Article shall apply to the income of foreigners and stateless persons sent to the Republic of Kazakhstan by a non-resident legal entity that is not registered as a taxpayer of the Republic of Kazakhstan, including income specified in Article 322 of this Code, received (receivable):

1) in respect of which the procedure for applying the provisions of an international treaty is established by Articles 667, 668, 669, 670 and 671 of this Code;

2) specified in Article 650 of this Code, in respect of which the procedure established by Articles 672, 673 and 674 of this Code applies.

2. If a non-resident receives income from rendering services, performing works within the framework of one and the same project or related projects for the purposes of this article, a tax agent establishes the fact of formation of a permanent establishment by a non-resident, also on the basis of an agreement (contract) on (for) rendering services or performing works, as well as the documents, specified in paragraph 5 of this article.

If a tax agent establishes the fact of formation of a permanent establishment by a non-resident in the Republic of Kazakhstan, he/she/it is not entitled to apply the provisions of an international treaty regarding the exemption of income of non-residents in the Republic of Kazakhstan.

3. The tax agent shall have the right to independently apply the exemption from taxation when paying income to a non-resident or deducting the accrued but not paid income of a non-resident.

In case of payment of income to a non-resident - an interconnected party that is a resident of the state with which the Republic of Kazakhstan has concluded an international agreement, which is not amended by a multilateral international agreement, the tax agent shall have the right to apply the provision of part one of this paragraph, provided that such a non-resident is the final (actual) recipient (owner) of income.

In case of payment of income to a non-resident - an interconnected party that is a resident of the state with which the Republic of Kazakhstan has concluded an international agreement, which has been amended by a multilateral international agreement, the tax agent has the right to apply the provision of part one of this paragraph, while simultaneously fulfilling the following conditions:

such income shall be subject to inclusion in the taxable income of a non-resident in a foreign state of which the non-resident is a resident, and shall be subject to taxation without the right to exclude such income from taxable income and (or) reduce (adjust) taxable income by the amount of such income in the reporting period, and (or) refund in the reporting and (or) subsequent periods of the tax paid on this taxable income;

the nominal tax rate, which is applied when taxing this income in a foreign state, of which the non-resident is a resident, in the reporting period is at least 15 percent.

For part three of this paragraph, the nominal rate shall refer to the rate established by the tax legislation of a foreign state.

4. An international treaty is applied if a non-resident submits a document, confirming his/her/its residency, to a tax agent.

In this case, a non-resident shall submit a document confirming residency to a tax agent on or before one of the dates below, whichever comes first:

1) March 31 of a year following a taxable period, determined in accordance with Article 314 of this Code, within which income was paid to a non-resident or unpaid income of a non-resident was recognized as deductibles;

2) within five business days before completing a tax audit on the fulfillment of a tax obligation for income tax withheld at source of payment for a taxable period, within which income was paid to a non-resident. The date of completion of the tax audit is determined in accordance with a relevant prescription.

5. If a non-resident legal entity renders services or performs works in the territory of the Republic of Kazakhstan within a time period not leading to the formation of a permanent establishment in the Republic of Kazakhstan, for the purposes of applying the provisions of an international treaty, such a non-resident submits to a tax agent, along with a document confirming residency,:

notarized copies of constituent documents or

an extract from the commercial register (register of shareholders) or another similar document provided for by the legislation of the state of registration of a non-resident, indicating the founders (participants) and majority shareholders of the non-resident legal entity.

If the legislation of a foreign state does not require a non-resident to have constituent documents or an obligation to register in the commercial register (register of shareholders) or another similar document provided for by the legislation of the state of registration of a non-resident, such a non-resident submits to a tax agent:

a document (certificate) that underlay the formation of a non-resident, the legal force (validity) of which is confirmed by a relevant authority of the foreign state of registration of such a non-resident or

another document indicating the organizational structure of a consolidated group, to which the non-resident belongs, indicating the names of all of its participants and their geographical location (the names of the states (territories) where the members of the consolidated group are established (set up) and the state and tax registration numbers of all participants in the consolidated group.

6. If services are rendered or works are performed in the territory of the Republic of Kazakhstan within a time period not leading to the formation of a permanent establishment in

the Republic of Kazakhstan within the framework of a joint activity agreement, a non-resident legal entity that is a party to such an agreement, for the purposes of application of the provisions of an international treaty, along with the documents, specified in paragraphs 4 and 5 of this article, shall provide to a tax agent a notarized copy of the joint activity agreement or another document confirming its participatory interest in the joint activity.

If a non-resident does not form a permanent establishment as a result of rendering services or performing works under such an agreement (contract) and related projects, a tax agent has the right to apply the provisions of an international treaty to the income of a non-resident legal entity in proportion to its participatory interest in the joint activity, specified in a joint activity agreement or another document confirming its participatory interest in the joint activity.

7. In tax returns filed to a tax authority, a tax agent is obliged to indicate the amount of income that was assessed (paid) to a non-resident and the amount of taxes withheld, the amount of taxes exempted from withholding in accordance with the provisions of international treaties, income tax rates and international treaties.

In this case, within five calendar days of the date set for filing tax returns for the fourth quarter, a tax agent shall submit to a local tax authority a copy of a document confirming the residency of the non-resident that is a final (actual) recipient (owner) of income.

8. If a tax agent fails to apply the provisions of an international treaty, a tax agent shall withhold income tax at source of payment in the manner prescribed by Article 645 of this Code.

The amount of withheld income tax shall be transferred to the state budget within the time limits established by Article 645 of this Code.

9. In case of unlawful application of the provisions of an international treaty, resulting in non-payment or incomplete payment of tax to the state budget, the tax agent shall be liable in accordance with the laws of the Republic of Kazakhstan.

Footnote. Article 666 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020, № 382-VI (refer to Article 2 for the procedure of enacting);

Article 667. The order for application of an international treaty in respect of tax exemption or application of a reduced tax rate to income of a non-resident in the form of dividends, fees and (or) royalties received from sources in the Republic of Kazakhstan

1. Unless otherwise established by an international treaty, when paying income to a non-resident in the form of dividends, remuneration and (or) royalties or when classifying unpaid income of a non-resident in the form of remuneration and (or) royalties as deductions, a tax agent shall the right to independently apply tax exemption or a reduced rate tax provided for by an international treaty, subject to the following conditions:

1) a non-resident is a final (actual) recipient (owner) of income;

2) a document confirming the residency of a non-resident is submitted to a tax agent within the time period established by paragraph 4 of Article 666 of this Code.

For this section, the final (actual) recipient (owner) of income should be understood as a person who has the right to own, use, dispose of income and is not an intermediary concerning such income, including an agent, nominee holder.

At the same time, when paying income in the form of dividends, remuneration and (or) royalties to a non-resident - a related entity that is a resident of a state with which the Republic of Kazakhstan has concluded an international agreement, which has been amended by a multilateral international agreement, the tax agent shall have the right to apply the provision of part one of this paragraph upon simultaneous fulfillment of the following conditions:

such income is subject to inclusion in the taxable income of a non-resident in a foreign state of which the non-resident is a resident, and is subject to taxation without the right to exclude such income from taxable income and (or) reduce (adjust) taxable income by the amount of such income in the reporting period, and (or) refund in the reporting and (or) subsequent periods of the tax paid on this taxable income;

the nominal tax rate, which is applied when taxing this income in a foreign state, of which the non-resident is a resident, in the reporting period is at least 15 percent.

For the purposes of part three of this paragraph, the nominal rate is understood as the rate established by the tax legislation of a foreign state.

2. When paying income in the form of fees to a final (actual) recipient (owner) of income through an intermediary, a tax agent is entitled to apply tax exemption or a reduced income tax rate provided for by an international treaty concluded with the state of residency of the final (actual) recipient (owner), provided all of the following requirements are met:

1) an agreement (contract), which is a ground for paying fees, specifies the fee amounts with respect to each person that is a final (actual) recipient (owner) of the fee through an intermediary, indicating the data of such a person (the last name, first name, patronymic (if it is indicated in an identity document) of an individual or the name of a legal entity); tax registration number in the country of incorporation or its equivalent (if any); state registration number in the country of incorporation (or its equivalent);

2) a document confirming the residency of a non-resident that is a final (actual) recipient (owner) of the fee is submitted to a tax agent within the time period established by paragraph 4 of Article 666 of this Code.

3. Within five calendar days of the date set for filing tax returns for the fourth quarter, a tax agent shall submit to the tax authority at his/her/its location a copy of a document confirming the residency of the non-resident that is a final (actual) recipient (owner) of income.

4. If a tax agent fails to apply the provisions of an international treaty, the tax agent is required to withhold income tax at source of payment in the manner specified in Article 645 of this Code.

The amount of withheld income tax shall be transferred to the state budget within the time limits established by Article 647 of this Code.

5. In accordance with the provisions of an international treaty, a non-resident final (actual) recipient (owner) of income has the right to claim the refund of income tax withheld at source of payment in excess, in case income tax withheld at source of payment of income to such a non-resident was transferred to the state budget by a tax agent. Income tax withheld in excess shall be refunded to a non-resident by a tax agent.

In this case, a non-resident final (actual) recipient (owner) of income is obliged to submit to a tax agent:

1) a notarized copy of an agreement (contract) concluded with an intermediary, stating the amount of the fee to such a non-resident, indicating the data of such a person (the last name, first name, patronymic (if it is indicated in an identity document) of an individual or the name of a legal entity); tax registration number in the country of incorporation or its equivalent (if any); state registration number in the country of incorporation (or its equivalent);

2) a document confirming the residency of a non-resident for the period, for which income in the form of a fee is assessed to such a non-resident.

The documents, specified in part two of this paragraph, shall be submitted by a non-resident within the limitation period, established by Article 48 of this Code, from the date of the last transfer of income tax withheld at source of payment to the state budget, unless an international treaty provides for other time limits.

6. In case of refund of withheld income tax to a non-resident in accordance with paragraph 5 of this article, a tax agent has the right to submit to the tax authority at his/her/its location an additional calculation of income tax withheld at source of payment with regard to the amount of reduction, when applying a reduced tax rate or tax exemption for the taxable period, within which income tax on the income of a non-resident final (actual) recipient (owner) of income in the form of fees was withheld and transferred.

In this case, the amount of income tax withheld at source of payment in excess is credited to the tax agent in the manner prescribed by Article 102 of this Code.

Footnote. Article 667 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 668. The order for application of an international treaty in respect of partial exemption from taxation of income of a non-resident in the form of dividends on shares that are the underlying asset of depositary receipts

1. When paying income in the form of dividends on shares that are the underlying asset of depositary receipts to a non-resident final (actual) recipient (owner) of income through a nominal holder of depositary receipts, a tax agent has the right to apply a reduced income tax

rate provided for by a relevant international treaty concluded with the state of residency of the final (actual) recipient (owner) of such income, provided all of the following requirements are met:

1) there is a list of holders of depositary receipts containing:

last names, first names, patronymics (if any) of individuals or the names of legal entities owning depositary receipts, the underlying asset of which is shares issued by a resident of the Republic of Kazakhstan;

information on the number and type of depositary receipts;

the name and details of identity documents of individuals, or the numbers and dates of state registrations of legal entities.

The list of holders of depositary receipts is made by the following persons:

the central depository - if an agreement for the registration and confirmation of ownership of depositary receipts is concluded between a resident issuer of shares that are the underlying asset of depositary receipts and the central depository;

or another organization with the right to carry out the depository activity on the securities market of a foreign state - if an agreement for the registration and confirmation of ownership of depositary receipts is concluded between a resident issuer of shares that are the underlying asset of depositary receipts and such an organization;

2) there is a document confirming the residency of a non-resident that is a final (actual) recipient (owner) of dividends on shares that are the underlying asset of depositary receipts.

In this case, a document confirming the residency is submitted to the tax agent within the time period established by paragraph 4 of Article 666 of this Code.

2. In tax returns filed to a tax authority, a tax agent is obliged to indicate the amount of income assessed (paid) and the amount of taxes withheld, the amount of taxes exempted from withholding in accordance with the provisions of international treaties, income tax rates and international treaties.

In this case, a tax agent is obliged to submit a copy of a document confirming the residency of a non-resident taxpayer to the tax authority at his/her/its location. Such a copy shall be submitted within five calendar days of the date set for filing tax returns for the fourth quarter.

3. If a tax agent fails to apply the provisions of an international treaty, when paying income to a non-resident in the form of dividends on shares that are the underlying asset of depositary receipts, in accordance with the procedure, specified in paragraph 1 of this article, the tax agent is obliged to withhold income tax at source of payment at the rate established by Article 646 of this Code.

The amount of withheld income tax shall be transferred to the state budget within the time period established by subparagraph 1) of paragraph 1 of Article 647 of this Code.

4. In accordance with the provisions of an international treaty, a non-resident final (actual) recipient (owner) of income has the right to claim the refund of income tax withheld at source

of payment in excess, in case income tax withheld at source of payment of income to such a non-resident was transferred to the state budget by a tax agent. Income tax withheld in excess shall be refunded to a non-resident by a tax agent.

In this case, a non-resident is obliged to submit to a tax agent:

1) a notarized copy of a document confirming the right of ownership of depositary receipts, the underlying asset of which is shares of a resident issuer;

2) a document confirming his/her/its residency for the time period, for which income in the form of dividends was assessed to such a non-resident.

The documents, specified in part two of this paragraph, shall be submitted by a non-resident within the limitation period, established by Article 48 of this Code, from the date of the last transfer of income tax withheld at source of payment to the state budget, unless an international treaty provides for other time limits.

In this case, income tax withheld in excess is refunded to a non-resident by a tax agent.

5. A tax agent has the right to submit to the tax authority at his/her/its location an additional calculation of income tax withheld at source of payment with regard to the amount of reduction, when applying a reduced tax rate for the taxable period, within which income tax on the income of a non-resident in the form dividends on shares, which are the underlying asset of depositary receipts, was withheld and transferred.

In this case, the amount of income tax withheld at source of payment in excess is credited to the tax agent in the manner prescribed by Article 102 of this Code.

Article 669. The order for application of an international treaty in respect of exemption from taxation of income of a non-resident from providing international transportation services through its permanent establishment

1. A non-resident shall have the right to apply exemption from taxation of income from the provision of international transportation services in accordance with the provisions of an international agreement if such a non-resident is the final recipient of income and a resident of the state with which the international agreement is concluded.

With regard to tax exemption, an international treaty is applied if a non-resident has a document confirming its residency as of the date of submitting a corporate income tax declaration.

A non-resident submits a document confirming its residency to the tax authority at the location of its permanent establishment, when submitting a corporate income tax declaration.

2. A non-resident is obliged to maintain separate accounting for the amounts of income from providing international transportation services and other income from sources in the Republic of Kazakhstan for a taxable period.

3. The amount of expenses related to the provision of international transportation services is determined by a non-resident using the direct or proportional method.

The method chosen for determining expenses can be changed only upon agreement with a tax authority superior to the tax authority at the location of the permanent establishment of such a non-resident (except for the authorized body), before the beginning of a taxable period.

Within one taxable period, only one method of determining expenses can be applied.

4. When applying the direct method of determining expenses, a non-resident shall maintain separate accounting for expenses related to the provision of international transportation services and other expenses.

5. When applying the proportional method, the amount of expenses is defined as the product of a share and total amount of expenses of a non-resident in connection with the performance of its activity in the Republic of Kazakhstan for a taxable period.

A share is defined as the ratio of the amount of income from providing international transportation services to the total amount of income in connection with the performance of activity in the Republic of Kazakhstan for a taxable period.

6. In case of no document confirming the residency of a non-resident, as of the date of submission of a corporate income tax declaration, a non-resident is not entitled to apply the provisions of an international treaty.

At the same time, in case of calculating and paying corporate income tax to the state budget, a non-resident has the right to apply the provisions of an international treaty within the limitation period established by Article 48 of this Code, unless other time limits are set by an international treaty, provided that an additional declaration of corporate income tax and a document confirming the residency of a non-resident are submitted to a tax authority.

Footnote. Article 669 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 670. The order for application of an international treaty in respect of partial exemption from taxation of net income from the activity of a non-resident in the Republic of Kazakhstan through its permanent establishment

1. A non-resident shall have the right to apply a reduced tax rate on net income from activities in the Republic of Kazakhstan through a permanent establishment, provided for by an international treaty, if he is a resident of a state with which an international treaty is concluded, and such an international treaty provides for a procedure for taxing a non-resident's net income, different from the procedure established by Article 652 of this Code.

A reduced tax rate is applied if a non-resident has a document confirming its residency as of the date of submission of a corporate income tax declaration.

A non-resident submits the document confirming its residency to the tax authority at the location of its permanent establishment when submitting the corporate income tax declaration

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2. In case of no document confirming the residency of a non-resident, as of the date of submission of a corporate income tax declaration, a non-resident is not entitled to apply the provisions of an international treaty.

At the same time, in case of calculating and paying corporate income tax to the state budget, a non-resident has the right to apply the provisions of an international treaty within the limitation period established by Article 48 of this Code, unless other time limits are set by an international treaty, provided that an additional declaration of corporate income tax and a document confirming the residency of a non-resident are submitted to a tax authority.

Footnote. Article 670 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (effective from 01.01.2021).

Article 671. The order for application of an international treaty in respect of exemption from taxation of income of a non-resident individual received from persons that are not tax agents

1. A non-resident individual shall have the right to apply, in accordance with the provisions of an international treaty, exemption from taxation of income received from persons who are not tax agents, if such a non-resident individual is the final recipient of income and a resident of the state with which the international treaty is concluded.

With regard to tax exemption, the international treaty is applied if a non-resident has a document confirming his/her residency as of the date of submission of an individual income tax declaration.

A non-resident individual submits a document confirming his/her residency to the tax authority at the place of his/her stay (residence) when submitting an individual income tax declaration.

2. In case of no document confirming residency as of the date of submitting an individual income tax declaration, a non-resident individual is obliged to pay income tax to the state budget in accordance with the procedure and within the time limits established by Article 658 of this Code.

In this case, a non-resident individual has the right to claim the refund of the paid income tax from the state budget in the manner prescribed by Articles 672, 673 and 674 of this Code.

Footnote. Article 671 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 672. The order for submitting an application for the refund of paid income tax from the budget by a non-resident on the basis of an international treaty

1. When applying the provisions of an international treaty, a non-resident has the right to claim the refund of income tax in the manner specified in this article and Articles 673, 674 of this Code, in case of:

1) the tax agent’s withholding and transfer to the state budget of income tax on the non-resident’s income received from sources in the Republic of Kazakhstan, in accordance with the provisions of this Code;

2) the non-resident's calculation and payment of income tax on income from its activity in the Republic of Kazakhstan through its structural unit not resulting in the formation of a permanent establishment in accordance with an international treaty;

3) the non-resident's payment of income tax on income received from sources in the Republic of Kazakhstan to the state budget, in accordance with the provisions of this Code.

At the same time, a non-resident is obliged to submit to a tax authority a tax application for the refund of the paid income tax from the state budget (for the purposes of this article and Articles 673, 674 of this Code, hereinafter referred to as the application), along with the documents, specified in paragraphs 3 and 4 of this article.

2. A non-resident submits the application in two copies, in the form approved by the authorized body, to a tax authority superior to the tax authority at the tax agent's location (residence, stay).

The date of the application's submission to the tax authority is that of its receipt by the tax authority.

3. The following documents must be attached to the application:

1) copies of agreements (contracts) on (for) the performance of works, rendering of services or for other purposes;

2) a document confirming the residency of a non-resident;

3) copies of accounting or other documents confirming the amounts of income received and taxes withheld or paid;

4) in case of performing works, rendering services by a non-resident in the territory of the Republic of Kazakhstan through its employees or other staff hired by a non-resident for such purposes - copies of identity documents of such individuals and documents confirming the dates of their stay in the territory of the Republic of Kazakhstan;

5) additionally, in case of submission of the application by a legal entity:

notarized copies of constituent documents or

an extract from the commercial register (register of shareholders) or another similar document provided for by the legislation of the state of registration of a non-resident, indicating the founders (participants) and majority shareholders of the non-resident legal entity.

If the legislation of a foreign state does not require a non-resident to have constituent documents or an obligation to register in the commercial register (register of shareholders) or another similar document provided for by the legislation of the state of registration of a non-resident, such a non-resident submits to a tax agent:

a document (certificate) that underlay the formation of a non-resident, the legal force (validity) of which is confirmed by a relevant authority of the foreign state of registration of such a non-resident or

another document indicating the organizational structure of a consolidated group, to which the non-resident belongs, indicating the names of all of its participants and their

geographical location (the names of the states (territories) where the members of the consolidated group are established (set up) and the state and tax registration numbers of all participants in the consolidated group;

6) additionally, in case of the application's submission by an individual - a copy of his/her identity document.

The provisions of this paragraph shall not apply if the application is submitted in accordance with paragraph 4 of this article.

4. When a non-resident submits the application for the refund of income tax on income received from shares that are the underlying asset of depositary receipts, the following documents shall be attached to the application:

1) an account statement, received from the central depository, containing:

the name or the last name, first name, patronymic (if it is indicated in an identity document) of the non-resident;

information on the number and type of depositary receipts;

the name and details of the identity document of a non-resident (in respect of an individual), tax registration number in the country of incorporation of a non-resident or its equivalent (if any), the number and date of state registration of a non-resident (in respect of a legal entity);

2) the decision of the general meeting of shareholders of the issuer of shares, which are the underlying asset of depositary receipts, on the payment of dividends for a specified period , indicating the amount of dividend per share and the date of making the list of shareholders entitled to receive dividends;

3) a currency account statement on the received sum of dividends;

4) a document confirming the residency of a non-resident that is a final (actual) recipient (owner) of income on shares that are the underlying asset of depositary receipts.

5. If the documents, specified in paragraphs 3 and 4 of this article, are drawn up in a foreign language, a non-resident must attach their notarized Kazakh or Russian translation.

6. The application for the refund of the withheld income tax on income from the performance of works, rendering of services is submitted by a non-resident upon completion of works and services in the Republic of Kazakhstan.

Under long-term contracts, a non-resident has the right to submit the application to the tax authority after completing each stage of performance of works and rendering of services.

For the purposes of this Section, a long-term contract is a contract (agreement) for (on) the performance of works, rendering of services that has not been completed within a twelve-month period from the date of its conclusion.

7. A non-resident submits the application to a tax authority within the limitation period, established by Article 48 of this Code, unless otherwise provided for by an international treaty.

8. A tax authority refuses to consider the application in case:

1) of the application's submission by a non-resident after the expiration of the period established by paragraph 7 of this article. In this case, a non-resident is not entitled to reapply;

2) a document confirming residency does not meet the requirements established by Article 675 of this Code;

3) of a failure to provide the documents, specified in paragraphs 3 and 4 of this article, by the non-resident;

4) of non-compliance with the provisions of paragraph 2 of this article by the non-resident

.

5) when re-submitting an application for a previously reviewed (verified) period, following which the tax authority decided to refuse to refund income tax from the budget on one of the following grounds:

recognition as a permanent establishment (permanent place of business) of a non-resident in the Republic of Kazakhstan in accordance with Article 220 of this Code;

withholding and transfer to the budget by a tax agent of income tax on income of a non-resident received from sources in the Republic of Kazakhstan at his own expense in accordance with paragraph 5 of Article 645 of this Code.

In this case, the tax authority's decision to refuse to consider the application is delivered to a non-resident against receipt or sent by registered mail with return receipt, together with the application and documents submitted, within ten business days of their receipt by the tax authority, indicating the reasons for refusal.

If a tax authority refuses to consider the application on the grounds provided for in subparagraphs 2), 3) and 4) of this paragraph, a non-resident has the right to reapply within the period, specified in paragraph 7 of this article, after elimination of committed violations.

Footnote. Article 672 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 673. The order for considering the application of a non-resident and making a decision pursuant to this consideration

1. A tax authority shall consider the application of a non-resident, submitted in accordance with Article 672 of this Code, within twenty business days of its submission by a non-resident.

The period for the application's consideration, provided for in part one of this paragraph, shall be suspended for the period:

1) of a thematic audit indicated in paragraph 3 of this article;

2) running from the date of the tax authority's sending the request, specified in paragraphs 2, 4 and 5 of this article, until the date of receipt of response to such a request.

2. In the course of consideration of the non-resident's application, in order to receive necessary information, a tax authority has the right to send requests to other tax authorities, authorized state bodies, competent authorities of foreign countries, banks and organizations carrying out certain types of banking operations and other organizations operating in the

territory of the Republic of Kazakhstan, as well as to a non-resident - concerning issues related to the tax refund.

3. In the course of consideration of the non-resident's application, in accordance with the procedure specified in Chapter 18 of this Code, a tax authority conducts a thematic audit on the refund of the paid income tax from the state budget pursuant to the non-resident's application, except for cases specified in paragraphs 5 and 6 of this article.

4. If a non-resident has a structural unit in the Republic of Kazakhstan, a tax authority considering the application is obliged to send to the tax authority at the location of such a structural unit a request for the non-resident's unscheduled comprehensive audit for the limitation period, established by Article 48 of this Code, with respect to the fulfillment of its tax obligations and the presence or absence of a permanent establishment in the Republic of Kazakhstan.

5. In case of liquidation (termination of activity), bankruptcy of a tax agent, a tax authority has the right to send a request to a competent authority of the country of residence of the non-resident, whose application is being considered, for information on the relations of the tax agent and the non-resident.

In this case, the decision, specified in paragraph 7 of this article, shall be made on the basis of information received from the competent authority of the country of residence of the non-resident pursuant to the tax authority's request and (or) data of tax returns on income tax withheld at source of payment filed by a tax agent that was liquidated (terminated activity) or declared bankrupt.

If a competent authority of a foreign state gives a written refusal to submit information requested on the grounds, provided for in part one of this paragraph, or no response has been received within more than two years from the date of its request, a tax authority is obliged to refuse to consider the application. In this case, a taxpayer has the right to initiate the mutual agreement procedure in accordance with the provisions of Article 221 of this Code.

6. If a non-resident individual pays income tax to the state budget on income received from persons that are not tax agents, the decision, specified in paragraph 7 of this article, shall be made on the basis of documents attached to the application for income tax refund, specified in paragraph 3 Article 672 of this Code, and data of tax returns on income tax filed by the non-resident.

7. Pursuant to consideration of the non-resident's application, a tax authority makes a decision either:

1) to return income tax in full or in part; or

2) to refuse to return income tax.

The decision of the tax authority is made in writing and signed by the head or his/her deputy.

If the tax authority makes a decision to refund the income tax in full or in part, the amount of income tax to be returned in accordance with the provisions of an international treaty shall

be indicated on the submitted application, and the application shall be certified by the signature of the head or his/her deputy and the seal of the tax authority.

The decision of the tax authority pursuant to the results of consideration of the application must indicate:

1) the date of the decision;

2) the name of the tax authority that made the decision;

3) the full name of the non-resident who submitted the application;

4) the tax registration number in the country of incorporation of the non-resident or its equivalent (if any);

5) in case of a decision to return - the amount of income tax to be returned to a non-resident from the state budget;

6) in case of a decision to refuse to return income tax – its substantiation with references to provisions of laws of the Republic of Kazakhstan and (or) the international treaty and (or) indicating information received by a tax authority from a competent authority of a foreign state upon its request, which underlay the decision of the tax authority.

8. In case of payment of the income tax to the state budget and the tax authority's decision to return the income tax in full or in part, this tax authority sends the copies of the decision and the non-resident's application to the tax authority, with which the tax agent (taxpayer), who paid income tax, is registered at the place of his/her/its location (residence, stay).

The tax authority, with which the tax agent (taxpayer) is registered at the place of his/her/ its location (residence, stay), returns the amount of income tax from the state budget to the non-resident, in the manner specified in Article 101 of this Code, within thirty business days of such a decision.

9. The tax authority's decision and one copy of the non-resident's application shall be delivered to the non-resident against receipt or sent by registered mail with return receipt.

The date of the non-resident's receipt of the tax authority's decision is that of its delivery or the mark of the non-resident in a notification of a postal or another communications organization.

Article 674. The order for appealing a decision pursuant to the results of consideration of a non-resident's application and for making a decision pursuant to the results of consideration of a complaint

1. In cases of disagreement with the decision of a tax authority, specified in paragraph 7 of Article 673 of this Code, a non-resident has the right to appeal against it to the authorized body.

The complaint shall be filed in writing within ninety calendar days of the day following the day of receipt of the tax authority's decision.

In this case, a non-resident shall send a copy of the complaint to the tax authority, whose decision is being appealed.

The date of filing a complaint with the authorized body is that of the complaint's receipt by the authorized body.

2. The complaint shall contain:

1) the date the complaint was signed by a non-resident;

2) the last name, first name and patronymic (if it is indicated in an identity document) or full name of the person filing the complaint, his/her place of residence (location);

3) the tax registration number in the country of incorporation of the non-resident or its equivalent (if any);

4) the name of the tax authority, whose decision is being appealed by a non-resident;

5) the circumstances, on which the non-resident, filing the complaint, established his/her claim, and the evidence supporting these circumstances;

6) the list of attached documents.

The complaint is signed either by a non-resident or his/her representative.

3. The complaint shall be accompanied by:

1) copies of the application and the tax authority's decision;

2) the documents, specified in paragraphs 3 or 4 of Article 672 of this Code, except for the application;

3) documents confirming the circumstances, on which the non-resident establishes his/her claim;

4) other documents relevant to the case.

4. The authorized body refuses a non-resident to consider the complaint in case of:

1) the non-resident's filing a complaint after expiration of the time period, established by part two of paragraph 1 of this article;

2) inconsistencies in the content of the complaint with the requirements, established by paragraph 2 of this article;

3) non-compliance of a document confirming residency with the requirements, established by Article 675 of this Code;

4) the non-resident's failure to produce the documents, specified in paragraphs 3 or 4 of Article 672 of this Code;

5) the non-resident's lodging a complaint (application) against the tax authority's decision , specified in paragraph 7 of Article 673 of this Code, to a court.

The decision to refuse to consider a complaint is sent to a non-resident in writing within ten business days of the date of filing the complaint with the authorized body.

If the authorized body refuses to consider a complaint on the grounds, provided for in subparagraphs 2), 3) and 4) of part one of this paragraph, a non-resident shall be entitled to reapply within ninety calendar days of the date of receipt of the decision to refuse to consider the complaint, in case he/she eliminates all the committed violations.

5. The authorized body shall consider the complaint of the non-resident within thirty business days of the date of filing the complaint with the authorized body.

At the same time, the period for consideration of a complaint is suspended in case of the authorized body's sending requests for necessary information to a competent authority of a foreign state or other state bodies of the Republic of Kazakhstan, banks and organizations carrying out certain types of banking operations, other organizations operating in the territory of the Republic of Kazakhstan, as well as to a non-resident - concerning issues related to the consideration of his/her application, until such information is received.

6. Pursuant to the results of consideration of a non-resident's complaint, the authorized body makes a decision either:

1) to return income tax in full or in part; or

2) to refuse to refund income tax.

The decision of the authorized body shall be delivered to the non-resident against signature or sent to him/her by registered mail with return receipt.

The date of the non-resident's receipt of the tax authority's decision is that of its delivery or the mark of the non-resident in a notification of a postal or another communications organization.

The tax authority's decision pursuant to the results of consideration of the complaint shall indicate:

1) the date of the decision;

2) the full name of the non-resident that submitted the application;

3) the tax registration number in the country of incorporation of the non-resident or its equivalent (if any);

4) in case of a decision to return - the amount of income tax to be returned to a non-resident from the state budget;

5) in case of a decision to refuse to return income tax – its substantiation with references to provisions of laws of the Republic of Kazakhstan and (or) the international treaty and (or) indicating information received by a tax authority from a competent authority of a foreign state upon its request, which underlay the decision of the tax authority.

7. A copy of the decision of the authorized body shall be sent to the tax authority, whose decision was appealed by the non-resident.

If the authorized body makes a decision to return income tax, the tax authority, whose decision was appealed by the non-resident, indicates the amount of income tax to be returned in accordance with the provisions of the international treaty on the application, earlier submitted by a non-resident to such a tax authority. The date of the application's certification is that of receipt of a copy of the authorized body's decision by such a tax authority. In this case, the application shall be certified by the signature of the head or his/her deputy and seal of such a tax authority and delivered to the non-resident against receipt or sent by registered mail with return receipt.

The tax authority, whose decision was appealed by a non-resident, sends the copies of this decision and certified application of such a non-resident to the tax authority, with which the

tax agent (taxpayer), who paid income tax, was registered at his/her/its location (residence, stay).

Article 675. Requirements to a document confirming the residency of a non-resident

1. For the purposes of applying the provisions of this Section, a document confirming residency of a non-resident is an official document confirming that a non-resident recipient of income is a resident of a state, with which the Republic of Kazakhstan concluded an international treaty, which is submitted in the form of either:

1) an original certified by the competent authority of a foreign state, of which the non-resident is a resident. The signature of an official and the seal of the competent authority confirming the residence of a non-resident must be legalized in the manner prescribed by the legislation of the Republic of Kazakhstan, or a document legalizing the signature of an official and the seal of the competent authority is placed on:

Internet resource of the state body carrying out legalization;

Internet resource of another state organization or public notarial chamber collecting (storing) electronic Apostilles of a foreign state;

2) a notarized copy of the original document that meets the requirements of subparagraph 1) of this paragraph. The signature and seal of a foreign notary must be legalized in the manner prescribed by the legislation of the Republic of Kazakhstan, or a document legalizing the signature and seal of a foreign notary is placed on:

Internet resource of the state body carrying out legalization;

Internet resource of another state organization or public notarial chamber collecting (storing) electronic Apostilles of a foreign state.

3) a paper copy of an electronic document confirming the residency of a non-resident, posted on an Internet resource of the competent authority of a foreign state.

2. Legalization in the manner prescribed by the legislation of the Republic of Kazakhstan is not required if:

a document confirming the residency of a non-resident is posted on the Internet resource of the competent authority of a foreign state;

a different procedure for authenticating the signature and seal of the person (s) indicated in paragraph 1 of this article is established:

by an international treaty of the Republic of Kazakhstan;

between the authorized body and the competent authority of a foreign state under the mutual agreement procedure, conducted in accordance with Article 221 of this Code;

by the decision of an authority of the Eurasian Economic Union.

3. A non-resident is recognized as a resident of the state with which the Republic of Kazakhstan has concluded an international agreement, during the period specified in the document confirming the residence of the non-resident. Therewith, in case of confirmation of

residency on a certain date, a non-resident is recognized as a resident of the state with which the Republic of Kazakhstan has concluded an international agreement for the period from the beginning of the calendar year to the date on which residency is confirmed.

If the period of residence is not specified in a document confirming the residency of a non-resident, the non-resident is recognized as a resident of the state, with which the Republic of Kazakhstan concluded an international treaty, within the calendar year, in which such document is issued (posted on the Internet resource of the competent authority of the foreign state).

Footnote. Article 675 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020, № 382-VI (refer to Article 2 for the procedure of enacting).

Article 676. Certificate of the amounts of income received from sources in the Republic of Kazakhstan and taxes withheld (paid)

1. A non-resident has the right to get a certificate of the amounts of income received from sources in the Republic of Kazakhstan and taxes withheld (paid) (for the purposes of this article, hereinafter referred to as a certificate) from the tax authority in the form approved by the authorized body, if such a tax is payable to the budget of the Republic of Kazakhstan, including on the basis of an international treaty, and is not subject to return in accordance with Articles 672, 673 and 674 of this Code.

A tax agent is also entitled to receive from a tax authority a certificate of the amount of income assessed and (or) paid by such a tax agent to a non-resident and taxes withheld (paid) from such income. In this case, no power of attorney is required in accordance with Article 16 of this Code.

2. To obtain a certificate, a non-resident (tax agent) is obliged to submit a tax application to the tax authority:

1) at the location of the tax agent – with regard to income of a non-resident legal entity operating in the Republic of Kazakhstan without formation of a permanent establishment;

2) at the location of a permanent establishment – with regard to such a permanent establishment of a non-resident;

3) at the place of stay (residence) in the Republic of Kazakhstan – with regard to a foreigner or a stateless person paying taxes on income from sources in the Republic of Kazakhstan on their own;

4) at the location of a tax agent – with regard to income of a foreigner or a stateless person not specified in subparagraph 3) of this paragraph.

3. A tax authority sends a refusal to issue a certificate to a non-resident (tax agent) in case of revealing discrepancy between the data in a tax application of a non-resident (tax agent) and the data, specified in forms of tax returns of a taxpayer and (or) tax agent, and also in case of no payment of tax or in case of tax debts of the taxpayer and (or) tax agent with regard to transfer of the non-resident's income tax as of the date of submission of the tax application.

4. The certificate is issued within ten calendar days of the latest of the following dates:

that of submission of a tax application;

that of submission of a relevant form of tax returns by the non-resident taxpayer and (or) tax agent indicating the amounts of the non-resident's assessed income and taxes payable.

5. In case of failure to submit a tax application by a non-resident (tax agent), a tax authority shall not issue a certificate.

Article 677. Assistance in collecting taxes

1. In accordance with the provisions of an international treaty, in order to fulfill an unfulfilled tax obligation, the authorized body has the right to request the assistance of a competent authority of a foreign state by sending a tax claim in the form established by the authorized body. The tax claim is sent to the competent authority of the foreign state in case of the non-resident's non-fulfillment or incomplete fulfillment of the tax obligation for income from sources in the Republic of Kazakhstan, as well as income of a permanent establishment of a non-resident from sources outside the Republic of Kazakhstan, only after applying all possible enforced collection measures established by this Code.

2. Upon receipt of a request for assistance from a competent authority of a foreign country , the authorized body has the right to enforce the fulfillment of a resident's tax obligation that has arisen in a foreign country. In this case the authorized body considers the lawfulness of paying taxes on the resident's income from sources in a foreign country in accordance with the provisions of the international treaty and issues an opinion.

3. In case of issuing a positive opinion upon the request of the competent authority of a foreign state, the authorized body, in accordance with the provisions of an international treaty, ensures the fulfillment of tax obligations by a resident in the manner prescribed by this Code. At the request of the authorized body, a resident taxpayer transfers the tax amount to the account of the competent authority of the foreign state, specified in its request for assistance in collecting taxes, sent in accordance with the provisions of the international treaty.

4. The authorized body shall consider requests of a competent authority of a foreign state on the principles of reciprocity.

5. The provisions of this article shall be applied within the limitation period established by Article 48 of this Code, unless otherwise specified by an international treaty.

SECTION 20. SPECIAL TAX REGIMES Chapter 76. GENERAL PROVISIONS

Article 678. Types of special tax regimes

1. In cases established by this Section, a taxpayer has the right to choose one of the following special tax regimes:

1) special tax regimes for small business entities, which include:

a special tax regime on the basis of the patent;

a special tax regime on the basis of the simplified declaration;

a special tax regime with a fixed deduction;

special tax regime using a special mobile application;

1-1) special tax regime of retail tax;

2) special tax regimes for producers of agricultural products:

a special tax regime for peasant or farm enterprises;

a special tax regime for producers of agricultural products and agricultural cooperatives.

2. Individual entrepreneurs shall have the right to apply two special tax regimes simultaneously in the cases established in paragraph 4 of Article 686-2 and paragraph 4 of Article 703 of this Code.

3. A patent is an electronic document confirming the fact of payment of individual income tax (except for individual income tax withheld at source of payment), social payments.

Footnote. Article 678 as amended and Laws of the Republic of Kazakhstan dated December 10, 2020, № 382-VI (shall come into effect from 01.01.2021); dated 24.06. 2021 № 53-VII (shall come into effect from 01.01.2022); dated 01.07.2024 № 105-VIII (shall be enforced upon expiry of sixty calendar days from the date of its first official publication).

Article 679. The order for the choice of a special tax regime and termination of its application

1. In case of observance of conditions of its application, established for each such regime by this Section, a special tax regime is chosen:

1) by individuals - in a notification about registration as an individual entrepreneur, sent in accordance with Article 79 of this Code;

2) by newly established legal entities - in a notification about the applied tax regime in the form established by the authorized agency, which is submitted to the tax authority within five working days of their state registration with registering authority;

3) when switching to:

a special tax regime on the basis of the patent from the generally established procedure for taxation - in the calculation of the patent value;

other special tax regimes - in a notification about the applied tax regime in the form established by the authorized body.

If a newly established taxpayer has not chosen a special tax regime in the manner specified in part one of this paragraph, by default, such a taxpayer is recognized as that having chosen the generally established procedure for taxation, until he/she/it submits a notification about the applied tax regime.

2. A taxpayer, except for a newly established one, has the right, in case of observance of conditions of its application, to switch to a special tax regime:

1) on the basis of the patent - from the generally established procedure for taxation or a special tax regime for peasant or farm enterprises;

1-1) using a special mobile application - from the generally established taxation procedure , special tax regimes based on a patent, for peasant or farm enterprises;

2) on the basis of a simplified declaration - from the generally established taxation procedure, special tax regimes based on a patent or using a special mobile application, for peasant or farm enterprises;

3) with a fixed deduction - from the generally established procedure for taxation, other special tax regimes for small business entities, and also from special tax regimes for producers of agricultural products;

4) for producers of agricultural products and agricultural cooperatives - from the generally established procedure for taxation or another special tax regime;

5) for peasant or farm enterprises - from the generally established procedure for taxation or another special tax regime;

6) retail tax - from the generally established procedure for taxation or another special tax regime.

In the case established by paragraph 4 of Article 703 of this Code, peasant or farm enterprises indicate all the applied tax regimes in a notification about the applied tax regime.

3. The chosen special tax regimefor agricultural producers may not be changed within a calendar year, unless cases of inconsistency with the conditions of application of the special tax regime, established by this Section for such a tax regime, occur.

4. When transmitting (transferring) from a special tax regime for small businesses to a generally established taxation procedure, a subsequent transition to a special tax regime for small businesses is possible no earlier than one calendar year after applying the generally established procedure.

5. In case of occurrence of conditions preventing the application of a special tax regime, in order to switch to the generally established taxation procedure or another special tax regime, a taxpayer must submit a notification about the applied tax regime within five business days of occurrence of such conditions.

6. A notification about the applied tax regime shall be submitted by taxpayers to the tax authority at the place of their location in paper or electronic form, and also through the “ e-government” web portal.

7. A tax authority shall transfer taxpayers to the generally established procedure in case of establishing the fact of taxpayers’ mismatching the conditions established for the application of a relevant special tax regime by this Section.

If such facts are established in the course of an in-house audit, before the transfer to the generally established procedure, tax authorities shall send a taxpayer a notice of elimination of violations found as a result of the in-house audit, or a notification about violations found as a result of the in-house audit in accordance with Chapter 10 of this Code, within the time limits and in accordance with the procedure established by Articles 114 and 115 of this Code.

8. The effective date for the application of a chosen special tax regime is:

1) the date of registration as an individual entrepreneur with tax authorities - for newly formed individual entrepreneurs that indicated the chosen special tax regime in their notification about the commencement of activity as an individual entrepreneur;

2) for newly formed legal entities that have submitted a notification of the applicable taxation regime within the time period established by this Article, - the date of state registration with the registering authority;

2-1) for persons making the transition to a special tax regime using a special mobile application – the date of the choice of a special tax regime using a special mobile application in the notification of the applicable tax regime;

3) the 1st day of a month following the month of submission of a notification about the applied tax regime - in other cases.

8-1. Was in effect from 01.01.2023 to 01.05.2023 under the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI

9. In case of switching to a special tax regime in accordance with paragraph 8 of this article, the application of a special tax regime or the generally established procedure for taxation shall be terminated on the last day of the month of submission of a relevant notification about the applied tax regime.

10. When a taxpayer switches (is transferred) from a special tax regime to the generally established taxation procedure in case of occurrence of conditions preventing the application of a special tax regime, the generally established procedure for taxation is deemed to begin to apply on the 1st day of the month of occurrence of such conditions.

Footnote. Article 679 as amended by the Law of the Republic Kazakhstan №156-VI as of 24.05.2018 (takes effect on 01.01.2018); dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 24.06.2021 № 53-VII (shall come into effect from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Chapter 77. GENERAL PROVISIONS ON SPECIAL TAX REGIMES FOR SMALL BUSINESS ENTITIES Clause 1. General provisions

Article 680. General Provisions

1. The special tax regime establishes for small business entities a simplified procedure for calculating and paying:

1) individual income tax, except for taxes withheld at source of payment - when applying a special tax regime on the basis of the patent;

1-1) individual income tax (except for taxes withheld at the source of payment), social payments - when applying a special tax regime using a special mobile application;

2) social tax, corporate or individual income tax, except for taxes withheld at source of payment - when applying a special tax regime on the basis of the simplified declaration;

3) individual or corporate income tax, except for taxes withheld at source of payment - when applying a special tax regime with a fixed deduction.

Taxes and payments to the budget, not specified in part one of this paragraph, shall be calculated and paid, and tax returns thereon shall be filed in accordance with the generally established procedure.

2. A taxpayer, applying a special tax regime for small business entities, fulfills the tax agent's obligation for individual income tax on income subject to taxation at source of payment with regard to the calculation, withholding and transfer of this tax in the manner and within the time limits established by Chapter 38 of this Code.

A taxpayer applying a special tax regime based on a patent or using a special mobile application shall submit tax returns on individual income tax on income subject to taxation at the source of payment in the manner and within the time limits established by Chapter 38 of this Code.

Footnote. Article 680 as amended by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall come into effect from 01.01.2022).

Article 681. The procedure for determining income when applying special tax regimes based on a patent, a simplified declaration or using a special mobile application

Footnote. Heading of Article 681 as amended by the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall come into effect from 01.01.2022).

1. The object of taxation for a taxpayer applying a special tax regime based on a patent, a simplified declaration or using a special mobile application shall be the income received during the tax period.

2. Income determined for the purposes of paragraph 1 of this article shall comprise the following types of income received (receivable) in the Republic of Kazakhstan and abroad (subject to adjustments made in accordance with paragraph 6 of this article), unless otherwise provided by paragraph 2-1 of this article:

1) income from the sale of goods, performance of works, rendering of services, including royalties, income from property lease (rent);

2) income from writing off obligations;

3) income from assigning the right to claim;

4) income from joint activity;

5) fines, penalties and other types of sanctions awarded or recognized by the debtor (except for unjustifiably withheld fines that were returned from the budget, provided that these amounts have not been earlier allocated to deductibles within the period of the taxpayer's settlements with the budget in accordance with the established procedure);

6) amounts received from the state budget to cover costs;

7) surplus material valuables discovered in the course of inventory taking;

8) income in the form of property received free of charge (except for charitable assistance) to be used for business purposes;

9) the lessee's reimbursement of expenses for maintenance and repair of the leased property incurred by an individual entrepreneur that is the lessor;

10) the lessee's expenses for maintenance and repair of the property leased from an individual entrepreneur, applied against the rent under a lease agreement.

2-1. The income of a person practicing digital mining shall be determined in the manner prescribed by Article 227-1 of this Code.

3. When applying a special tax regime for small business entities, the amount of income, specified in paragraph 2 of this article, is determined by:

1) a legal entity - in accordance with the generally established procedure in accordance with Section 7 of this Code and paragraphs 5, 6, 7 and 8 of this article;

2) an individual entrepreneur not obliged to maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" (hereinafter referred to as maintenance of accounting records and preparation of financial statements) - in accordance with Chapter 24 of this Code and paragraphs 5, 6, 7 and 8 of this article;

3) an individual entrepreneur maintaining accounting records and preparing financial statements - in accordance with Articles 226-240 of this Code and paragraphs 5, 6, 7 and 8 of this article.

4. When taxpayers, applying a special tax regime for small business entities, receive income, not specified in paragraph 2 of this article, they shall calculate, pay relevant taxes and file tax returns thereon under the generally established procedure in accordance with this Code.

5. For tax purposes, the below shall not be considered as income of a taxpayer applying a special tax regime for small business entities:

1) the value of property transferred free of charge - for a taxpayer transferring such property;

2) the sale of assets redeemed for state needs in accordance with the laws of the Republic of Kazakhstan;

3) the value of goods received by an individual entrepreneur free of charge for advertising purposes (also in the form of a gift), if the unit value of such goods does not exceed 5 times the monthly calculation index established for a relevant financial year by the law on the national budget and effective as of the date of such transfer;

4) the following expenses incurred by an individual lessee that is not an individual entrepreneur in case of property lease (rent) of a dwelling, a residential unit (apartment) - if these expenses are not included in the rent for:

the maintenance of common property of a condominium unit in accordance with the housing legislation of the Republic of Kazakhstan;

the payment of utility services provided for by the Law of the Republic of Kazakhstan " On Housing Relations";

the repair of a dwelling, a residential unit (apartment);

5) the amount of a penalty and fines written off in accordance with the tax legislation of the Republic of Kazakhstan.

6) was valid until 01.01.2023 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2022 № 135-VII.

6. For the purposes of this Chapter, an adjustment is an increase in the amount of income for a reporting taxable period or reduction in the amount of income for a reporting taxable period within the amount of earlier recognized income.

The income specified in paragraph 2 of this article is subject to adjustment in such cases as:

1) full or partial return of goods;

2) modification of the terms of a transaction;

3) changes in the price of, compensation for goods sold or purchased, works performed, services rendered;

4) price discounts, sales discounts;

5) changes in the amount payable in national currency for goods sold or purchased, works performed, services rendered, based on the terms of a contract;

6) cancellation of a claim to a legal entity, an individual entrepreneur, a non-resident legal entity operating in the Republic of Kazakhstan through its permanent establishment, with regard to claims related to the activity of such a permanent establishment, as well as to a branch, representative office of a non-resident legal entity operating in the Republic Kazakhstan through a branch, representative office without formation of a permanent establishment.

The income adjustment provided for in this subparagraph shall be downward in case of:

a failure to claim by a taxpayer-creditor in case of liquidation of a taxpayer-debtor as of the day of approval of its liquidation balance;

the taxpayer's cancellation of a claim pursuant to a final and binding court judgment.

The adjustment provided for in this subparagraph shall be made within the amount of the cancelled claim and earlier recognized income from such a claim, given source documents confirming the emergence of the claim.

The adjustment provided for in subparagraphs 1) - 5) of part two of this paragraph shall be made given source documents confirming the occurrence of cases for such an adjustment.

The income adjustment is made within the taxable period, in which the cases, specified in this article, occurred.

In case of no income or insufficiency of its size for making downward adjustments within the period, in which the cases specified in this article occurred, the adjustment is made within the taxable period, in which the income subject to adjustment was earlier recognized.

7. If one and the same income can be stated in several income items, this income is included in income only once.

The date of income recognition for tax purposes is determined in accordance with the provisions of this Chapter.

8. Unless otherwise provided by paragraph 5 of this Article, an individual entrepreneur applying a special tax regime based on a patent, a simplified declaration or using a special mobile application shall determine the amount:

1) property income - in accordance with Articles 330, 331, 332, 333 and 334 of this Code;

2) income specified in paragraph 2 of this article:

in accordance with paragraphs 5, 6 and 7 of this article and Article 682 of this Code - by an individual entrepreneur not obliged to maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting";

in accordance with paragraphs 5, 6 and 7 of this article and Articles 226-240 of this Code - by an individual entrepreneur maintaining accounting records and preparing financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting";

3) other income of an individual that are not specified in subparagraphs 1) and 2) of part one of this paragraph - in accordance with Section 8 of this Code.

In this case, relevant taxes are calculated and paid, and tax returns thereon are filed:

1) with regard to income indicated in subparagraphs 1) and 3) of part one of this paragraph - in accordance with Section 8 of this Code;

2) with regard to income indicated in subparagraph 2) of part one of this paragraph by:

an individual entrepreneur applying a special tax regime based on a patent or using a special mobile application - in accordance with paragraphs 2 and 2-1 of this chapter;

an individual entrepreneur applying a special tax regime on the basis of the simplified declaration - in accordance with Clause 3 of this Chapter.

Footnote. Article 681 as amended by the Law of the Republic of Kazakhstan dated 24.06.2021 № 53-VII (shall come into effect from 01.01.2022); dated 11.07.2022 №135-VII (enforcement see Article 3); dated 06.02.2023 № 196-VII (shall be enforced from 01.04.2023).

Article 682. Features of income recognition in tax accounting by individual entrepreneurs not obliged to maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting"

1. The provisions of this article shall be applied by individual entrepreneurs not obliged to maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting".

2. Unless otherwise established by this article, income is measured by the value of compensation received or receivable, with account of the amount of any sales and wholesale discounts provided by an individual entrepreneur. The amount of income arising from a transaction is also determined on the basis of a completed contract between an individual entrepreneur and a buyer or user of an asset.

3. Income from the sale of goods is recognized, provided all of the following requirements are met:

1) an individual entrepreneur transferred substantial risks and rewards, related to the right of ownership of the goods, to a buyer;

2) an individual entrepreneur is no longer a participant in management to the extent that it is usually associated with the ownership right and has no control over the goods sold;

3) the amount of income can be reliably measured;

4) economic benefits associated with a transaction are likely to be received by an individual entrepreneur;

5) costs incurred or estimated, which are associated with a transaction, can be reliably measured.

4. Income from the performance of works, rendering of services is recognized on the basis of a certificate of works performed, services rendered or another document confirming the performance of works, rendering of services. Income from the performance of works, rendering of services is recognized in the period, in which the certificate of works performed, services rendered or another document confirming the performance of works, rendering of services was signed.

5. Income from writing off obligations includes:

1) the write-off of obligations from a taxpayer by his/her/its creditor;

2) obligations unclaimed by a creditor as of the time of termination of activity by an individual entrepreneur;

3) the write-off of obligations due to expiration of the limitation period established by the laws of the Republic of Kazakhstan;

4) the write-off of obligations pursuant to a final and binding court judgment.

The amount of income from writing off obligations is equal to the amount of obligations (except for VAT amount) payable in accordance with source documents of an individual entrepreneur as of the day of:

1) submission of a tax application for termination of activity to a tax authority in the case specified in subparagraph 2) of part one of this paragraph;

2) write-offs in other cases.

Income from writing off obligations is recognized in the reporting taxable period:

1) in which an obligation is written off by a creditor in the case specified in subparagraph 1) of part one of this paragraph;

2) for which liquidation tax returns are filed to a tax authority in the case specified in subparagraph 2) of part one of this paragraph;

3) in which the limitation period expired in the case specified in subparagraph 3) of part one of this paragraph;

4) in which a court judgment became final and binding in the case specified in subparagraph 4) of part one of this paragraph.

6. Income in the form of surplus material valuables discovered in the course of inventory taking is recognized in the taxable period, in which the inventory taking was completed and an inventory certificate, indicating the fact of existence of such surpluses, was drawn up. An individual entrepreneur determines the surplus value on his/her own, on the basis of prices and tariffs effective in the Republic of Kazakhstan.

7. Income in the form of fines, penalty, forfeit and other types of sanctions is recognized in the taxable period, in which a court rendered a decision to collect them or they were recognized by a debtor.

8. If an individual entrepreneur carries out transactions for exchanging his/her goods, works or services for those of another person, it is required to draw up a certificate of transfer and acceptance of goods, works or services. The certificate of transfer and acceptance must indicate the value of goods, works or services transferred and received. Income from such a transaction is defined as positive difference between the value of received goods, works or services to be indicated in the certificate of transfer and acceptance and the production cost of transferred goods, works or services.

9. Income from a long-term contract for a reporting taxable period is income (to be) received for a taxable period.

10. Income from assigning the right of claim is:

1) for an individual entrepreneur acquiring the right of claim - positive difference between the amount of principal claim due from a debtor, including the amount in excess of the principal debt as of the date of assignment of the right of claim, and the value of acquisition of the right of claim. Such income from the assignment of the right of claim is the income of that taxable period, in which the acquired claim is paid off by the debtor;

2) for an individual entrepreneur that conceded the right of claim - positive difference between the value of the right of claim, for which the assignment was made, and the value of the claim receivable from a debtor as of the date of assignment of the right of claim, according to the taxpayer’s source documents. Such income from the assignment of the right of claim is the income of that taxable period, in which the assignment is made.

11. Income in the form of property received free of charge (except for charitable assistance) to be used for business purposes is the value of property received free of charge by an individual entrepreneur as his/her own property if such property is used by an individual entrepreneur for business purposes in the taxable period, in which such property is received.

Income in the form of property received free of charge (except for charitable assistance) to be used for business purposes is recognized in the taxable period, in which such property is received, except for immovable property and vehicles subject to state registration.

Income in the form of immovable property received free of charge (except for charitable assistance) to be used for business purposes is recognized in the taxable period of registration of the right of ownership of such property.

Income in the form of a vehicle received free of charge that is subject to state registration (except for charitable assistance) to be used for business purposes is recognized in the taxable period of state registration of such a vehicle.

The value of property received free of charge by an individual entrepreneur is the market value of the property, as of the date of emergence of the right of ownership of the property, which is indicated in an appraisal report conducted under an agreement between the appraiser and the individual entrepreneur in accordance with the legislation of the Republic of Kazakhstan on the appraisal activity.

12. Income in the form of the lessee's reimbursement of expenses for maintenance and repair of the leased property, incurred by an individual entrepreneur that is the lessor, is recognized in the taxable period of such reimbursement.

Income of an individual entrepreneur that is the lessor in the form of the lessee's expenses for maintenance and repair of the leased property, which is offset against the rent under a lease agreement, is recognized in the taxable period of such offset.

Article 683. Conditions for the application of a special tax regime

1. For the purposes of this Code, individual entrepreneurs and resident legal entities of the Republic of Kazakhstan, applying a special tax regime for small business entities, are recognized as small business entities.

2. A special tax regime for small business entities may be applied by taxpayers that meet the following conditions:

1) the average number of employees in a taxable period does not exceed for a special tax regime:

on the basis of the simplified declaration - 30 people;

with a fixed deduction - 50 people;

2) income for a taxable period shall not exceed for a special tax regime:

based on a patent or using a special mobile application - 3,528 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of the corresponding financial year;

on the basis of the simplified declaration – 24 038 times the monthly calculation indexes established by the law on the republican budget and effective as of January 1 of a relevant financial year;

with a fixed deduction – 144 184 times the monthly calculation indexes established by the law on the republican budget and effective as of January 1 of a relevant financial year;

In this case, the income indicated in the Sub-paragraph tree of part one of Paragraph shall not include income within 70 048 times the monthly calculation indexes established by the law on the republican budget and effective as of January 1 of the relevant financial year, received by an individual entrepreneur by bank transfer with mandatory using a three-component integrated system.

3) not carrying out the following activities:

production of excisable goods;

storage and wholesale of excisable goods;

sale of certain types of petroleum products - gasoline, diesel fuel and fuel oil;

conducting lotteries;

Note!

Paragraph six of subparagraph 3) of paragraph 2 shall be suspended until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI and during the period of suspension this paragraph shall be valid in the following edition.

subsoil use (except for subsoil use activities carried out on the basis of a prospecting license);

collection (procurement), storage, processing and sale of scrap and waste of non-ferrous and ferrous metals;

consulting and (or) marketing services;

activities in accounting or auditing;

financial, insurance activities and intermediary activities of an insurance broker and an insurance agent;

activities in the field of law, justice and judicature;

rent and operation of the trading market;

digital mining activities under the license for digital mining activities of subtype I;

sublease of trade facilities related to trade markets, stationary trade facilities of category 1, 2 and 3 in accordance with the legislation of the Republic of Kazakhstan on the regulation of trade activities, as well as trade places, trade facilities and public catering facilities located on their territory;

activities of two or more taxpayers in the provision of hotel services on the territory of one hotel or a separate non-residential building in which such services are provided;

activities under financial leasing.

3. Individual entrepreneurs and legal entities providing services based on agency contracts (agreements) shall not be entitled to apply a special tax regime based on a patent, a simplified declaration or using a special mobile application.

For the purposes of this paragraph, agency agreements (contracts) are understood to mean civil-law agreements (contracts) concluded in accordance with the legislation of the Republic of Kazakhstan, under which one party (agent) undertakes, on a fee basis, to perform certain actions on its own behalf on the instructions of the other party, but for the money of the other party, or on behalf and for the money of the other party.

4. Not entitled to apply a special tax regime for small business entities are:

1) legal entities with structural units;

2) structural units of legal entities;

3) taxpayers with other separate structural units and (or) taxable items in different populated localities.

For the purposes of taxation of persons applying special tax regimes, another separate structural unit of the taxpayer is recognized to be a territorially separate unit with stationary workplaces performing part of its functions. A workplace is considered to be stationary if it is created for at least one month.

The provision of this subparagraph does not apply to taxpayers engaged only in leasing out (renting) property;

4) legal entities with more than 25 percent of participatory interest of other legal entities;

5) legal entities, whose founder or participant is at the same time a founder of or a participant in another legal entity applying a special tax regime or tax treatment;

6) non-commercial organizations;

7) payers of the gambling business tax.

5. For the purposes of this article, the marginal income of an individual entrepreneur shall consist of:

1) a taxable item identified in accordance with Article 681 of this Code;

2) income in the form of increase in value, specified in Article 330 of this Code, arising in connection with the sale and transfer to the authorized capital of property that is fixed assets of the individual entrepreneur;

3) income determined in accordance with Article 366 of this Code.

6. For the purposes of this article, the marginal income of a legal entity shall consist of:

1) a taxable item identified in accordance with Article 681 of this Code;

2) total annual income with account of the adjustments provided for in Article 241 of this Code, determined in accordance with Section 7 of this Code.

7. An individual entrepreneur that is a small business entity in accordance with this article , when applying a special tax regime for small business entities is entitled to maintain tax accounting in a simplified manner provided for by this Section.

Footnote. Article 683 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2019); dated 24.06. 2021 № 53-VII (shall come into effect from 01.01.2022); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2023); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 06.02.2023 № 196-VII (effective from 01.01.2024); dated12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 684. Taxable period

1. The tax period for applying a special tax regime based on a patent, a special tax regime using a fixed deduction or a special tax regime using a special mobile application is a calendar year.

The period for which individual income tax and social payments are calculated and paid in a special mobile application shall be a calendar month.

2. A taxable period for the application of a special tax regime on the basis of the simplified declaration is half a year.

Footnote. Article 684 as amended by the Law of the Republic of Kazakhstan dated 24.06.2021 № 53-VII (shall come into effect from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2022).

Clause 2. Special tax regime on the basis of the patent

Article 685. The order for application

1. A special tax regime based on a patent may be applied by individual entrepreneurs who , in addition to meeting the conditions established for small businesses by Article 683 of this Code shall:

1) not use the labor of employees;

2) carry out activities in the form of personal entrepreneurship;

3) carry out one or more of the following activities:

plastering work;

joinery and carpentry work;

flooring and wall covering works;

painting and glass works;

taxi activities;

freight transportation by road;

property management on a fee or contract basis;

activities in the field of photography;

translation (oral and written) business;

property lease (rent);

lease (lease) of vehicles;

rental and property lease (rent) of entertainment and sports equipment;

rental of videos and disks;

rental and property lease (rent) of other personal and household goods;

lease (rent) of agricultural machinery and equipment;

lease (lease) of office machines and equipment, including computers;

services in the field of sports education and education of specialists in the organization of leisure;

educational services in the field of culture;

services in the field of other education;

auxiliary educational services;

activities in the field of art;

repair of computers and peripheral equipment;

repair of communication equipment;

repair of personal items and household goods;

hairdressing services;

manicure and pedicure;

veterinary services;
services for the processing of land plots;
residential cleaning and housekeeping services;
porters services in markets, train stations;
production and repair of musical instruments;
grazing of domestic animals.

2. To apply a special tax regime on the basis of the patent, it is necessary to submit the calculation of the patent value to the tax authority at the location (for the purposes of this Chapter, hereinafter referred to as the calculation).

The calculation is presented in paper or electronic form, also through the "e-government" web portal, by individual entrepreneurs:

1) that are newly established ones - within three business days of the day of submission of a notification about their registration as an individual entrepreneur in the manner prescribed by the legislation of the Republic of Kazakhstan on permits and notifications;

2) switching from the generally established procedure or another special tax regime - before the 1st day of the month of application of a special tax regime on the basis of the patent ;

3) applying a special tax regime on the basis of the patent to obtain next patent – prior to expiration of a previous patent or the deadline for the suspension of filing tax returns.

3. The calculation is tax returns for the calculation of the patent value.

The patent value is calculated in accordance with Article 686 of this Code.

4. A taxpayer shall pay the patent value before submitting the calculation.

In case of payment of the patent value through second-tier banks or organizations carrying out certain types of banking operations, the calculation submitted in electronic form shall be accompanied by a notification of the "e-government" payment gateway generated on the " e-government" web portal when specifying the details of the payment document in the request.

Together with the paper-based calculation, it is required to submit documents confirming the payment of the patent value.

5. The calculation submitted by individual entrepreneurs in electronic form, also through the "e-government" web portal, shall indicate the details of payment documents on the payment of taxes and social payments included in the patent value.

After submission of the calculation by individual entrepreneurs, a tax authority creates the patent in its information system within one business day following the date of the calculation' s submission.

The form of the patent is approved by the authorized body.

6. A special tax regime on the basis of the patent shall be applied for at least one month within one taxable period, unless otherwise provided for by this paragraph.

A special tax regime on the basis of the patent is applied for less than a month by individual entrepreneurs that:

1) are newly registered in the last month of a current taxable period;

2) resumed their activity before or after the end of the period for suspension of filing tax returns in the last month of a current taxable period.

7. To suspend the filing of tax returns by individual entrepreneurs applying a special tax regime on the basis of the patent, it is necessary to submit a tax application, in the manner prescribed by Article 214 of this Code, to the tax authority at their location.

Article 686. Calculation of patent value

1. The patent value includes the amounts of payable individual income tax (except for individual income tax withheld at source of payment) and social payments.

2. The calculation of the amount of individual income tax included in the cost of a patent shall be made by applying a rate of 1 percent to the taxable item.

2-1. shall be valid from 01.01.2020 to 01.01.2022 in accordance with Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017.

3. Social payments included in the cost of a license shall be calculated in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan " On Compulsory Social Health Insurance.

4. If the amount of income actually received within the period of the patent validity exceeds the amount of income specified in the calculation, individual entrepreneurs are obliged, within five business days, to submit the calculation in the form of additional tax returns on the excess amount and pay taxes thereon.

The provisions of this paragraph shall not apply if the amount of actually received income exceeded the amount of the marginal income established by subparagraph 2) of paragraph 2 of Article 683 of this Code.

A new patent is created in place of a previous one on the basis of this calculation.

5. If the amount of income actually received within the patent validity (including cases of its early termination) is less than the amount of income specified in the calculation, individual entrepreneurs may submit the calculation in the form of additional tax returns on the amount of the patent value reduction.

In this case, the amounts of taxes paid in excess shall be refunded in the manner prescribed by Chapter 11 of this Code.

6. If the amount of actually received income exceeds the amount of the marginal income established by subparagraph 2) of paragraph 2 of Article 683 of this Code, the income of an individual entrepreneur, received from the date of application of the generally established procedure or another special tax regime established by Article 679 of this Code, is taxed in accordance with the generally established procedure or in the manner determined by the special tax regime.

7. If the business activity is terminated before the patent expiration, the paid tax amount is not subject to refund and recalculation, except for the case of declaring an individual entrepreneur legally incompetent.

Footnote. Article 686 as amended by Law of the Republic of Kazakhstan № 121-VI dated 25.12.2017 (shall be valid from 01.01.2018 to 01.01.2022).

Paragraph 2-1. Special tax regime using a special mobile application

Footnote. Chapter 77 is supplemented with paragraph 2-1 in accordance with the Law of the Republic of Kazakhstan dated 24.06. 2021 № 53-VII (shall come into effect from 01.01.2022).

Article 686-1. Special mobile application

1. Special mobile application is a mobile application developed by the authorized body to apply a simplified procedure for fulfilling tax obligations and obligations on social payments when applying the special tax regime established by this paragraph, registration as an individual entrepreneur (deregistration) based on an electronic document certified by the electronic digital signature of the taxpayer.

The procedure for using a special mobile application to fulfil tax obligations and obligations on social payments when applying special tax regimes shall be determined by the authorized body.

2. In a special mobile application as a document confirming the fact of settlements between an individual entrepreneur applying a special tax regime with the use of a special mobile application or on the basis of a simplified declaration, who is not a VAT payer, and the buyer (client), recipient of work, services, a check shall be generated for a special mobile application.

3. The receipt of the special mobile application shall contain the following information:

1) name of the taxpayer;

2) taxpayer identification number;

3) the serial number of the receipt of the special mobile application;

4) name of the body (legal entity, individual entrepreneur) for which the works were performed, services were rendered, its identification number.

The information specified in this subparagraph shall be filled in at the request of an individual entrepreneur, a legal entity for which work has been performed, services have been rendered, to confirm deductions for certain expenses;

5) the date and time of payment for the category of goods sold, work performed, services rendered;

6) the cost of the category of goods sold, work performed, services rendered (per unit of measurement);

7) the name of the category of goods being sold, the work performed, the services rendered;

8) the volume of categories of goods being sold, works performed, services rendered (in units of their measurement);

9) the total cost of the categories of goods being sold, work performed, services rendered;

10) a bar code containing in coded form information about the receipt of a special mobile application.

For the purposes of this paragraph, the category of goods is understood as a group of goods grouped according to their functional purpose.

4. Individual entrepreneurs applying a special tax regime using a special mobile application or on the basis of a simplified declaration shall have the right to authorize a second-tier bank or an organization carrying out certain types of banking operations, an operator of electronic platforms when using their mobile application to generate checks for a special mobile application.

The operator of an electronic platform in this Article shall refer to the operator of information systems posted on the Internet, intended for the provision of intermediary services, the performance of work in electronic format.

5. The procedure for interaction between authorized second-tier banks, organizations carrying out certain types of banking operations, operators of electronic platforms with tax authorities to transfer information on transactions to a special mobile application shall be determined by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

6. The check of the special mobile application must be transferred by the taxpayer at the time of settlement in cash and (or) using a system (device) for accepting non-cash payments to the buyer (client), recipient of works and services, including to the e-mail address indicated by them.

For other forms of non-cash settlements, a check of a special mobile application must be generated and transferred to the buyer (client), recipient of works, services, including to the e-mail address indicated by them, no later than three calendar days from the day on which the settlements were made.

7. A special mobile application shall generate a register of income based on receipts of a special mobile application and other information about income received from other sources.

8. A special mobile application can be used by individual entrepreneurs applying a special tax regime based on a simplified declaration to generate and issue a check for a special mobile application, to fulfill tax obligations for calculating individual income tax and social payments, their payment and submission of a simplified declaration.

Footnote. Article 686-1 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 686-2. Application procedure

1. The special tax regime using a special mobile application shall be entitled to be applied by individual entrepreneurs who, in addition to meeting the conditions established for small businesses in Article 683 of this Code:

1) do not use the labour of employees;

2) carry out activities in the form of personal entrepreneurship;

3) carry out one or more of the following activities:

plastering works;

carpentry and joinery work;

flooring and wall cladding works;

painting and glassworks;

taxi business;

freight transportation by road;

property management on a fee or contract basis;

activities in the field of photography;

translation (verbal and written) business;

renting out a property (lease);

rental and property lease (rent) of vehicles;

rental and property lease (rent) of entertainment and sports equipment;

rental of video recordings and CDs;

rental and property lease (rent) of other items of personal consumption and household goods;

rental and property lease (rent) of agricultural machinery and equipment;

rental and property lease (rent) of office machines and equipment, including computers;

services in the field of sports education and education of specialists in the organization of leisure;

cultural education services;

services in the field of other education;

ancillary educational services;

activities in the field of art;

repair of computers and peripheral equipment;

repair of communication equipment;

repair of personal items and household goods;

hairdressing services;

manicure and pedicure;

veterinary services;

land processing services;

residential cleaning and housekeeping services;

porter services in markets, stations;

production and repair of musical instruments;

grazing domestic animals;

courier delivery, with the exception of postal delivery services;

4) shall not be payers of value-added tax specified in subparagraph 1) of paragraph 1 of Article 367 of this Code.

2. The date of commencement of the application of a special tax regime using a special mobile application shall be the date of choosing a special tax regime using a special mobile application.

3. When switching from a special tax regime using a special mobile application to other special tax regimes or the generally established taxation procedure, the end date of the regime shall be the last day of the month in which the corresponding notification of the applicable taxation regime is submitted.

4. Individual entrepreneurs, for income received by them for services rendered or works performed using Internet platforms in accordance with the Social Code of the Republic of Kazakhstan, shall apply a special tax regime using a special mobile application.

At the same time, such an individual entrepreneur, for incomes not specified in part one of this paragraph, shall have the right to apply other special tax regimes or the generally established taxation procedure in accordance with this Code.

Footnote. Article 686-2 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (shall be enforced ten calendar days after the date of its first official publication); dated 01.07.2024 № 105-VIII (shall be enforced upon expiry of sixty calendar days from the date of its first official publication).

Article 686-3. Procedure for calculating individual income tax and social payments when applying a special tax regime using a special mobile application

Footnote. The title of Article 686-3 is in the wording of the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII (effective after sixty calendar days from the date of its first official publication).

1. The calculation of the amount of individual income tax shall be made by a special mobile application by applying a rate of 1 percent to the taxable object.

2. The special mobile application calculates the amounts of social payments in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance".

3. The calculation of the amount of individual income tax and social payments shall be made by a special mobile application monthly no later than the 15th day of the month following the reporting one.

4. Individual income tax and social payments shall be payable no later than the 25th day of the month following the reporting month.

Footnote. Article 686-3 as amended by the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII (shall be enforced upon expiry of sixty calendar days from the date of its first official publication).

Clause 3. Special tax regime on the basis of the simplified declaration

Article 687. Calculation of taxes on the basis of the simplified declaration

1. A taxpayer calculates taxes on the basis of the simplified declaration on his/her/its own by applying a rate of 3 percent to his/her/its taxable item for a reporting taxable period.

2. The amount of taxes calculated for a taxable period in accordance with Paragraph 1 of this Article shall be adjusted downwards by an amount equal to 1.5 percent of the tax amount for each employee based on the average number of employees if the average monthly wages of employees for a reporting period amounted to at least 23 times the monthly calculation indexes with respect to individual entrepreneurs, with respect to legal entities - at least 29 times the monthly calculation indexes established by the law on the republican budget and effective as of the first day of a taxable period.

2-1. in force from 01.01.2020 to 01.01.2022 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI.

3. In case of non-observance of the conditions of application of the special tax regime established by Article 683 of this Code, the taxpayer's income received from the date of commencement of application of the generally established or another special tax regime shall be taxed in accordance with the generally established procedure or procedure established by another special tax regime.

Footnote. Article 687 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); № 121-VI dated 25.12.2017 (shall be valid from 01.01.2018 to 01.01.2022); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 688. Time limits for submitting the simplified declaration and paying taxes

1. The simplified declaration shall be submitted to the tax authority at the taxpayer's location on or before the 15th day of the second month following a reporting taxable period.

2. Taxes specified in the simplified declaration shall be paid to the state budget on or before the 25th day of the second month following a reporting taxable period in the form of individual (corporate) income tax and social tax.

In this case, individual (corporate) income tax is payable in the amount of 1/2 of the calculated amount of taxes under a simplified declaration, social tax - in the amount of 1/2 of the calculated amount of taxes under the simplified declaration minus the amount of social contributions to the State Social Insurance Fund or the amount of social deductions attributable to the share of social contributions in a single payment, calculated in accordance with the Social Code of the Republic of Kazakhstan and Chapter 89-1 of this Code".

If the amount of social contributions to the State Social Insurance Fund exceeds the amount of social tax, the social tax amount is considered to be zero.

3. The simplified declaration shall reflect the amounts of individual income tax payable to the budget, withheld at the source of payment, social payments and (or) a single payment.

Footnote. Article 688 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 689 . Calculation, payment and submission of tax reporting for certain types of taxes, social payments and a single payment

Footnote. The heading of Article 689 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Calculation, payment of the amounts of individual income tax withheld at the source of payment, and transfer of social payments shall be made by a taxpayer applying a special tax regime on the basis of a simplified declaration, in the generally established procedure and (or) in the manner prescribed by Chapter 89-1 of this Code.

In this case, the calculated amounts of individual income tax withheld at the source of payment, social payments and (or) a single payment shall be reflected in the simplified declaration submitted in the manner and within the time frames determined by Article 688 of this Code.

Footnote. Article 689 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Clause 4. Special tax regime with a fixed deduction

Article 690. Taxable item

1. For a taxpayer applying a special tax regime with a fixed deduction, a taxable item is taxable income, defined as the difference between income with account of the adjustments provided for by paragraph 4 of Article 691 of this Code and the deductions provided for in this Clause.

2. The income of a legal entity or individual entrepreneur consists of income (to be) received by these persons in and outside the Republic of Kazakhstan within a taxable period.

3. For the purposes of this Clause, the following shall not be considered as income:

1) the value of property received as contribution to the authorized capital;

2) in case of distribution of the property of a legal entity under liquidation or reduction of the authorized capital, the value of property (to be) received by a shareholder, including that (to be) received in return for the earlier contributed one, in the amount of the paid authorized capital attributable to the number of shares, in proportion to which the property is distributed;

3) in case of distribution of the property of a legal entity under liquidation or reduction of the authorized capital, and also in case of return of a participatory interest or part thereof in a legal entity to a founder, participant, the value of property (to be) received by a participant, founder, including that (to be) received in return for the earlier contributed one, in the amount of the paid authorized capital attributable to a participatory interest, in proportion to which the property is distributed, but not exceeding the amount of expenses for its acquisition and (or)

payment of contributions to the authorized capital made by a participant, in whose favor the property is distributed;

4) the value of property, which an issuer receives from the placement of its shares;

5) for a taxpayer transferring property - the value of property transferred free of charge;

6) the amount of penalty and fines written off in accordance with the tax legislation of the Republic of Kazakhstan;

7) the value of goods received free of charge for advertising purposes (also in the form of a gift), if the unit value of such goods does not exceed 5 times the monthly calculation index established for a relevant financial year by the law on the national budget and effective as of the date of such receipt;

8) the amount of reduction of the tax obligation in cases provided for by this Code;

9) unless otherwise provided by Section 7 of this Code, income arising from a change in the value of assets and (or) liabilities recognized as income in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements, except for those to be received (have been received) from another person;

10) increase in retained earnings by reducing reserves for revaluation of assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

11) income arising in connection with the recognition of an obligation in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, in the form of a positive difference between the amount of the obligation subject to fulfilment and the cost of this obligation, recognized in accounting;

12) the value of property, including works, services received in accordance with paragraph 8 of Article 243 of this Code;

13) excess of the amount of the positive exchange rate difference over the amount of the negative exchange rate difference;

14) income from writing off obligations;

15) income from doubtful obligations;

16) the following expenses incurred by an individual lessee that is not an individual entrepreneur in case of property rent (lease) of a dwelling, a residential unit (apartment) – if these expenses are not included in the rent for:

the maintenance of common property of a condominium unit in accordance with the housing legislation of the Republic of Kazakhstan;

the payment of utility services provided for by the Law of the Republic of Kazakhstan “ On Housing Relations”;

the repair of a dwelling, a residential unit (apartment);

17) income from the disposal of fixed assets.

In this case, a taxpayer applying a special tax regime with a fixed deduction does not keep record of fixed assets.

4. For the purposes of this Clause, the following income is not considered as income of an individual entrepreneur if it is received in the form of:

1) dividends, interests, winnings earlier levied with individual income tax at source of payment, given documents confirming the withholding of such tax at source of payment;

2) targeted social assistance, benefits and compensations paid out of the state budget, the size of which is established by the legislation of the Republic of Kazakhstan;

3) scholarships;

4) charitable assistance;

5) the value of property received in the form of humanitarian aid;

6) property income;

7) the income of an employee;

8) the amount of compensation for material damage awarded by a court decision.

Footnote. Article 690 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2018).

Article 691. Income

1. For the purposes of this Clause, income of a taxpayer includes all types of income, except for that:

1) specified in paragraph 3 of Article 690 of this Code - for a legal entity;

2) specified in paragraphs 3 and 4 of Article 690 of this Code - for an individual entrepreneur.

2. If the recognition of income in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting differs from the procedure for determining and recognizing income in accordance with this Code, the specified income shall be taken into account for tax purposes in accordance with the procedure defined by this Code.

3. A taxpayer has the right to adjust income in accordance with paragraph 4 of this article. In this case, total annual income, with account of adjustments in accordance with paragraph 4 of this article, may have a negative value.

4. For the purposes of this Clause, an adjustment is an increase in the size of income for a reporting taxable period or decrease in the size of income for a reporting taxable period within the amount of earlier recognized income.

The income, specified in this article, is subject to adjustment in case of:

1) full or partial return of goods;

2) modification of the terms of a transaction;

3) changes in price, compensation for goods sold or purchased, works performed, services rendered;

4) price discounts, sales discounts;

5) changes in the amount payable in national currency for goods sold or purchased, works performed, services rendered based on the terms of a contract;

6) cancellation of a claim to a legal entity, an individual entrepreneur, a non-resident legal entity operating in the Republic of Kazakhstan through its permanent establishment, with regard to claims related to the activity of such a permanent establishment, as well as to a branch, representative office of a non-resident legal entity operating in the Republic Kazakhstan through a branch, representative office without the formation of a permanent establishment.

The income adjustment provided for in this subparagraph shall be downward in case of:

a failure to claim by a taxpayer-creditor in case of liquidation of a taxpayer-debtor as of the day of approval of its liquidation balance;

the taxpayer's cancellation of a claim pursuant to the final and binding court judgment.

The adjustment provided for in this subparagraph shall be made within the amount of the cancelled claim and earlier recognized income from such a claim, given source documents confirming the emergence of the claim.

The adjustment provided for in subparagraphs 1) - 5) of part two of this paragraph shall be made given source documents confirming the occurrence of cases for such an adjustment.

The income adjustment is made within the taxable period, in which the cases, specified in this article, occurred.

In case of no income or insufficiency of its size for making downward adjustments within the period, in which the cases, specified in this article, occurred, the adjustment is made within the taxable period, in which the income subject to adjustment was earlier recognized.

5. If one and the same income can be stated in several income items, this income is included in income only once.

The date of recognition of income for tax purposes is determined in accordance with the provisions of this Clause.

Footnote. Article 691 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2018).

Article 692. The order for identifying expenses allocated to deductibles

1. When determining taxable income, subject to deductions are taxpayer's expenses related to performance of the activity aimed at obtaining income, except for expenses not subject to deduction in accordance with Section 7 of this Code.

2. For the purposes of this Clause, subject to deductions are expenses for:

1) purchasing goods;

2) assessed income of employees and other payments to individuals, to be allocated to deductibles in accordance with Article 257 of this Code;

3) the payment of taxes and payments to the budget, to be allocated to deductibles in accordance with Article 263 of this Code;

4) amounts of compensation for official business trips, to be allocated to deductibles in accordance with Article 244 of this Code;

5) payment for communication services, electricity, water, heat, gas used for business purposes;

6) expenses incurred by the tenant concerning the leased property used for business purposes.

3. When determining taxable income, an individual entrepreneur has the right to apply tax deductions provided for in Article 342 of this Code, unless he/she has applied them as an individual, also from a tax agent.

4. In the cases provided for by this Code, the amount of expenses allocated to deductibles shall not exceed the established norms.

5. A taxpayer makes deductions, given documents confirming that such expenses are related to his/her/its activity aimed at obtaining income, unless otherwise established by Article 693 of this Code.

These expenses shall be deductible in the tax period in which they were incurred, except for deferred expenses determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

6. Deferred expenses determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall be subject to deduction in the tax period to which they relate.

7. The taxpayer's expenses, specified in this article, shall be subject to adjustment in the cases provided for by paragraph 4 of Article 691 of this Code.

In this case, for the purposes of this Clause, an adjustment is an increase in the size of deduction for a reporting taxable period or decrease in the size of deduction for a reporting taxable period within the amount of earlier recognized deduction.

Footnote. Article 692 as amended by the Law of the Republic of Kazakhstan dated December 10, 2020, № 382-VI (refer to Article 2 for the procedure of enacting).

Article 693. Additional fixed deduction

When determining taxable income, a taxpayer, applying a special tax regime with a fixed deduction, has the right to include the amount of fixed deduction not exceeding 30 percent of the amount of income, which is determined with account of the adjustments provided for by paragraph 4 of Article 691 of this Code, in the amount of expenses allocated to deductibles.

In this case, if the provisions of part one of this article are applied, the total amount of expenses allocated to deductibles, including a fixed deduction, shall not exceed 70 percent of the amount of income with account of the adjustments provided for by paragraph 4 of Article 691 of this Code.

Article 694. Reduction of taxable income

1. The taxpayer shall have the right to reduce taxable income by 2 times the amount of expenses incurred for the payment of labor of persons with disabilities and by 50 percent of the calculated social tax amount from wages and other payments to persons with disabilities.

2. A legal entity has the right to reduce taxable income for the following types of income:

1) the value of property received in the form of humanitarian assistance in the event of emergencies of natural and man-made nature and used for its intended purpose;

2) income from increase in value when selling shares issued by a legal entity or participatory interests in a legal entity or consortium, unless otherwise provided for by subparagraph 3) of this paragraph, provided all of the following requirements are met:

as of the day of sale of these shares or participatory interests, a taxpayer has been holding them for more than three years;

an issuing legal entity or a legal entity, whose participatory interest is being sold, or a consortium participant selling his/her participatory interest in such a consortium, is not a subsoil user;

as of the day of such sale, the property of persons (a person) that are (is) subsoil users (subsoil user) is not more than 50 percent in the value of assets of an issuing legal entity or legal entity, whose participatory interest is being sold, or total value of assets of participants of a consortium, a participatory interest in which is being sold.

The period of the taxpayer's ownership of shares or participatory interests, specified in this subparagraph, shall be determined with account of all the periods of ownership of shares or participatory interests by their former owners if such shares or participatory interests are received by the taxpayer as a result of reorganization of former owners.

For the purposes of this subparagraph, a subsoil user is not recognized as a subsoil user only because of its right to extract groundwater and (or) common minerals for own use;

3) income from increase in value when selling through open bids at a stock exchange in the territory of the Republic of Kazakhstan of securities that are in the official lists of this stock exchange as of the day of sale, reduced by losses arisen from selling through open bids at a stock exchange in the territory of the Republic of Kazakhstan of securities that are in the official lists of this stock exchange as of the day of sale.

3. A taxpayer applying a special tax regime with a fixed deduction has the right to reduce taxable income by the amount of the employer's expenses, calculated in a reporting taxable period, for the employee's income to be allocated to deductibles, when determining the taxable income in accordance with this Clause.

The reduction provided for by part one of this Paragraph, the taxpayer shall be entitled to make, provided that the average monthly wage of employees of such a taxpayer for the reporting tax period exceeds 47 times the monthly calculation indexes established by the law on the republican budget and effective as of January 1 of the relevant financial year.

Footnote. Article 694 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019).

Article 695. Calculation of taxes under a special tax regime with a fixed deduction

1. Corporate income tax, except for corporate income tax on net income and corporate income tax withheld at source of payment, to be paid in case of application of a special tax regime with a fixed deduction, is calculated for a taxable period as follows:

the product of the rate, established by paragraphs 1 or 2 of Article 313 of this Code, and taxable income, determined in the form of the difference between the income provided for by Articles 690 and 691 of this Code and the expenses provided for by Articles 692 and 693 of this Code, reduced in accordance with Article 694 of this Code

minus

the amount of corporate income tax subject to offset in accordance with Article 303 of this Code

minus

the amount of corporate income tax withheld at source of payment in a taxable period on income in the form of winnings, subject to reduction in accordance with paragraph 2 of Article 302 of this Code

minus

the amount of corporate income tax withheld at source of payment on income in the form of interest, dividends, carried forward from previous taxable periods in accordance with paragraph 3 of Article 302 of this Code

minus

the amount of corporate income tax withheld at source of payment in a taxable period on income in the form of interest, dividends, subject to reduction in accordance with paragraph 2 of Article 302 of this Code.

2. Individual income tax to be paid in case of application of a special tax regime with a fixed deduction, except for individual income tax withheld at source of payment, shall be calculated for a taxable period as follows:

the product of the rate, established by paragraph 1 of Article 320 of this Code, and taxable income, determined in the form of the difference between the income provided for by Articles 690 and 691 of this Code and the expenses provided for by Articles 692 and 693 of this Code, reduced in accordance with Article 694 of this Code.

Article 696. The order for submission of a tax declaration and payment of taxes under a special tax regime with a fixed deduction

1. With regard to taxpayers applying a special tax regime with a fixed deduction, a declaration shall be submitted to the tax authority at the taxpayer’s location on or before March 31 of a year following a reporting taxable period.

2. Taxes indicated in a declaration for taxpayers applying a special tax regime with a fixed deduction shall be paid to the state budget pursuant to the results of a taxable period within ten calendar days of the deadline set for submitting the declaration by paragraph 1 of this article.

Chapter 77-1 SPECIAL TAX REGIME OF RETAIL TAX

Footnote. Chapter 77-1 was in effect up to 01.01.2023 by the Law of the Republic of Kazakhstan dated 25.12.2017 №121-VI.

Chapter 77-2 Special retail tax regime

Footnote. The Code shall be supplemented by Chapter 77-2 pursuant to the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Article 696-3. Application of special retail tax regime and taxes assessment upon its application

1. The special retail tax regime may be applied by taxpayers that meet the following requirements:

1) the average staff number over the tax period does not exceed 200 people;

2) income for a calendar year does not exceed 600,000 of the monthly calculation index established by the law on the republican budget and effective as of January 1 of the corresponding financial year;

3) pursue exclusively one or more activity types determined by the Government of the Republic of Kazakhstan for the purposes of applying this regime.

2. Legal entities whose founder or participant is also a founder or participant of another legal entity applying a special tax regime are not entitled to apply the special tax regime of retail tax.

3. The special retail tax regime envisions a special procedure for assessing corporate or individual income tax, with the exception of taxes withheld at the source of payment.

4. The corporate or individual income tax, with the exception of taxes withheld at the source of payment, when applying the special retail tax regime, shall be assessed by the taxpayer independently by applying to the taxation object for the reporting tax period a rate in the amount of:

4% on income received (receivable) for the tax period in the Republic of Kazakhstan and abroad, unless otherwise provided by item three of this paragraph;

8% on income received from the sale of goods, performance of work, provision of services to taxpayers who apply the norms of paragraph 3-2 of Article 242 of this Code on the inclusion of expenses amounts on deductions for assessing corporate or individual income tax

.

5. Local representative bodies shall have the right to reduce the rate established by the second paragraph of paragraph 4 of this article by no more than 50 percent, depending on the activity type and location of the object.

At the same time, it shall be prohibited to lower the rate individually for individual taxpayers.

Such a decision to reduce the rate is made by the local representative body no later than December 1 of the year preceding the year of its introduction, comes into force on January 1 of the year following the year of its adoption, and is subject to official publication.

6. A taxpayer applying special retail tax regime must keep separate tax records for the income taxed at the rates applied in accordance with the provisions of paragraph 4 of this article.

7. The object of taxation for a taxpayer applying a special tax regime of retail tax is income received (receivable) in the Republic of Kazakhstan and abroad and determined cumulatively for the tax period in a manner similar to the procedure for determining income established by Article 681 of this Code.

At the same time, when calculating corporate or individual income tax, with the exception of taxes withheld at the payment source, the object of taxation for a taxpayer applying special retail tax regime is subject to reduction by the amount of expenses of such a taxpayer-employer on his employees' income.

Footnote. Article 696-3 in accordance with the Law of the Republic of Kazakhstan dated 12.12.2023 № 45-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Article 696-4. Tax period, deadlines for submitting a declaration and paying taxes

1. The tax period for applying the special retail tax regime shall be a calendar quarter.

2. Declarations for taxpayers applying the special retail tax regime shall be filed to the tax authority at the taxpayer's location no later than the 15th day of the second month following the reporting tax period.

3. Taxes indicated in the declaration for taxpayers applying the special retail tax regime shall be paid to the budget no later than the 25th day of the second month following the reporting tax period.

Chapter 78. SPECIAL TAX REGIMES FOR PRODUCERS OF AGRICULTURAL PRODUCTS

Article 697. Features of taxation of agricultural producers

1. For the purposes of this Chapter, agricultural producers are legal entities, peasant or farm enterprises engaged in the production and sale of the following agricultural products (for the purposes of this Chapter, hereinafter referred to as agricultural products):

1) crop products;

2) livestock products;

3) poultry products;

4) apicultural products.

For the purposes of this Chapter, agricultural products also include aquaculture (fish farming) products.

2. This Code provides for the following special tax regimes for agricultural producers:

1) that for agricultural producers and agricultural cooperatives;

2) that for peasant or farm enterprises.

3. With regard to activities subject to such tax regimes and given the observance of conditions of their application established by this Code, agricultural producers, agricultural cooperatives have the right to choose one of the following tax regimes on their own:

1) a special tax regime for agricultural producers and agricultural cooperatives (for the purposes of this article and Articles 698, 699 and 700 of this Code, hereinafter referred to as a special tax regime);

2) a special tax regime for small business entities on the basis of the simplified declaration or with a fixed deduction;

3) the generally established procedure.

4. When carrying out the types of activities specified in paragraph 3 of Article 702 of this Code, peasant or farm enterprises have the right to choose one of the tax regimes, specified in paragraph 3 of this article, or a special tax regime for peasant or farm enterprises – given the observance of other conditions of its application, established by Article 702 of this Code.

5. When choosing a special tax regime specified in subparagraph 1) or 2) of paragraph 3 of this article, taxpayers shall apply such a tax regime, provided that conditions of its application are observed, for at least one calendar year, except for the cases, specified in paragraphs 5 and 7 of Article 679 of this Code.

6. Taxpayers applying special tax regimes for agricultural producers shall be obliged to keep separate records of income and expenses, property if they carry out activities that are not subject to such tax regimes, as well as to calculate and pay the corresponding taxes and payments to the budget for the specified types of activity in the generally established manner, unless otherwise established by paragraph 4 of Article 703 of this Code.

At the same time, taxpayers must carry out separate accounting provided for in this paragraph in accordance with the provisions of the tax accounting policy approved by them.

7. Foreign legal entities, foreigners and stateless persons are not entitled to apply special tax regimes for agricultural producers.

Clause 1. Special tax regime for agricultural producers and agricultural cooperatives

Article 698. General provisions

1. The special tax regime provides for a special procedure for the calculation of corporate income tax or individual income tax, except for taxes withheld at source of payment, social tax, property tax, vehicle tax.

2. The special tax regime applies to:

1) the activity of agricultural producers on the production of agricultural products (except for excisable ones), processing and sale of these own-produced products;

2) the activity of agricultural cooperatives on:

the production of agricultural products, except for excisable ones, and their sale;

the procurement, storage and sale of agricultural products produced by members of such a cooperative;

processing of own-produced agricultural products (except for excisable ones) and (or) those produced by members of such a cooperative, as well as selling products of such processing;

performing (rendering) works (services) for the members of such a cooperative (for the purposes of their carrying out the activities specified in subparagraph 1) of this paragraph), including auxiliary ones, according to the list approved by the authorized body for the agro-industrial complex development in coordination with the central authorized body for the state and budget planning;

the sale of goods to the members of such a cooperative (for the purposes of their carrying out the activities specified in subparagraph 1) of this paragraph) according to the list approved by the authorized body for the agro-industrial complex development in coordination with the central authorized body for the state and budget planning.

Agricultural cooperatives are obliged to indicate the sale of goods provided for in this subparagraph, as well as the provision of such goods for use, into trust management, lease, in the tax register, the form of which is established by the authorized body.

3. The right to apply the special tax regime is granted to taxpayers having land plots on the basis of the rights of private property and (or) land use (including the right of secondary land use).

The requirement of part one of this paragraph does not apply to agricultural cooperatives and taxpayers engaged in the production of apicultural products, as well as processing and sale of these own-produced products.

Article 699. Taxable period

A taxable period for the application of the special tax regime is a calendar year.

Article 700. The feature of calculation of certain types of taxes

1. Agricultural producers, agricultural cooperatives, applying the special tax regime, may reduce by 70 percent the amounts of the following taxes payable to the budget:

1) the amounts of corporate income tax or individual income tax (except for taxes withheld at source of payment) - on income from the activities specified in paragraph 2 of Article 698 of this Code;

2) the amount of social tax - on taxable items related to the performance of activities specified in paragraph 2 of Article 698 of this Code;

3) the amounts of the property tax, the vehicle tax - on taxable items used in the performance of activities specified in paragraph 2 of Article 698 of this Code.

2. The reduction of the amount of corporate income tax, provided for in this article, shall also apply:

1) when calculating the amounts of advance payments of corporate income tax, determined in accordance with Article 305 of this Code;

2) to income received in the form of budgetary subsidies granted to legal entities producing agricultural products in the areas indicated in paragraph 2 of Article 313 of this Code.

3. Agricultural producers applying this special tax regime calculate taxes, specified in paragraph 1 of this article, in accordance with the generally established procedure.

Calculation, payment of individual income tax amounts withheld at the source of payment , and transfer of social payments, with the exception of amounts included in a single payment, shall be made by a taxpayer applying this special tax regime in the generally established manner.

Calculation, payment of the amount of a single payment shall be made in the manner prescribed by Chapter 89-1 of this Code.

Footnote. Article 700 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 701. Time limits for paying taxes and filing tax returns

The taxes, specified in paragraph 1 of Article 700 of this Code, are paid to the state budget and tax returns thereon are filed in accordance with the generally established procedure.

Clause 2. Special tax regime for peasant or farm enterprises

Article 702. General provisions

1. The special tax regime for peasant or farm enterprises shall be entitled to apply to peasant or farm enterprises that are not payers of the value-added tax specified in subparagraph 1) of paragraph 1 of Article 367 of this Code, if there are land plots on the territory of the Republic of Kazakhstan on the rights of private ownership and (or) land use (including the right of secondary land use).

2. For the purpose of applying a special tax regime for peasant or farming enterprises, the total area of agricultural land plots on the rights of private ownership and (or) land use (including the right of secondary land use) must not exceed the size of the maximum area of a land plot established for:

1 territorial zone - 5,000 ha;

2 territorial zone - 3,500 ha;

3 territorial zone - 1,500 ha;

4 territorial zone - 500 ha.

For the purposes of this paragraph, the following zoning of land plots shall be applied:

1 territorial zone: pastures located on the lands of desert, semi-desert and foothill-desert-steppe soil-climatic zones of Almaty, Aktobe, Atyrau, Zhambyl, Kyzylorda, Mangistau, Turkestan oblasts and Zhetisu region, Almaty and Shymkent cities;

2 territorial zone: lands of Akmola, East Kazakhstan, West Kazakhstan, Karaganda, Kostanay, Pavlodar, North Kazakhstan oblasts, Ulytau, Abay regions, Astana city, as well as Aktobe oblast, with the exception of lands of 1 territorial zone;

3 territorial zone: lands, including irrigated, of Atyrau, Mangistau oblasts, with the exception of lands of 1 territorial zone;

4 territorial zone: lands, including irrigated, of Almaty, Zhambyl, Kyzylorda, Turkestan oblasts, Zhetisu region, Almaty and Shymkent cities, with the exception of lands of 1 territorial zone.

If a farm or a farming enterprise has agricultural land plots located in different territorial zones, for the purposes of this paragraph, the total area of such plots shall not exceed the maximum area of a land plot established for such territorial zones.

At the same time, the area of agricultural land plots located in each territorial zone shall not exceed the size of the maximum area of a land plot established for such territorial zones.

3. The special tax regime for peasant or farm enterprises provides for a special procedure for settlements with the state budget on the basis of payment of the uniform land tax and applies to the activity of peasant or farm enterprises on the production of agricultural products and their sale, processing of own-produced agricultural products, sale of products of such processing, except for the activity on the production, processing and sale of excisable goods.

4. A taxable period for the application of the special tax regime is a calendar year.

Footnote. Article 702 asamendedbytheLawoftheRepublicofKazakhstandated 28.12.2018 № 210-VI (shallbeenforcedfrom 01.01.2019); № 291-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Article 703. Object of taxation

1. The object of taxation for a taxpayer applying a special tax regime for peasant or farm households shall be income received during the tax period from the sale of agricultural products, products of processing of agricultural products of their own production, with the exception of activities for the production, processing and sale of excisable goods.

2. The income, determined for the purposes of paragraph 1 of this article, shall consist of income received (to be received) in the Republic of Kazakhstan and abroad (taking into account the adjustments made in accordance with paragraph 6 of this article).

3. Income determined for the purposes of paragraph 1 of this article shall include:

1) income from writing off obligations;

2) income in the form of property received free of charge (except for charitable assistance) intended for use in the activities specified in paragraph 1 of this article.

Size proceeds described in paragraph 2 above, when using the special tax regime for country or farms shall be determined in accordance with articles 226 - 240 of the Code, paragraphs 5, 6 and 7 of this article.

4. Upon receipt of income from activities that, in accordance with paragraph 3 of Article 702 of this Code, shall not be subject to the special tax regime for peasant or farm enterprises, taxpayers calculate, pay the relevant taxes and submit tax reports on them in one of the following regimes taxation, subject to the conditions of their application established by this Code:

1) in special tax regimes for small businesses - subject to the conditions for the application of such taxation regimes established by this Code.

At the same time, the amount of income for the purpose of applying the limit on the size of the marginal income for such regimes shall not include income from activities that are subject to a special tax regime for peasant or farm enterprises;

2) in the generally established order.

5. For tax purposes, the following shall not be considered as income of a taxpayer applying a special tax regime for peasant or farm households:

1) the value of the property transferred free of charge - for the taxpayer transferring such property;

2) the sale of assets redeemed for state needs in accordance with the laws of the Republic of Kazakhstan.

6. For the purposes of this chapter, an adjustment shall be an increase in the amount of income for the reporting tax period or a decrease in the amount of income for the reporting tax period within the amount of previously recognized income.

The income specified in paragraph 2 of this article shall be subject to adjustment in the following cases:

1) full or partial return of goods;

2) changes in the terms of the transaction;

3) price changes, compensation for goods sold or purchased, work performed, services rendered;

4) price discounts, sales discounts;

5) changes in the amount payable in national currency for goods sold or purchased, work performed, services rendered based on the terms of the contract;

6) writing off a claim from a legal entity, individual entrepreneur, non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, in accordance with the requirements related to the activities of such a permanent establishment, as well as from a branch, representative office of a non-resident legal entity operating in the Republic Kazakhstan through a branch, a representative office, which did not lead to the formation of a permanent establishment.

Adjustment of income provided for by this subparagraph shall be carried out downward in the following cases:

non -claim by the taxpayer-creditor of the claim upon liquidation of the taxpayer-debtor on the day of approval of its liquidation balance sheet;

the taxpayer's write-off of the claim according to a court decision that has entered into legal force.

The adjustment provided for by the third paragraph of the second part of this sub-paragraph shall be made within the amount of the written-off claim and previously recognized income for such a claim if there are primary documents confirming the occurrence of the claim.

The adjustment provided for in subparagraphs 1) - 5) of the second part of this paragraph shall be made in the presence of primary documents confirming the occurrence of cases for the implementation of such an adjustment.

Adjustment of income shall be made in the tax period in which the cases specified in this article occurred.

If there is no income or its size is insufficient to make a downward adjustment in the period in which the cases specified in this article occurred, the adjustment shall be made in the tax period in which the income subject to adjustment was previously recognized.

7. If the same income can be reflected in several items of income, these incomes shall be included in income once.

The date of recognition of income for tax purposes shall be determined in accordance with the provisions of this chapter.

Article 704. The procedure for calculating the single land tax

The calculation of the single land tax shall be made by the taxpayer independently by applying a rate of 0.5 percent to the object of taxation for the reporting tax period.

Article 705. Features of application of the special tax regime

1. Payers of the uniform land tax shall not pay the following types of taxes and payments to the state budget:

1) individual income tax on income from the activity of a peasant or farm enterprise, including income in the form of amounts received from the state budget to cover costs (expenses) associated with the activity, to which this special tax regime applies;

2) land tax and (or) fee for the use of land plots – with regard to land plots used in the activity, to which this special tax regime applies, except for land plots used in violation of the legislation of the Republic of Kazakhstan;

3) vehicle tax – with regard to taxable items specified in subparagraphs 1) and 2) of paragraph 3 of Article 490 of this Code;

4) property tax - with regard to taxable items specified in subparagraph 1) of paragraph 3 of Article 517 of this Code;

5) social tax – with regard to the activity of a peasant or farm enterprise, which is subject to this special tax regime;

6) fees for negative impact on the environment - activities of peasant or farming enterprise , on which this special tax regime applies.

2. Calculation, payment of taxes and payments to the budget not specified in paragraph 1 of this article, submission of tax reporting on such taxes and payments to the budget, also payment (transfer) of social payments shall be made in the generally established manner or in the manner provided for in Chapter 89- 1 of this Code.

Footnote. Article 705 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 402-VI (shall be enforced from 01.01.2022); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 706. Time limits for payment of certain types of taxes and payments to the budget

1. The uniform land tax, fee for the use of surface water resources are paid as follows:

1) amounts calculated from 1 January to 1 October of a taxable period - on or before 10 November of a current taxable period;

2) amounts calculated from October 1 to December 31 of a taxable period - on or before April 10 of a taxable period following a reporting taxable period.

2. The uniform land tax shall be paid to the budget at the location of a land plot.

Article 707. Time limits for submitting a tax declaration for payers of the uniform land tax

1. The declaration for payers of the unified land tax shall reflect the calculated amounts of the unified land tax, individual income tax withheld at the source of payment, fees for the use of water resources from surface sources, social payments and (or) a single payment.

2. The payers of the uniform land tax submit the declaration on or before March 31 of a taxable period following a reporting taxable period to the tax authorities at the location of a land plot.

Footnote. Article 707 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Section 21. Taxation of persons operating in territories of special economic zones, managing companies of economic and industrial zones, organizations implementing investment priority projects, persons who entered into an investment agreement, an agreement on investment obligations

Footnote. The title of section 21 - as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85 -VII (shall be enforced from 01.01.2022).

Chapter 79. TAXATION OF PERSONS CARRYING OUT ACTIVITY IN THE TERRITORIES OF SPECIAL ECONOMIC ZONES, MANAGEMENT COMPANIES OF SPECIAL ECONOMIC AND INDUSTRIAL ZONES

Footnote. Heading of Chapter as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 708. General provisions

1. For the purposes of application of this Code, an organization operating in the territory of a special economic zone is a legal entity meeting all of the following requirements:

1) is a participant of a special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economicand industrial zones;

2) it is registered as a taxpayer at its location with a tax authority in the territory of a special economic zone or with a territorial subdivision of a tax authority in charge of the territory of the special economic zone;

3) if there is necessary infrastructure and facilities for carrying out priority activities in the territory of a special economic zone, a legal entity may not have branches and other separate structural units outside the special economic zone, except for representative offices;

4) it carries out a priority activity, which meets the purpose of creation of a special economic zone, in the territory of the special economic zone.

Priority activities are defined in keeping with the general classifier of economic activities, approved by the authorized state body for state technical regulation.

The provisions of this paragraph shall not apply to the persons indicated in paragraphs 2 and 3 of this article.

2. For the purposes of application of this Code, an organization operating in the territory of a special economic zone shall also mean a legal entity meeting all of the following requirements:

1) is a participant of the “Park of Innovative Technologies” special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones;

2) it is registered as a taxpayer at its location;

3) it has no branches and other separate structural units, except for representative offices;

4) it carries out a priority activity that meets the purpose of creation of the “Park of Innovative Technologies” special economic zone.

3. For the purposes of application of this Code, an organization or an individual entrepreneur operating in the territory of a special economic zone shall mean a person meeting all of the following requirements:

1) is a participant of a special economic zone, the limits of which fully or partially coincide with sections of the customs border of the Eurasian Economic Union, in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones;

2) it is registered as a taxpayer at its location with the tax authority in the territory of a special economic zone, the limits of which fully or partially coincide with sections of the customs border of the Eurasian Economic Union or with a territorial subdivision of a tax

authority in charge of the territory of the territory of a special economic zone, the limits of which fully or partially coincide with sections of the customs border of the Eurasian Economic Union;

3) it has no branches and other separate structural units, except for representative offices;

4) in the territory of the special economic zone, it carries out a priority activity meeting the purpose of creation of a special economic zone, the limits of which fully or partially coincide with sections of the customs border of the Eurasian Economic Union.

4. Organizations and individual entrepreneurs operating in the territories of special economic zones do not include:

1) subsoil users;

2) organizations producing excisable goods, except for organizations engaged in the production, assembly (completion of a set) of excisable goods specified in subparagraph 6) of Article 462 of this Code;

3) organizations and individual entrepreneurs applying special tax regimes;

4) organizations applying investment tax preferences - under incomplete contracts concluded with the authorized state body for investments before January 1, 2009;

5) organizations carrying out (that carried out) a priority investment project or a strategic investment project in accordance with the legislation of the Republic of Kazakhstan on investments;

6) organizations engaged in the gambling business.

At the same time, in relation to a special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, foreign individuals and legal entities also shall not belong to the applicants.

If an investment agreement is concluded with an organization operating in the territory of a special economic zone in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, such a taxpayer shall be recognized to apply the provisions of this Code as a person who has entered into an investment agreement and applies the provisions of Chapter 80-1 of this Code.

5. The imposition of VAT on goods sold to the territory of a special economic zone, as well as the procedure for the refund of excess VAT on zero-rated turnovers, shall be conducted in the manner prescribed by this Code, with account of the features provided for in this Section and Articles 389 and 391 of this Code.

6. In case of amendments and additions to the tax legislation of the Republic of Kazakhstan made after the date of conclusion of an agreement on the performance of activity as a participant of a special economic zone, such an organization or an individual entrepreneur shall apply the provisions of this Chapter effective as of the date of conclusion of such an agreement if such amendments and additions provide for the exclusion and (or) the change in the amount of reduction used in the calculation of corporate income tax, individual income tax, land tax, property tax and fee for the use of land plots.

The provisions of part one of this Paragraph shall be applied within the term of the agreement on the performance of activity as a participant of a special economic zone, concluded in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones, but in any event within ten years at most of the date of the first introduction of such an amendment and (or) addition.

The provisions of part one of this Paragraph shall not apply in case of unilateral termination of an agreement on the performance of activity as a participant of a special economic zone by the management authority of a special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones in the Republic of Kazakhstan.

Footnote. Article 708 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023); dated 12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 709. Taxation of organizations and individual entrepreneurs carrying out the Activity in the territory of a special economic zone, and management companies of special economic and industrial zones

Footnote. Heading of Article 709 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. When determining the amount of land tax, property tax and fee for the use of land plots to be paid to the budget, an organization or an individual entrepreneur operating in the territory of a special economic zone reduces the amount of the calculated tax and (or) the fee by 100 percent with regard to taxable items (items subject to the fee) located in the territory of a special economic zone and used in the implementation of priority activities.

For the purposes of this Chapter, the reduction provided for in part one of this paragraph is a tax- or fee-related preference.

Tax- or fee-related preferences apply:

from the 1st day of the month, in which an agreement on the performance of activity as a participant of a special economic zone was concluded – with regard to the land tax;

from the date of emergence of a taxable item, but not earlier than the date of conclusion of an agreement on the performance of activity as a participant of a special economic zone – with regard to the property tax;

from the first day of the month, in which an agreement on the performance of activity as a participant of a special economic zone was concluded, until expiration of the term of an agreement on temporary land use for a fee (lease), but not longer than the lifespan of a special economic zone – with regard to the fee for the use of land plots.

2. If taxable items (an item subject to the fee) located in the territory of a special economic zone are (is) used both for carrying out priority activities and other activities, the amount of the tax or the fee, to which the provisions of part one of paragraph 1 of this article apply, shall be determined in proportion to the share of income from priority activities to total annual income.

3. In case of unilateral termination of a contract on performance of activity as a participant of a special economic zone by the management company of a special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones, preferences on taxes and fees shall be canceled from the date of the start of the taxable period in which there is a violation, which is the reason for termination of the contract.

The management company of a special economic zone not later than thirty calendar days from the date of termination of the contract shall provide information on the participants of the special economic zone with which the contract shall be terminated, indicating the date of the violation that was the reason for termination of the contract to the tax authorities at the location of such participants.

In this case, a taxpayer shall be obliged, within thirty calendar days of the date of the contract's termination, to file additional tax reporting for taxable periods, in which there was a violation that was the reason for the termination of the contract.

4. An organization operating in the territory of the special economic zone, when determining the amount of corporate income tax payable to the budget, shall reduce the amount of corporate income tax calculated in accordance with Article 302 of this Code by 100 percent on the income received from the sale of goods, works, services resulting from the implementation of priority activities, unless otherwise provided by this paragraph.

In this case, the provision of part one of this Paragraph shall not apply to income from the sale of the following construction projects, unless this sale is included in the list of priority activities in the territory of the special economic zone, the limits of which fully or partially coincide with the customs border sections of the Eurasian Economic Union:

hospitals, polyclinics, schools, kindergartens, museums, theaters, higher and secondary educational institutions, libraries, schoolchildren's palaces, sports complexes in accordance with design estimates;

infrastructure, administrative and residential complexes in accordance with the design and estimate documentation.

The procedure for determining the income from intellectual property objects and provision of services in informatization, to which a 100 percent reduction in the amount of calculated corporate income tax is applied, shall be determined by the authorized body in agreement with the authorized body in informatization area.

5. An individual entrepreneur operating in the territory of a special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the

Eurasian Economic Union, when determining the amount of individual income tax payable to the budget, reduces the amount of the calculated individual income tax by 100 percent. The provision of this Paragraph applies to individual entrepreneurs operating in the generally established manner.

6. An organization or an individual entrepreneur operating in the territory of a special economic zone shall maintain separate tax accounting for taxable and (or) tax-related items in order to calculate tax obligations for a relevant priority activity and other activities.

7. Income of an organization or an individual entrepreneur, operating in the territory of a special economic zone, from the performance of other types of activities that are not priority ones shall be subject to corporate income tax or personal income tax in accordance with the generally established procedure.

8. An organization operating in the territory of a special economic zone is not entitled to apply other provisions of this Code allowing for 100-percent reduction of corporate income tax calculated in accordance with Article 302 of this Code.

9. An organization operating in the territory of the "Park of Innovative Technologies" special economic zone reduces by 100 percent the amount of the calculated social tax, payable to the state budget, on the employer's expenses paid in the form of income to employees engaged in the implementation of priority activities, provided that such expenses for a taxable period are not less than 70 percent of the total amount of expenses of such an organization according to accounting records. The expenses specified in this paragraph are determined in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The term for applying this Paragraph begins on the 1 day of the month in which the legal entity entered into an agreement on the activity as a participant in the special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones.

10. Management companies of special economic and industrial zones when determining the amount of land tax, property tax and fees for using land plots to be paid to the budget for taxable items (to taxable items) used (planned for use) for servicing special economic and industrial zones shall reduce the amount of calculated tax and fees by 100 percent.

11. The period for applying reductions in taxes and (or) fees by 100 percent, provided for in paragraphs 1, 4, 5 and 9 of this article, shall depend on the categories established by the legislation of the Republic of Kazakhstan on special economic and industrial zones, but no more than the validity term of agreement on the implementation of activities and the operation period of the special economic zone:

category A – for 7 years;

category B – for 15 years;

category C – for 25 years.

The provisions of part one of this paragraph shall be applied by an organization and an individual entrepreneur operating in the territory of a special economic zone when concluding an agreement on the implementation of activities after January 1, 2024 in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones.

Footnote. Article 709 as amended by the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2023); dated12.12.2023 № 45-VIII (effective from 01.01.2024).

Article 710. Taxable period and tax returns

A taxable period, the procedure and deadlines for filing tax returns on taxes and payments to the budget shall be determined in accordance with this Code.

Chapter 80. TAXATION OF ORGANIZATIONS IMPLEMENTING PRIORITY INVESTMENT PROJECTS

Article 711.General provisions

1. For the purposes of this Code, an organization implementing a priority investment project is a legal entity meeting all of the following requirements:

1) it has an investment contract concluded in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, providing for implementation of a priority investment project and the granting of tax preferences;

2) it carries out the types of activity in keeping with the list of priority activities designated for implementation of a priority investment project;

3) it does not apply special tax regimes.

The list of priority activities for implementation of a priority investment project is approved by the Government of the Republic of Kazakhstan.

2. If amendments and (or) additions to the tax legislation of the Republic of Kazakhstan provide for an increase in the coefficients and (or) rates applied to calculate the land tax and (or) the property tax, or a change in the amount of the reduction when calculating corporate income tax, an organization with an investment contract for implementation of a priority investment project determines tax obligations for the activity related to implementation of the priority investment project, using the coefficients and (or) rates and applying the amount of the reduction in the calculation of corporate income tax, which were effective as of the date of conclusion of the investment contract.

The provisions of part one of this paragraph shall be applied within the period established by paragraph 2 of Article 712 of this Code.

3. In case of early termination of an investment contract for implementation of a priority investment project in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, tax preferences and the guarantee for stability of the tax legislation of the Republic of Kazakhstan shall be cancelled from the date of its conclusion.

In case of early termination of an investment contract, a taxpayer is obliged, within thirty calendar days of the date of termination of the investment contract, to file additional tax returns providing for an increase in the amount of taxes payable to the state budget for taxable periods beginning from the date of conclusion of this investment contract until the date of its termination, inclusive.

Article 712. Taxation of organizations implementing priority investment projects

1. An organization implementing a priority investment project on building new production facilities and (or) expanding, upgrading the existing ones:

1) reduces the corporate income tax calculated in accordance with Article 302 of this Code, by 100 percent of income received from implementation of priority activities through the operation of fixed assets, which were introduced as new production, expanded or updated as part of an investment priority project.

The income of an organization implementing a priority investment project from carrying out other activities, not related to the priority ones, is subject to corporate income tax in the generally established manner.

The organization implementing an investment priority project keeps separate tax accounting of taxation objects and (or) objects related to taxation in order to calculate tax liabilities.

If the terms of an investment contract for implementation of a priority investment project on the expansion and (or) upgrade of existing production facilities provide for the phased putting into operation of fixed assets manufacturing products, separate tax accounting is maintained for each fixed asset manufacturing products in accordance with the tax accounting policy.

An organization implementing a priority investment project is not entitled to apply other provisions of this Code allowing for a 100-percent reduction of corporate income tax within this project;

2) determines depreciation allowances for the value balances of groups (subgroups) of fixed assets put into operation within the priority investment project, by applying depreciation rates, established by paragraph 2 of Article 271 of this Code, to such value balances of groups (subgroups) as of the end of a taxable period.

2. The deadline for applying paragraph 1 of this article with regard to investment contracts for implementation of a priority investment project on:

1) building new production facilities:

begins on January 1 of the year, in which the investment contract for implementation of the priority investment project was concluded;

ends within ten consecutive years, which are calculated from January 1 of the year following the year, in which the investment contract for implementation of the priority investment project was concluded;

2) expanding and (or) upgrading existing production facilities, except for the cases specified in subparagraph 3) of this paragraph:

begins on January 1 of the year following the year, in which the last fixed asset manufacturing products was put into operation within the investment contract for implementation of the priority investment project;

ends within three consecutive years, which are calculated from January 1 of the year following the year, in which the last fixed asset manufacturing products was put into operation within the investment contract for implementation of the priority investment project ;

3) expanding and (or) upgrading existing production facilities with the phased putting into operation of fixed assets manufacturing products, which is provided for by the investment contract for implementation of the priority investment project:

begins on January 1 of the year following the year, in which the fixed asset manufacturing products is put into operation within the investment contract;

ends within three consecutive years, which are calculated from January 1 of the year following the year, in which a fixed asset manufacturing products was put into operation within the investment contract.

The deadline applies to each fixed asset manufacturing products and specified in the investment contract for implementation of a priority investment project on expanding and (or) upgrading existing production facilities.

3. When calculating the land tax on land plots used for implementation of a priority investment project, an organization implementing a priority investment project on building new production facilities shall apply the coefficient of zero to relevant land tax rates.

The deadline for applying part one of this paragraph:

1) begins on the 1st day of the month, in which an investment contract for implementation of a priority investment project on building new production facilities is concluded;

2) ends within ten consecutive years, which are calculated from January 1 of the year following the year, in which an investment contract for implementation of a priority investment project on building new production facilities was concluded.

The provisions of part one of this paragraph shall not be applied in cases of property lease (rent), provision for use on other grounds of a land plot used in implementation of a priority investment project, or a part thereof (with or without buildings, structures, constructions located on it).

4. Organization implementing an investment priority project for the creation of new industries, for facilities first put into operation on the territory of the Republic of Kazakhstan, shall calculate property tax at a rate of 0 percent to the tax base.

The provisions of part one of this paragraph shall apply to assets accounted for as fixed assets in accordance with international financial reporting standards and (or) the requirements

of the legislation of the Republic of Kazakhstan on accounting and financial reporting and provided for in the work program, which is an application to the investment contract concluded in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship.

Deadline for the application of the first part of this clause shall:

1) begin on the 1st day of the month in which the first asset is accounted for as fixed assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) end no later than eight consecutive years, which are calculated starting from January 1 of the year following the year in which the first asset is accounted for as fixed assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The provisions of part one of this paragraph shall not apply in cases of transfer of objects of taxation for use, trust management or lease.

5. The provisions of this article shall apply if an investment contract for implementation of a priority investment project on building new production facilities allows for the application of:

100-percent reduction of corporate income tax, calculated in accordance with Article 302 of this Code;

a zero coefficient to land tax rates;

a zero rate to the tax base when calculating the property tax.

Footnote. Article 712 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2018); dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Chapter 80-1 TAXATION OF PERSONS CONCLUDED INVESTMENT AGREEMENT

Footnote. The law is supplemented by chapter 80-1 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021) .

Article 712-1. General provisions

1. For the purposes of this Code, a person that entered into an investment agreement shall be a legal entity that simultaneously meets the following conditions:

1) in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, an investment agreement has been concluded with a state body authorized by the Government of the Republic of Kazakhstan to conclude such an agreement, providing for tax preferences;

2) implements an investment project on the type of activity provided for in the investment agreement;

3) is not a person carrying out:

activities related to the circulation of narcotic drugs, psychotropic substances and precursors;

production and (or) wholesale of excisable products;

holding a lottery;

activities in the gambling business;

activities related to the circulation of radioactive materials;

banking activities (or certain types of banking operations) and activities in the insurance market (except for the activities of an insurance agent);

audit activity;

professional activity in the securities market;

digital mining activities;

activities of credit bureaus;

security activities;

activities related to the circulation of civilian and service weapons and cartridges for them ;

activities in subsoil use, including the activities of miners;

sale of minerals, including the activities of traders, activities for the sale of coal, oil;

4) does not apply special tax regimes.

2. If the changes and (or) additions to the tax legislation of the Republic of Kazakhstan provide for an increase in the coefficients and (or) rates applied when calculating land tax and (or) property tax, or changing the amount of reduction when calculating corporate income tax, the person who has concluded the investment agreement, shall determine tax liabilities for activities within the framework of the investment project using coefficients and (or) at rates, and also applies the amount of reduction in the calculation of corporate income tax that was in force on the date of conclusion of the investment agreement.

When making changes and (or) additions to this Code, providing for the abolition of the exemption of imports into the territory of the special economic zone or turnover on the sale of goods, works, services from value-added tax in the territory of the special economic zone, such exemption shall be applied by the person who has concluded an investment agreement before the end of the investment agreement.

3. In case of early termination of the investment agreement, tax preferences and the guarantee of the stability of the tax legislation of the Republic of Kazakhstan are annulled from the date of its conclusion.

In the case specified in part one of this paragraph, the taxpayer shall be obliged, no later than thirty calendar days from the date of termination of the investment agreement, to submit additional tax reporting for tax periods from the date of conclusion of this agreement to the date of its termination inclusive.

4. If a person who has concluded the investment agreement carries out activities in the territory of a special economic zone, upon the abolition of the special economic zone, the taxpayer shall apply tax preferences until the expiration of the investment agreement.

Footnote. Article 712-1 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 712-2. Taxation of persons entered into an investment agreement

1. Investment agreement, subject to the conditions provided for in Article 712-1 of this Code, may provide for the following preferences:

1) a reduction in corporate income tax calculated in accordance with Article 302 of this Code by 100 percent of income from implementation of an investment project by type of activity, determined by agreement on investments received by operation of fixed assets that were introduced as new production, expanded or updated within the framework of the investment agreement;

2) application of the 0 coefficient when calculating the land tax on land plots used for the implementation of the investment project;

3) application of the 0 percent rate to the tax base when calculating property tax on objects used for the implementation of an investment project;

4) exemption of turnover on the sale of goods, works, services from value-added tax in accordance with subparagraphs 39), 43-1) and 47) of Article 394 of this Code when the person who has entered into an investment agreement carries out activities in the territory of a special economic zone;

5) reduction of tax liabilities, calculated from the amount of actual expenses of the taxpayer, in accordance with Article 712-3 of this Code.

2. The deadline for the application of subparagraph 1) of paragraph 1 of this Article within the framework of an investment agreement shall begin on January 1 of the year in which such an agreement is concluded and end no later than ten consecutive years, which are calculated starting from January 1 of the year following the year, in which the agreement was made.

3. The deadline for the application of subparagraph 2) of paragraph 1 of this Article within the framework of an investment agreement shall begin on the 1st day of the month in which the agreement is concluded and end no later than ten consecutive years, which are calculated starting from January 1 of the year following the year in which such an agreement has been entered into.

4. The deadline for the application of subparagraph 3) of paragraph 1 of this Article within the framework of an investment agreement shall begin on the 1st day of the month in which the first asset is accounted for as fixed assets in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, and (or) end no later than eight consecutive years, which are calculated starting from January 1 of the year following the year in which the first asset is

accounted for as fixed assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting records and financial reporting.

5. Person who has entered into an investment agreement shall not be entitled to apply other provisions of this Code that provide for a reduction in corporate income tax, the use of reduced rates and coefficients when calculating property tax and land tax.

6. A person who has entered into an agreement on investments maintains a separate tax accounting of taxation objects and (or) objects related to taxation in order to calculate tax liabilities.

Footnote. Article 712-2, as amended by the laws of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 712-3. The procedure for reducing tax liabilities from the number of actual costs of the taxpayer

1. Reducing the tax liabilities of a person who has entered into an investment agreement by the number of actual expenses on an investment project shall be made if such a reduction is provided for in the investment agreement.

Investment agreement may provide for such a reduction in tax liabilities only when making investments within the framework of an investment project in the amount of at least fifteen million times the monthly calculation index established by the law on the republican budget and in force at the beginning of the financial year in which such an agreement was concluded.

The provisions of this paragraph shall not apply to persons who have concluded an investment agreement when they carry out activities in the territory of the special economic zone.

2. When concluding an investment agreement with a taxpayer, the state authorized body shall calculate preferences for taxes, taking into account the fact that the effect of preferences for corporate income tax, land tax and property tax and the reduction of tax liabilities for these taxes will not exceed the number of actual expenses of the taxpayer within investments made.

3. The reduction of the taxpayer's tax liabilities for corporate income tax, land tax and property tax by the number of actual expenses on the investment project is applied after the expiration of ten years of applying preferences for these taxes within the term of the investment agreement, which does not exceed twenty-five years. The reduction of tax liabilities of the taxpayer shall be made in the amount of not more than twenty percent of the actual expenses incurred during the implementation of the investment project.

The term specified in the first part of this paragraph shall be applied subject to the provisions of Article 712-2 of this Code.

Chapter 80-2. Taxation of persons who entered into an agreement on investment obligations

Footnote. Section 21 is supplemented by the Chapter 80-2 in accordance with the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 712-4. General provisions

1. For the purposes of this Code, a person who entered into an agreement on investment obligations is a legal entity that corresponds simultaneously to the following conditions:

1) in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, an agreement on investment obligations was concluded with the Government of the Republic of Kazakhstan;

2) is a commodity producer, with the exception of subsoil users extracting hydrocarbon minerals and petroleum products producers. For the purposes of this Chapter, a commodity producer is understood to be a legal entity whose total annual income for the year preceding the year of filing an application for concluding an investment obligation agreement is at least seventy percent, which is the income from the sale of goods of its own production or from the sale of minerals extracted by such person (or) products obtained as a result of processing by such a person of minerals;

3) is a subject of large or medium business in accordance with the Entrepreneur Code of the Republic of Kazakhstan;

4) does not perform activities for production of excisable goods;

5) does not apply special tax regimes.

2. In case of early termination of the agreement on investment obligations, the guarantee of stability of the tax legislation of the Republic of Kazakhstan, provided for in Article 712-5 of this Code, is canceled from the date of its conclusion, with the exception of the case provided for in part three of this paragraph.

In the case, indicated in part one of this paragraph, the taxpayer, no later than thirty calendar days from the date of termination of the agreement on investment obligations, is obliged to submit additional tax reporting for tax periods starting from the date of conclusion of this agreement until the date of its termination inclusive.

If at the time of termination of the agreement on investment obligations, at least ninety percent of the amount provided for by the Entrepreneurial Code of the Republic of Kazakhstan for such agreements, was financed, the guarantee of stability of the tax legislation of the Republic of Kazakhstan, provided for in Article 712-5 of this Code, is canceled from January 1 of the year, in which the agreement on investment obligations is terminated.

Footnote. Article 712-4 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 712-5. Taxation of persons who entered into an agreement on investment obligations

1. Unless otherwise provided by paragraph 2 of this article, the calculation of taxes and payments to the budget by taxpayers who have entered into an agreement on investment obligations in accordance with the Entrepreneurial Code of the Republic of Kazakhstan is carried out in accordance with the tax regime in force at the time of conclusion of this

agreement within ten years starting from January 1 of the year, in which such an agreement is concluded (guarantee of stability of tax legislation of the Republic of Kazakhstan).

2. The taxpayer (tax agent) who has entered into an agreement on investment obligations in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, calculates the tax liability in accordance with the tax regime in force at the time of occurrence of such an obligation, for the following taxes and payments to the budget:

value added tax;

excise tax;

fees for emissions in the environment;

individual income tax;

corporate income tax withheld at the source of payment.

3. In case of cancellation of certain types of taxes and payments to the budget, effective at the time of conclusion of the agreement on investment obligations, the taxpayer continues to pay them to the budget in the manner and amounts stipulated by the tax legislation of the Republic of Kazakhstan, which was in force at the time of conclusion of such an agreement.

SECTION 22. EXPORT RENT TAX Chapter 81. EXPORT RENT TAX

Article 713. The payers

Export rent taxpayers shall be individuals and legal entities that sell crude oil and crude oil products for export, except for export volumes of crude oil and gas condensate produced by:

subsoil users under contracts specified in paragraph 1 of Article 722 of this Code;

subsoil users who are payers of the alternative tax on subsoil use.

For the purposes of this Section, goods, classified in subheading 270900 of the single Commodity Nomenclature for Foreign Economic Activity of the Eurasian Economic Union, are recognized as crude oil and crude oil products;

2) excluded by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Footnote. Article 713 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 714. Taxable item

The object of taxation of the rental tax on export shall be the volume of crude oil and crude oil products sold for export, except for the volume of minerals sold for export, transferred by the subsoil user to fulfil the tax obligation in kind and sold by the recipient on behalf of the state or by a person authorized by the recipient on behalf of states for such implementation. For the purposes of this section and section 23 of this Code, export shall refer to:

1) exportation of goods from the territory of the Republic of Kazakhstan under the customs export procedure in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

2) exportation of goods from the territory of the Republic of Kazakhstan to the territory of another member state of the Eurasian Economic Union;

3) sale in the territory of another member state of the Eurasian Economic Union of products of processing of customer-supplied raw materials earlier exported for processing from the territory of the Republic of Kazakhstan to the territory of a member state of the Eurasian Economic Union.

To calculate the export rent tax, the volume of crude oil and crude oil products is determined as follows:

when exporting crude oil and crude oil products outside the customs territory of the Eurasian Economic Union - as the volume of crude oil and crude oil products indicated in column 35 of the full declaration for goods, used to calculate the amounts of customs duties and other payments, the collection of which is entrusted to the customs authorities or other customs purposes in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan;

when crude oil and crude oil products are exported for sale to the territory of another member state of the Eurasian Economic Union - as the volume of crude oil and crude oil products, specified in a goods acceptance certificate of a transport organization in the territory of the Republic of Kazakhstan at the beginning of the export route of supply of such crude oil and crude oil products for export.

Footnote. Article 714 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021)

Article 715. The order for calculation

1. The tax base for calculating the export rent tax on crude oil and crude oil products is the value of exported crude oil and crude oil products calculated on the basis of the volume of crude oil and crude oil products actually exported for sale and the world price calculated in accordance with the procedure specified in paragraph 3 of Article 741 of this Code. In this case, the world price of crude oil and crude oil products is determined on the basis of the world price of crude oil.

To determine the world price of crude oil for calculating the export rent tax, the units of measurement are converted from a barrel to a metric ton on the basis of a weighted average ton-to-barrel conversion factor using the following formula:

К av.barr. = (V1 x К barr.1 + V2 x К barr.2... + Vn x К barr.n)/V tot.sale, where:

К av. bar. - weighted average ton-to-barrel conversion factor calculated to within four decimal places;

V1, V2, ... Vn - the volumes of each batch of crude oil and crude oil products sold for export for a taxable period;

K barr.1, K barr.2 ... + Kbarr.n – barrelation coefficients specified in the quality certificate of each relevant batch, registered using the readings of the meter of a delivery and acceptance point of crude oil and crude oil products of a transport organization, at the beginning of the export route in the territory of the Republic of Kazakhstan. In this case, barrelation coefficients shall be set with account of actual density and temperature of exported crude oil and crude oil products, adjusted to standard measurement conditions in accordance with the national standard approved by the authorized agency for standartization;

n - the number of batches of crude oil and crude oil products sold for export in a taxable period;

V tot.sale - total volume of crude oil and crude oil products sold for export for a taxable period.

2. By the decision of the Government of the Republic of Kazakhstan, the monetary form of payment of the export rent tax on crude oil and gas condensate may be replaced by payment in kind, in accordance with the procedure established in an additional agreement concluded between the authorized state body and a taxpayer.

The procedure for payment of the export rent tax on crude oil, gas condensate in kind is established by Article 773 of this Code.

Footnote. Article 715 as amended by the Law of the Republic of Kazakhstan dated 05.10.2018 № 184-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 716. Export rent tax rates

When exporting crude oil and crude oil products, the export rent tax is calculated at the following rates:

Item №	World price	Rate, %
1	2	3
1.	Up to 20 USD per barrel, incl.	0
2.	Up to 30 USD per barrel, incl.	0
3.	Up to 40 USD per barrel, incl.	0
4.	Up to 50 USD per barrel, incl.	7
5.	Up to 60 USD per barrel, incl.	11
6.	Up to 70 USD per barrel, incl.	14
7.	Up to 80 USD per barrel, incl.	16
8.	Up to 90 USD per barrel, incl.	17
9.	Up to 100 USD per barrel, incl.	19
10.	Up to 110 USD per barrel, incl.	21
11.	Up to 120 USD per barrel, incl.	22
12.	Up to 130 USD per barrel, incl.	23
13.	Up to 140 USD per barrel, incl.	25
14.	Up to 150 USD per barrel, incl.	26

15.	Up to 160 USD per barrel, incl.	27
16.	Up to 170 USD per barrel, incl.	29
17.	Up to 180 USD per barrel, incl.	30
18.	Up to 190 USD per barrel, incl.	32
19.	Up to 200 USD per barrel and more	32

Footnote. Article 716 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021)

Article 717. Taxable period

A taxable period for the export rent tax is a calendar quarter.

If the dates for issuing temporary and full customs declarations of goods fall on different taxable periods, the obligations to pay the export rent tax arises in the taxable period, which includes the time period specified in the temporary and complete declarations of goods, within which crude oil and crude oil products are delivered under the customs export procedure in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Article 718. Time limits for payment

A taxpayer shall pay the calculated tax amount to the state budget on or before the 25th day of the second month following a taxable period.

Article 719. Tax declaration

The export rent tax declaration is submitted to the tax authority at the location of a taxpayer on or before the 15th day of the second month following a taxable period.

SECTION 23. TAXATION OF SUBSOIL USERS Chapter 82. GENERAL PROVISIONS

Article 720. Relations regulated by this Section

1. When carrying out subsoil use operations under subsoil use contracts concluded in accordance with the procedure determined by the legislation of the Republic of Kazakhstan, subsoil users shall pay all the taxes and payments to the budget established by this Code.

2. This Section sets out the procedure for fulfilling tax obligations for special payments and taxes of subsoil users, as well as the features of fulfillment of tax obligations for activities carried out under a production sharing agreement (contract).

3. Special payments and taxes of subsoil users include:

1) signature bonus;

2) payment to recover historical costs;

3) alternative subsoil use tax;

4) royalties;

5) a share of the Republic of Kazakhstan within production sharing;

6) mineral extraction tax;

7) excess profits tax.

4. The procedure for classifying a deposit (group of deposits, part of a deposit) of hydrocarbons as low-margin, high-viscosity, flooded, low-yield and depleted, their list and taxation procedure in terms of the mineral extraction tax shall be determined by the Government of the Republic of Kazakhstan.

The criteria for categorizing a deposit (a group of deposits under one subsoil use contract, parts of a deposit) of solid types of minerals as low-profitable, as well as the procedure for determining the level of profitability and the level of internal rate of return shall be established by the Government of the Republic of Kazakhstan.

5. Fulfillment of tax obligations under contracts for the production or exploration and production of hydrocarbons in a subsoil plot (sites) located fully in Kazakhstan's Caspian Sea sector, and (or) subsoil plots with a depth of the upper point of hydrocarbon deposits indicated in the mining allotment or the contract for the extraction or exploration and production of hydrocarbons in the absence of a mining allotment, not higher than 4500 meters and the lowest point of hydrocarbon deposits indicated in the mining allotment or a contract for the extraction or exploration and production of hydrocarbons in the absence of a mining allotment, 5000 meters and below can be carried out by calculating and payment of an alternative tax on subsoil use instead of a payment for the reimbursement of historical costs, a tax on minerals extraction and a tax on excess profits.

Footnote. Article 720 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 721. Features of fulfillment of a tax obligation by subsoil users

1. Tax obligations on taxes and payments to the budget for activities carried out under a subsoil use contract shall be calculated in accordance with the tax legislation of the Republic of Kazakhstan effective at the time when the obligation to pay them arises, except for the cases specified in paragraph 1 of Article 722 and article 722-1 of this Code.

2. A non-resident subsoil user, operating under a subsoil use contract, is additionally subject to taxation in accordance with Articles 651 - 653 of this Code.

3. The fulfillment of tax obligations for activities under a subsoil use contract does not exempt a subsoil user from fulfilling a tax obligation for an activity outside the scope of a subsoil use contract, in accordance with the tax legislation of the Republic of Kazakhstan effective as of the date the tax obligation arises.

4. Individuals with the subsoil use right fulfill their tax obligations for an activity carried out under such right, for special payments and taxes of subsoil users and maintaining separate accounting in the accordance with the procedure established for subsoil users that are legal entities.

Footnote. Article 721 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 722. Features of fulfillment of a tax obligation by certain subsoil users

1. The tax regime, specified in a production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or a competent authority and a subsoil user before January 1, 2009 and having a mandatory tax analysis opinion, and also in a subsoil use contract approved by the President of the Republic of Kazakhstan, remains in place for those taxes and payments to the budget, for which the tax regime stability is expressly stipulated by the provisions of such an agreement (contract), is only valid for the parties to such an agreement (contract), as well as for operators, within the entire period of its validity, does not apply to persons who are not parties to such an agreement (contract) or operators, and can be modified by mutual agreement of the parties.

The obligation for taxes subject to withholding at source of payment, in respect of which a subsoil user acts as a tax agent, is fulfilled in accordance with the tax legislation of the Republic of Kazakhstan effective as of the time the obligation to pay them arises, whether or not provisions regulating the procedure for imposition of taxes withheld at source of payment are contained in a production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or a competent authority and subsoil user before January 1, 2009 and having a mandatory tax analysis opinion, and in a subsoil use contract approved by the President of the Republic of Kazakhstan.

In case of cancellation of certain types of taxes and payments to the budget fixed by the tax regime of a production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or a competent authority and a subsoil user before January 1, 2009 and having a mandatory tax analysis opinion, as well as by the tax regime of a subsoil use contract approved by the President of the Republic of Kazakhstan, a subsoil user continues to pay them to the budget in accordance with the procedure and in the amounts established by the production sharing agreement (contract) and (or) the subsoil use contract until their validity expires or the procedure, established by the legislation of the Republic of Kazakhstan, is altered and amended appropriately.

2. If the appointment of an operator is provided for in a production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or a competent authority and a subsoil user before January 1, 2009 and having a mandatory tax analysis opinion, and the tax obligation under this agreement (contract) is fulfilled by the operator, such an operator fulfills the tax obligation under the said agreement (contract) in accordance with the tax regime valid for the parties to this agreement (contract) in accordance with paragraph 1 of this article.

3. The tax obligation of participants in a simple partnership (consortium) under a production sharing agreement (contract) can be fulfilled using one of the following methods:

1) the tax obligation is fulfilled by a participant in a simple partnership (consortium) on his/her own or by the operator on behalf and instructions of such a participant only with regard to the obligation attributable to the specified participant. In this case, tax forms shall

indicate the details of a participant in a simple partnership (consortium) as those of a taxpayer , and the details of the operator – as those of an authorized representative;

2) the operator fulfills the tax obligation of participants in a simple partnership (consortium) in a consolidated manner for the activity carried out under the production sharing agreement (contract), if this is provided for in the production sharing agreement (contract). In this case, tax forms are drawn up and submitted (withdrawn) by the operator in the manner prescribed by Chapter 8 of this Code, specifying the details of the operator as those of a taxpayer.

4. If in the course of subsoil use operations, tax obligations arise for the operator as a taxpayer (tax agent) in accordance with the requirements of the tax legislation of the Republic of Kazakhstan, such tax obligations shall be fulfilled by the operator on his/her/its own.

Article 722-1. Features of the fulfillment of a tax obligation under contracts for exploration and production or production of hydrocarbons on complex projects

1. Under contracts for the exploration and production or production of hydrocarbons on complex projects, the provisions of paragraph 6 of Article 258, paragraph 2-1 of Article 268, paragraph 7-1 of Article 271, paragraph 4-4 of Article 293, subparagraph 5) of the first part of paragraph 3 of Article 517 , parts two of paragraph 2 of Article 767 and part two of Article 768 of this Code shall be applied in accordance with the tax legislation of the Republic of Kazakhstan effective as of the date of signing the relevant subsoil use contract.

2. In the event of cancellation of taxes, payments to the budget, for which the fulfillment of tax obligations is carried out in accordance with paragraph 1 of this article, subsoil users under contracts for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects) shall continue to fulfill tax obligations on relevant taxes and payments in accordance with the tax legislation of the Republic of Kazakhstan, effective as of the date of signing the relevant contract, until expiry of such contract or introduction of appropriate amendments and additions to it by consent of the parties.

3. In the event of termination (including in the event of early termination) of the contract for exploration and production or production of hydrocarbons on complex projects (with the exception of onshore gas projects), the consequences established by the relevant contract shall apply. At the same time, the subsoil user under such contracts shall not pay the amounts of taxes, payments not paid to the budget due to the exemptions, benefits or other exemptions granted under the contract. After the termination (including in the event of early termination) of a contract for the exploration and production or production of hydrocarbons on complex projects, the tax obligations shall be fulfilled in accordance with the tax legislation of the Republic of Kazakhstan effective as of the date the tax liability arises, starting from the tax period following the date of termination of such a contract validity.

4. The provisions of subparagraph 1) of part one of paragraph 2 and paragraph 6 of Article 258, paragraph 2-1 of Article 268, paragraph 7-1 of Article 271, paragraph 4-4 of

Article 293 and subparagraph 5) of part one of paragraph 3 of Article 517, part two of paragraph 2 of Article 767 and part two of Article 768 of this Code shall be applied by a subsoil user from the registration date of the contract for exploration and production or production of hydrocarbons on complex projects, and for subsoil use contracts concluded before December 31, 2022 - from the date of registration of an addition to the exploration contract and extraction or production of hydrocarbons, which provides for restatement of such a contract in a new edition in accordance with the standard contract for the exploration and production or production of hydrocarbons on complex projects, before expiration of twenty calendar years from the date of commencement of the export of minerals produced under the relevant subsoil use contract.

Footnote. Chapter 82 shall be supplemented by Article 722-1 pursuant to the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 723. Features of tax accounting for subsoil use operations

1. A subsoil user shall be obliged to maintain separate tax records to calculate the tax liability for activities carried out under each concluded subsoil use contract, as well as when developing a low-margin, high-viscosity, flooded, low-yield or depleted deposit (group of deposits, part of a deposit, provided that activities are carried out on such group of fields, part of a field under one contract) in case of calculation of taxes and payments to the budget in the manner and at rates that differ from those established by this Code.

2. The provisions of this article on maintaining separate tax accounting do not apply to contracts for exploration and (or) extraction of common minerals, non-metallic solid minerals indicated in line 13 of the table in Article 746 of this Code, groundwater, therapeutic muds, and also for construction and (or) operation of underground structures not related to exploration and (or) extraction, except for the requirements to maintain separate tax accounting for calculating and fulfilling the tax obligation for the mineral extraction tax under these contracts.

Operations under subsoil use contracts, specified in part one of this paragraph, which are part of the activity within contracts for exploration and (or) extraction of hydrocarbons or solid minerals, shall be indicated in the tax accounting for a relevant contract for exploration and (or) extraction of hydrocarbons or solid minerals with account of the separate tax accounting maintained by the subsoil user. In this case, the subsoil user is obliged to show the procedure for allocating expenses for such operations to relevant contracts and (or) non-contract activity in the tax accounting policy.

3. Separate tax accounting for taxable and (or) tax-related items shall be maintained by a subsoil user on the basis of the data of accounting records in accordance with the approved tax accounting policy and subject to the provisions established by this article.

The procedure for maintaining separate tax accounting is developed by a subsoil user on his/her/its own and approved in the tax accounting policy (accounting policy section).

In case of no procedure for separate tax accounting in the tax accounting policy and (or) its inconsistency with the principles of taxation, tax authorities shall determine tax obligations of a taxpayer in the course of tax control in accordance with subparagraph 1) of paragraph 11 of this article.

The provisions of this paragraph also apply to an authorized representative of participants in a simple partnership (consortium), who is responsible for maintaining consolidated tax accounting in accordance with paragraph 2 of Article 200 of this Code.

4. Separate tax accounting for a contract activity is maintained for the following taxes and payments to the budget:

1) corporate income tax;

2) signature bonus;

3) payment to recover historical costs;

4) mineral extraction tax;

5) excess profits tax;

6) an alternative subsoil use tax;

7) other taxes and payments to the budget, the calculation procedure for which differs from that established by this Code, on the basis of the tax regime of subsoil use contracts specified in paragraph 1 of Article 722 of this Code.

5. When maintaining separate tax accounting for the calculation of a tax obligation, a subsoil user is obliged to ensure:

1) indication of taxable and (or) tax-related items in tax accounting for the calculation of taxes and payments to the budget specified in paragraph 4 of this article - for each subsoil use contract separately from non-contract activity;

2) calculation of taxes and payments to the budget, not specified in paragraph 4 of this article, as well as corporate income tax - for the activity of the subsoil user as a whole;

3) filing of tax returns on taxes and payments to the budget specified in paragraph 4 of this article, except for tax returns on corporate income tax - for each subsoil use contract;

4) submission of a single declaration of corporate income tax on the subsoil user’s activity as a whole and relevant annexes to it - for each subsoil use contract;

5) filing of tax returns on taxes and payments to the budget, not specified in paragraph 4 of this article - for the subsoil user’s activity as a whole.

6. When calculating the corporate income tax on the subsoil user’s activity as a whole, there is no accounting for losses incurred under a specific subsoil use contract, which the subsoil user has the right to compensate for only at the expense of income received from the activity under such a specific subsoil use contract in subsequent taxable periods, with account of the provisions of Article 300 of this Code.

7. For the purposes of maintaining separate tax accounting, income from contract activity also includes income from the strategic partner’s write-off of obligations of a national subsoil use company or a legal entity, whose shares (participatory interests) directly or indirectly

belong to such a national subsoil use company, for investment financing (including remuneration) in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

8. For the purposes of this Section, the definitions of the following terms are given below:

1) direct income and expenses - the subsoil user's income and expenses for a reporting taxable period, including income from and expenses for fixed assets that have a direct causal relationship with a specific subsoil use contract or a non-contract activity;

2) indirect income and expenses - the subsoil user's income and expenses for a reporting taxable period, including income from and expenses for fixed assets that have a direct causal relationship with several subsoil use contracts and are subject to distribution only among such subsoil use contracts in an appropriate share;

3) total income and expenses - the subsoil user's income and expenses for a reporting taxable period, including income from and expenses for total fixed assets that are related to the performance of contract and non-contract activities and have no direct causal relationship with a specific subsoil use contract and (or) non-contract activity and require distribution among them in an appropriate share;

4) total fixed assets - fixed assets that are related to the performance of contract and non-contract activities and, due to the specific nature of their use, have no direct causal relationship with a specific subsoil use contract and (or) non-contract activity;

5) indirect fixed assets - fixed assets, which, due to the specific nature of their use, have a direct causal relationship only with subsoil use contracts;

6) production cost of extraction, primary processing of mineral raw materials, hydrocarbon treatment - production expenses determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, directly related to extraction, primary processing of mineral raw materials, hydrocarbon treatment, except for:

costs of storage, transportation, sale of minerals;

other costs not directly related to extraction, primary processing of mineral raw materials, hydrocarbon treatment;

general administrative expenses not subject to inclusion in the production cost of inventories in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

borrowing costs.

9. In order to maintain separate tax accounting for taxable and (or) tax-related items, all the subsoil user's income and expenses are distributed into direct, indirect and total ones.

A subsoil user classifies income and expenses as direct, indirect and total on his/her/its own, proceeding from the specific nature of an activity.

Direct income and expenses shall be fully attributed only to that contract or non-contract activity, with which they have a direct causal relationship.

Total income and expenses are subject to distribution between contract and non-contract activities and, in an appropriate share, relate to the income and expenses of that contract and the non-contract activity, with which they have a causal relationship.

Indirect income and expenses are subject to distribution only between subsoil use contracts and, in an appropriate share, relate to the income and expenses of the contract, with which they have a causal relationship.

Total and indirect income and expenses are distributed using methods, specified in paragraph 11 of this article, and with account of the provisions of paragraph 10 of this article.

10. With regard to total and indirect fixed assets, subject to distribution between a subsoil use contract (contracts) and non-contract activity are expenses, incurred by the subsoil user on these fixed assets, including depreciation and subsequent expenses.

With regard to total and indirect expenses for remuneration, subject to distribution is total amount of deduction of such remunerations, determined in accordance with Article 246 of this Code.

If the exchange rate difference cannot be attributed to a contract and (or) non-contract activity of a subsoil user due to direct causal relationship, with regard to the exchange rate difference, subject to distribution is final (balanced) result received for a taxable period in the form of excess of the amount of the positive exchange rate difference over the amount of the negative exchange rate difference or excess of the amount of the negative exchange rate difference over the amount of the positive exchange rate difference.

Taxes to be allocated to deductibles on total and indirect taxable and (or) tax-related items are subject to distribution in accordance with the methods established by paragraph 11 of this article, whereas taxable and (or) tax-related items shall not be distributed.

11. A subsoil user distributes total and indirect income from and expenses for each contract activity on his/her/its own, with account of the specific nature of the activity or subsoil use operations on the basis of one or several methods of separate tax accounting adopted by the subsoil user in the tax accounting policy, in particular:

1) according to the share of direct income, attributable to each specific subsoil use contract and non-contract activity, in the total amount of direct income received by the subsoil user for a taxable period;

2) according to the share of volumes of mineral production under each specific subsoil use contract in the total volume of mineral production under all subsoil use contracts of the taxpayer;

3) according to the share of direct expenses attributable to each specific subsoil use contract and non-contract activity in the total amount of direct expenses incurred by the subsoil user for a taxable period;

4) according to the share of expenses incurred under one of the following items: direct production expenses, a payroll fund or the value of fixed assets attributable to each specific subsoil use contract and non-contract activity, in the total amount of expenses under this item incurred by the subsoil user for a taxable period;

5) according to the share of the average number of employees, participating in contract activity, to the total average number of employees of the subsoil user;

6) other methods.

With regard to various types of total and indirect income and expenses, various methods of their distribution established by this paragraph may be applied.

After a taxable period is over, methods used to distribute total and indirect income and expenses for the specified taxable period may not be changed.

For more accurate distribution of total and (or) indirect income and expenses, the value of the share obtained as a result of applying one of the above methods is determined by the subsoil user in percentage terms up to one-hundredth (0.01%).

12. Unless otherwise established by this paragraph, for the purposes of separate tax accounting, when calculating corporate income tax by a subsoil user on contract activity for each individual subsoil contract, income from the sale of produced hydrocarbons and (or) mineral raw materials that have undergone only primary processing (enrichment), is determined on the basis of their selling price, with account of compliance with the legislation of the Republic of Kazakhstan on transfer pricing, but not lower than the production cost of produced hydrocarbons (including hydrocarbon treatment), mineral raw materials and (or) commercial products obtained as a result of hydrocarbon treatment or primary processing (enrichment) of mineral raw materials, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

If in accordance with the legislation of the Republic of Kazakhstan on gas and gas supply, including those that underwent processing, are acquired by the national operator within the preemptive right of the state, then the income from sale of such crude gas including those that have been processing, shall be determined by the subsoil user in accordance with Article 227 of this Code.

When a subsoil user sells extracted oil for export, and the world price of oil as of the date of sale of such oil is lower than the production cost of such oil extraction, the income from sale of such oil shall be determined in accordance with Article 227 of this Code.

In case of transfer of produced hydrocarbons and (or) mineral raw materials that have undergone primary processing (enrichment) for subsequent processing to another legal entity (without transfer of ownership) and (or) to a structural or another production unit within the same legal entity or into use for their own production needs, a subsoil user determines income from such a transaction on the basis of actual production cost of extraction, including hydrocarbon treatment or primary processing (enrichment) of mineral raw materials,

determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

In case of oil-associated crude gas, the production cost of such crude gas is determined using the following formula:

$$CP = \frac{CF \times \frac{(GP1 \times 0{,}857)}{OP + (GP1 \times 0{,}857)} \times r}{GP1},$$

where:

CP - the production cost of oil-associated crude gas, extracted under a subsoil use contract in a current taxable period, in tenge per one thousand cubic meters;

CF - the production cost of hydrocarbon extraction, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, under a subsoil use contract in a current taxable period, in tenge;

GP1 - the volume of oil-associated crude gas under a subsoil use contract in a current taxable period, with regard to which the international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting provide for the determination of production cost in thousands of cubic meters;

OP - the volume of oil production under a subsoil use contract in a current taxable period in tons;

0,857 – the factor of conversion of thousands of cubic meters of oil-associated crude gas into tons;

r - cost factor, determined by the formula:

$$r = \frac{GP2 \times AEPG}{OP \times AEPO}, \text{ где:}$$

where:

GP2 - the volume of oil-associated crude gas produced under a subsoil use contract in a current taxable period, in thousands of cubic meters;

OP - the volume of oil production under a subsoil use contract in a current taxable period, in tons;

AEPG - the weighted average export price of marketable gas at the border of the Republic of Kazakhstan for a relevant taxable period, calculated according to the data of the authorized bodies for maintaining customs statistics of foreign trade and mutual trade statistics, less expenses for transporting marketable gas from a subsoil user to the border of the Republic of Kazakhstan, determined on the basis of tariffs in tenge per one thousand cubic meters;

AEPO - the weighted average export price of oil at the border of the Republic of Kazakhstan for a relevant taxable period, calculated according to the data of the authorized bodies for maintaining customs statistics of foreign trade and mutual trade statistics, less expenses for transporting oil from a subsoil user to the border of the Republic of Kazakhstan, determined on the basis of tariffs in tenge per one ton.

In this case, total annual income from the subsoil user's non-contract activity shall include an amount equal to the difference between income, actually received from the sale of products obtained as a result of such subsequent processing, and the amount of income, included in total annual income from the subsoil user's contract activity, calculated in accordance with this paragraph.

For the purposes of this Section, another production unit of a legal entity shall be understood to mean a concentrating mill, a processing, manufacturing or metallurgic workshop (plant).

Footnote. Article 723 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (enforcement see Article 2); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 723-1. Features of tax accounting when reissuing the right to subsoil use for a licensed mode of subsoil use

1. In case of re-issuance of the subsoil use right from a subsoil use contract to a licensed subsoil use regime in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, reissued subsoil use contract and the subsoil use license received in return for it in aggregate to maintain separate tax accounting in the tax period in which the re-issuance of a subsoil use contract shall be considered as a single subsoil use contract, and the activities of the subsoil user under the reissued subsoil use contract and the specified subsoil user within the framework of the obtained subsoil use license are considered as a single contractual activity for which a single separate tax accounting shall be maintained.

If, when reissuing a subsoil use right, instead of a subsoil use contract, a subsoil user is granted two or more subsoil use licenses, the subsoil use contract for the tax period in which the subsoil use contract was reissued shall refer to the aggregate part of the reissued subsoil use contract corresponding to the redistributed in accordance with clauses 2 - 7 of this Article for a license to objects of taxation and (or) objects related to taxation, and the specified license for subsoil use. Accordingly, the activity of a subsoil user within the framework of

each obtained license for subsoil use and the corresponding part of the activity of the specified subsoil user under the reissued subsoil use contract in the tax period in which the subsoil use contract was reissued shall be collectively considered as a separate unified contractual activity for which separate tax accounting is maintained.

2. When reissuing the subsoil use right from a subsoil use contract to a subsoil use license regime in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, objects of taxation and (or) objects related to taxation, according to the reissued contract, are recognized as objects of taxation and (or) objects related to taxation, under a license obtained in exchange for a reissued contract, from the beginning of the tax period in which the said subsoil use right was reissued.

If, when reissuing the right to subsoil use, instead of a subsoil use contract, a subsoil user is granted two or more subsoil use licenses, taxable objects and (or) objects related to taxation , taken into account in tax accounting under the reissued subsoil use contract, are subject to distribution among the obtained licenses in accordance with paragraph 3 of this Article from the beginning of the tax period in which the specified re-issuance of the subsoil use right was made, and are further taken into account when maintaining separate tax accounting, respectively, for activities within the framework of each subsoil use license.

3. The distribution of general and indirect income and expenses incurred by the subsoil user from the beginning of the relevant tax period until the date of re-issuance of the subsoil use contract for a licensed regime shall be carried out in accordance with paragraphs 8, 9, 10 and 11 of Article 723 of this Code.

Therewith, the taxpayer shall notify the tax authority no later than March 31 of the year following the year in which the subsoil use right was re-registered of the selected distribution methods, in accordance with paragraph 11 of Article 723 of this Code, which is not subject to revision and change.

In the absence of such notification within the time limits specified in part one of paragraph 7 of this Article, the method specified in subparagraph 1) of part one of paragraph 11 of Article 723 of this Code shall be applied for distribution purposes.

4. Distribution of the cost balance of a subgroup (group I), a group of depreciable assets formed under a subsoil use contract being reissued, as well as a separate group of depreciable assets specified in Article 258 of this Code, shall be carried out as of January 1 of the year in which the subsoil use right was reissued. Therewith, depreciable assets included in the specified cost balance of a subgroup (group I), a group of depreciable assets, must be classified into direct, indirect and general in accordance with paragraphs 8 and 11 of Article 723 of this Code.

5. Accumulated as of January 1 of the year in which the subsoil use right was re-registered, the funds of the liquidation fund are subject to distribution for licenses in accordance with paragraph 11 of Article 723 of this Code and are included in the total annual income of such licenses in the year in which such a right was re-registered subsoil use.

6. If at the beginning of the tax period in which the subsoil use contract was reissued to the subsoil use license regime, there are losses accumulated from previous tax periods under the subsoil use contract being reissued, these losses shall be taken into account in the following order:

if a subsoil user receives one subsoil use license, they shall be taken into account in the tax period in which the subsoil use contract was reissued, and in case of incomplete use, they shall be transferred for repayment at the expense of taxable income received from activities under the specified license within the period determined in accordance with Article 300 of this Code;

in case of obtaining two or more licenses for subsoil use - they are distributed as of January 1 of the year in which the subsoil use contract was reissued, taking into account the provisions of paragraph 11 of Article 723 of this Code, and the tax accounting policy of the subsoil user for the licenses received, are taken into account in the specified tax period in the relevant part for each license and are transferred for their further repayment at the expense of taxable income received from activities under the relevant license within the period determined in accordance with Article 300 of this Code.

7. Distribution of the general and indirect value balances of subgroups (group I), groups referred to in paragraph 4 of this article, accumulated funds in the liquidation fund referred to in paragraph 5 of this article, as well as losses referred to in paragraph 6 of this article, shall be carried out one by the same distribution method independently chosen by the subsoil user from the methods provided for in subparagraphs 1) - 5) of paragraph 11 of Article 723 of this Code, on which the taxpayer shall notify the tax authority no later than March 31 of the year following the year in which the subsoil use right was re-issued, and which not subject to review or change.

In the absence of such notification within the period specified in part one of this paragraph, the method specified in subparagraph 1) of part one of paragraph 11 of Article 723 of this Code shall be applied for distribution purposes.

Footnote. Chapter 82 is supplemented by Article 723-1 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021) .

Chapter 83. SIGNATURE BONUS

Article 724. General provisions

The signature bonus is a one-time fixed fee paid by a subsoil user for obtaining the right to subsoil use in a contract area (subsoil plot), and also for expanding a contract area (subsoil plot) in the manner prescribed by the legislation of the Republic of Kazakhstan.

Article 725. The payers

A payer of the signature bonus is an individual or a legal entity that won the tender for obtaining the subsoil use right or acquired the subsoil use right pursuant to direct negotiations

on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, and also concluded (received), in accordance with the procedure established by the legislation of the Republic of Kazakhstan, one of the following subsoil use contracts:

1) an exploration contract;

2) a mineral extraction contract;

3) a combined exploration and extraction contract;

4) a license for geological study;

5) a license to use subsoil resources;

6) a prospecting license.

The provision of subparagraph 2) of part one of this article does not apply to subsoil users that concluded a contract on the basis of the exclusive right to receive the right to extraction in connection with commercial discovery within a contract for exploration in a relevant contract area (subsoil plot).

For the purposes of this Section, the concept "tender", conducted in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, is identical to the concept of "auction" conducted in accordance with this Law.

Article 726. The order for calculating the signature bonus

1. The initial amount of the signature bonus is established separately for each subsoil use contract to be concluded, in the following amounts:

1) for contracts for exploration:

in an area without approved mineral reserves, with regard to:

hydrocarbons – 2 800 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

solid minerals, except for licenses for exploration of solid minerals, prospecting and contracts for the development of man-made mineral formations - 280 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

common minerals, groundwater and therapeutic muds – 40 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

in an area with approved mineral reserves - in the manner specified in subparagraph 2) of this paragraph to determine the initial amount of the signature bonus for contracts for

extraction, combined exploration and extraction of relevant minerals, which reserves are approved;

2) for contracts for extraction, combined exploration and extraction of:

hydrocarbons:

if their reserves are unapproved – 3 000 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use. In this case, if the subsoil use right is granted to a subsoil plot, the territory of which is divided into blocks in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, the initial amount of the signature bonus is increased for each block, following the 300th one, by 10 times the monthly calculation index, established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

if their reserves are approved – using the formula (VA x 0.04%) + (VAi x 0.01%), but not less than 10 000 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, where:

VA – the value of total hydrocarbon reserves approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan, by A, B, C1 industrial categories;

VAi - total value of inferred hydrocarbon reserves of C2 category approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan and (or) taken into consideration in an opinion of the said Commission for current estimation of reserves of potential commercial property and forecast resources of C3 category.

In this case, if the subsoil use right is granted to a subsoil plot, the territory of which is divided into blocks in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, the initial amount of the signature bonus is increased for each block, following the 300th one, by 10 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

if the subsoil use right is granted to a subsoil plot, the territory of which is divided into blocks with both approved and unapproved hydrocarbon reserves, the initial amount of the signature bonus is determined in accordance with the procedure specified in this subparagraph for approved and unapproved hydrocarbon reserves, respectively. In this case, the total amount of the initial amount of the signature bonus shall not be less than 10 000 times the

monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

for contracts for mineral extraction and for combined exploration and extraction, except for contracts for the development of man-made mineral formations and licenses for solid mineral extraction, prospecting:

if their reserves are unapproved – 500 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

if their reserves are approved - using the formula (VA x 0.01%) + (VAi x 0.005%), but not less than 500 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, where:

VA - the value of total reserves of mineral raw materials by A, B, C1 industrial categories , approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan;

VAi - total value of inferred mineral reserves of C2 category approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan and (or) taken into consideration in an opinion of this Commission for current estimation of reserves of potential commercial property and forecast resources;

for contracts for common minerals, groundwater and therapeutic muds - using the formula (VA x 0.01%), but not less than 120 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

3) for contracts for the processing of man-made mineral formations - using the formula (C1 x 0.01%), but not less than 300 times the monthly calculation index established by the law on the national budget and effective as of the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

4) for contracts for subsoil exploration for the discharge of wastewater, and also for construction and (or) operation of underground facilities not related to exploration and (or) extraction (subsoil space use) - 400 times the monthly calculation index established by the law on the national budget and the date of publication of the tender terms or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

2. The value of mineral reserves is determined:

1) for hydrocarbons, except for crude gas specified in subparagraph 2) of this paragraph – on the basis of the arithmetic mean value of price quotations for hydrocarbons in foreign currency in accordance with Article 741 of this Code as of the day preceding the day of publication of the tender terms or the day of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, using the market exchange rate set on the last business day preceding the date of payment of the signature bonus. In this case, to determine the value of hydrocarbon reserves approved by the state body of the Republic of Kazakhstan authorized thereto, the arithmetic mean value of price quotations, with maximum values as of the specified date, for the standard grade of oil specified in paragraph 3 of Article 741 of this Code is used;

2) for crude gas under a subsoil use contract providing for the subsoil user's obligations for the minimum supply volume of produced crude gas to the domestic market of the Republic of Kazakhstan at a price determined by the Government of the Republic of Kazakhstan, using the following formula:

VA = V1 x P1 + V2 x P2, where:

V1 - the volume of crude gas reserves by A, B, C1 industrial categories, approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan, subject to sale on the domestic market of the Republic of Kazakhstan;

V2 - the volume of crude gas reserves by A, B, C1 industrial categories, except for V1, approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan;

P1 - price determined by the Government of the Republic of Kazakhstan;

P2 - arithmetic mean value of price quotations for crude gas, determined in accordance with subparagraph 1) of this paragraph;

VAi = V1 x P1 + V2 x P2, where:

V1 - the volume of crude gas reserves of C2 category, approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan and (or) taken into consideration in an opinion of this Commission for current estimation of reserves of potential commercial property and forecast resources of C3 category to be sold on the domestic market of the Republic of Kazakhstan;

V2 - the volume of crude gas reserves of C2 category, approved by the State Commission for Mineral Reserves of the Republic of Kazakhstan and (or) taken into consideration in an opinion of this Commission for current estimation of reserves of potential commercial property and forecast resources of C3 category, except for V1;

P1 - price determined by the Government of the Republic of Kazakhstan;

P2 - arithmetic mean value of price quotations for crude gas, determined in accordance with subparagraph 1) of this paragraph;

3) for mineral resources specified in subparagraphs 1) and 2) of paragraph 2 of Article 745 of this Code – on the basis of the arithmetic mean value of price quotations for a mineral

in foreign currency in accordance with Article 745 of this Code as of the day preceding the day of publication of the tender terms or the day of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, using the market exchange rate set on the last business day preceding the date of payment of the signature bonus.

If official price quotations for relevant minerals are not published on the day preceding the day of publication of the tender terms or the day of signing the minutes of direct negotiations, the official price quotations of the most recent day, for which such price quotations were published earlier, are used.

If no exchange price is set for minerals, the initial amount of the signature bonus for contracts for extraction of relevant minerals shall be set in the minimum amounts established by subparagraphs 2) and 3) of paragraph 1 of this article.

3. The initial amount of the signature bonus before a tender for obtaining the subsoil use right may be increased by the decision of a tender commission of a competent authority.

4. The final amount of the signature bonus in the amount not lower than its initial value shall be set by the decision of a tender commission pursuant to the results of a tender for obtaining the subsoil use right or by a competent authority pursuant to the results of direct negotiations with a subsoil user and indicated in a subsoil use contract.

5. In case of expansion of a contract area (subsoil plot), the amount of the signature bonus is determined as follows:

1) if a contract area (subsoil plot) to be expanded has approved mineral reserves - depending on the type of minerals in the manner specified in paragraphs 1 and 2 of this article with respect to the volumes of such reserves;

2) if a contract area (subsoil plot) to be expanded has no approved mineral reserves:

for hydrocarbon contracts - as the product of the expansion coefficient of a contract area (subsoil plot) and the initial amount of the signature bonus for a contract. The expansion coefficient of a contract area (subsoil plot) is calculated to within four decimal places as the ratio of the size of the area, by which the contract area (subsoil plot) is expanded, to the initial size of the contract area (subsoil plot).

In this case, if the value of the expansion coefficient of a contract area (subsoil plot) exceeds 0.1, regardless of the number of cases of its expansion, the coefficient of 3 is applied to the amount of the signature bonus attributable to this excess;

for contracts for mineral raw materials, common minerals, groundwater and therapeutic muds - in the minimum amounts established by subparagraphs 2) and 3) of paragraph 1 of this article for relevant types of minerals.

6. The procedure for calculating the signature bonus, established by this article, applies to licenses for exploration or extraction of solid minerals, issued pursuant to auction results.

Article 727. Features of calculating the signature bonus for subsoil use licenses, with the exception of licenses issued based on the results of the auction

The amount of a signature bonus for a subsoil use license, with the exception of a license issued based on the results of the auction, is calculated on the basis of a rate expressed in the amount of the monthly calculation indicator established by the Law on the Republican Budget and the signature bonus valid on the date of payment:

№	Name	Rate in MCI
1	2	3
1.	Exploration license	100
2.	Production license	200
3.	License for gold mining:	
3.1.	with the area of the provided territory up to 17,000 m2	9
3.2.	with the area of the provided territory from 17,000 m2 to 33,000 m2	12
3.3.	with the area of the provided territory from 33,000 m2 to 50,000 m2	15
4.	License for geological study	50
5.	License to use the subsoil space	400

Footnote. Article 727 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall be enforced from 01.01.2021).

Article 728. Taxable period

A taxable period for the signature bonus is a calendar quarter including the deadline for the payment of the signature bonus.

Article 729. Deadlines for the payment of the signature bonus

1. Unless otherwise established by this article, the signature bonus shall be paid to the state budget at the taxpayer's location within twenty business days of the date of declaring the taxpayer the winner of a tender or the date of signing the minutes of direct negotiations on granting the subsoil use right in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

2. Subscription bonus for licenses for subsoil use shall be paid to the budget at the location of the taxpayer no later than ten business days from the date of issuance of such a license.

3. In case of expansion of a contract area (subsoil plot), the signature bonus shall be paid to the state budget at the taxpayer's location within thirty calendar days of the date of modifying a subsoil use contract with regard to such expansion in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

4. Upon receipt of a written permit for the right of subsoil use for exploration or extraction of common minerals used in the construction (reconstruction) and repair of public

roads, railways and hydraulic facilities, the signature bonus shall be paid to the state budget at the taxpayer's location within thirty calendar days of the date of receipt of such a permit in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

Footnote. Article 729 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 730. Tax declaration

The signature bonus declaration is submitted by a subsoil user to the tax authority at its location before the 15th day of the second month following a taxable period.

Chapter 84. PAYMENT TO RECOVER HISTORICAL COSTS

Article 731. General provisions

The payment to recover historical costs is a fixed payment of a subsoil user to recover total costs incurred by the state on geological study of a contract area (subsoil plot) and exploration of mineral deposits before concluding a subsoil use contract.

Article 732. The payers

1. Unless otherwise established by paragraph 2 of this article, the payers of the payment to recover historical costs are subsoil users operating under a subsoil use contract with regard to mineral deposits, on which the state incurred costs of geological study of a contract area (subsoil plot) and exploration of mineral deposits before concluding a subsoil use contract.

2. A subsoil user operating under a license for exploration or extraction of solid minerals shall not be subject to the payment to recover historical costs, provided all of the following requirements are met:

a license for prospecting or extraction of solid minerals was issued after December 31, 2017 in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

an area, for which a license for exploration or extraction of solid minerals is granted, does not apply to an area, for which, prior to January 1, 2018, the subsoil use right was granted under subsoil use contracts in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

Article 733. The order for establishing the payment to recover historical costs

1. The amount of historical costs incurred by the state on geological study of a contract area (subsoil plot) and exploration of mineral deposits is calculated by the state body of the Republic of Kazakhstan authorized thereto in the manner prescribed by the legislation of the Republic of Kazakhstan and is payable to the budget:

1) in the form of the payment to recover historical costs in the amount fixed in a non-disclosure agreement, less the payment for acquisition of state-owned geological information;

2) in the form of the payment for acquisition of state-owned geological information, in the amount established by the non-disclosure agreement.

2. The obligation to recover historical costs arises from the date of concluding a non-disclosure agreement between a subsoil user and the authorized body for the study and use of subsoil resources, and with regard to subsoil use contracts, including production sharing agreements concluded before January 1, 2009, on which no relevant non-disclosure agreements were concluded as of January 1, 2009, but must be concluded as required by a subsoil use contract - from the date of conclusion of the non-disclosure agreement with the authorized body for the study and use of subsoil resources.

Article 734. The order and time limits for payment

1. Payment for reimbursement of historical costs shall be paid by the subsoil user from the start of production in the contract area (site) and the earliest of the following dates:

commercial discovery announcement;

transition to the period (stage) of production in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

issuance of a license for the extraction of minerals;

conclusion of a contract for the extraction of minerals.

The payment for reimbursement of historical costs shall be made to the budget at the location of the subsoil user in the following order:

1) if the total amount of payment for reimbursement of historical costs incurred by the state for the geological study of the contract area (subsoil plot) and exploration of deposits is an amount equal to or less than 10,000 times the monthly calculation index established by the law on the republican budget and effective on the date of conclusion confidentiality agreements, payment for reimbursement of historical costs shall be paid no later than April 10 of the year following the year in which the subsoil user began mining;

2) if the total amount of payment for reimbursement of historical costs incurred by the state for the geological study of the contract area (subsoil plot) and exploration of deposits is an amount exceeding 10,000 times the amount of the monthly calculation index established by the law on the republican budget and in force on the date of conclusion of the agreement on confidentiality, the payment for reimbursement of historical costs shall be paid by the subsoil user on a quarterly basis, no later than the 25th day of the second month following the reporting quarter, in equal installments over a period of duration not exceeding the term of the subsoil use contract, but not more than ten years in an amount equivalent to an amount of at least 2500 times the monthly calculation index established by the law on the republican budget and in force on the date of the conclusion of the confidentiality agreement, expt for the amount of the last share, which may be less than the amount equivalent to 2500 times the monthly calculation index established by the law on the republican budget and valid on the date of the conclusion of the confidentiality agreement.

With regard to subsoil use contracts concluded before January 1, 2009, under which a subsoil user started extracting minerals before January 1, 2009, if the amount of historical costs not paid to the budget as of January 1, 2009 is more than 10 000 times the amount of the monthly calculation index established as of January 1, 2009 by the law on the national budget , the payment to recover historical costs is paid by the subsoil user on a quarterly basis, on or before the 25th day of the second month following a reporting year, in equal parts within a time period not exceeding the validity period of the subsoil use contract, but not more than ten years in an amount equivalent to that not less than 2 500 times the monthly calculation index established as of January 1, 2009 by the law on the national budget, less the amount of the last part, which may be less than the amount equivalent to that of 2 500 times the monthly calculation index established as of January 1, 2009 by the law on the national budget.

2. If the amount of historical costs incurred by the state on geological study of a contract area (subsoil plot) and exploration of mineral deposits is established in foreign currency by the state body of the Republic of Kazakhstan authorized thereto, then:

1) for the purposes of determining the total amount of the payment in tenge, in order to establish the procedure for paying the payment in accordance with this article, the amount of historical costs calculated by the state body of the Republic of Kazakhstan authorized thereto is recalculated in tenge at the market exchange rate set on the last business day preceding the 1st day of a reporting quarter, in which the subsoil user started extraction after commercial discovery, and with regard to subsoil use contracts concluded before January 1, 2009, under which a subsoil user started extracting minerals before January 1, 2009 - the amount of historical costs not paid to the state budget as of January 1, 2009 is recalculated in tenge at the market exchange rate set on the last business day preceding January 1, 2009;

2) for the purposes of even distribution of the amount of historical costs in a foreign currency not paid to the state budget into the amounts of quarterly payments payable in accordance with subparagraph 2) of part one of paragraph 1 of this article, this amount of historical costs is recalculated as of the beginning of each calendar year in tenge at the market exchange rate set on the last business day preceding January 1 of such a calendar year.

3. Under subsoil use contracts for exploration of mineral deposits, which do not provide for their subsequent extraction, the payment to recover historical costs is not paid.

Footnote. Article 734 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 735. Tax declaration

1. If the total amount of the payment to recover historical costs incurred by the state on geological study of a contract area (subsoil plot) and exploration of mineral deposits is equal to or less than 10 000 times the monthly calculation index established by the law on the

national budget and effective as of the date conclusion of a non-disclosure agreement, a subsoil user submits the declaration to the tax authority at the location on or before March 31 of a year following the year, in which the subsoil use started extracting minerals.

2. If the total amount of the payment to recover historical costs incurred by the state on geological study of a contract area (subsoil plot) and exploration of mineral deposits is more than 10 000 times the monthly calculation index established by the law on the national budget and effective as of the date of conclusion of a non-disclosure agreement, a subsoil user submits the declaration to the tax authority at the location quarterly, on or before the 15th day of the second month following a reporting quarter.

With regard to subsoil use contracts concluded before January 1, 2009, under which a subsoil user started extracting minerals before January 1, 2009, if the amount of historical costs not paid to the budget as of January 1, 2009 is more than 10 000 times the monthly calculation index established as of January 1, 2009 by the law on the national budget, the subsoil user submits the declaration to the tax authority at the location quarterly, on or before the 15th day of the second month following a reporting quarter.

Chapter 85. MINERAL EXTRACTION TAX

Article 736. General provisions

1. A subsoil user pays the mineral extraction tax separately for each type of raw materials, hydrocarbons, groundwater and therapeutic muds extracted in the territory of the Republic of Kazakhstan.

2. The mineral extraction tax on all types of extracted minerals, hydrocarbons, groundwater and therapeutic mud, regardless of the type of extraction, is paid at the rates and in the order established by this Chapter.

3. Unless otherwise provided by this paragraph, for the purposes of calculating the mineral extraction tax, the volume of hydrocarbons, minerals, underground water and therapeutic mud transferred for technological testing and research shall be excluded from the total volume of hydrocarbons, minerals, underground water and therapeutic mud extracted during the tax period. The volume of hydrocarbons, mineral raw materials, groundwater and therapeutic mud transferred for technological testing and research shall be limited to the minimum mass of technological samples indicated in national standards for the corresponding types (grades) of hydrocarbons, mineral raw materials, groundwater and therapeutic mud.

At the same time, the volume of hydrocarbons, mineral raw materials, groundwater and therapeutic mud transferred for technological testing and research shall not be excluded from the above total production volume in case of their sale, including after primary processing (enrichment), as well as during their processing.

Footnote. Article 736 as amended by the Law of the Republic of Kazakhstan dated21.12.2022 № 165-VII (effective from 01.01.2024).

Article 737. Features of payment

1. The mineral extraction tax shall be paid in monetary form, except for the case provided for in paragraph 2 of this article.

2. In the course of operating under a subsoil use contract, the monetary form of payment of the mineral extraction tax may be replaced by payment in kind in accordance with the decision of the Government of the Republic of Kazakhstan in the manner determined by an additional agreement concluded between the authorized state body and the subsoil user.

The procedure for in-kind payment of the mineral extraction tax established by this Code, as well as royalties and share of the Republic of Kazakhstan within production sharing established by subsoil use contracts specified in paragraph 1 of Article 722 of this Code, is established by Chapter 88 of this Code.

Article 738. The payers

The payers of the mineral extraction tax are subsoil users engaged in the extraction of hydrocarbons, mineral raw materials, groundwater and therapeutic muds, including the extraction of minerals from man-made mineral formations, on which the mineral extraction tax and (or) royalties have not been paid, within each individual concluded subsoil use contract, except for subsoil users operating exclusively under the license for prospecting.

Clause 1. The mineral extraction tax on hydrocarbons

Article 739. Taxable item

1. An item subject to the mineral extraction tax is the physical volume of hydrocarbons extracted by a subsoil user in a taxable period.

2. For the purposes of calculating the mineral extraction tax, the total volume of hydrocarbons extracted by a subsoil user in a taxable period is divided into:

1) oil sold for processing to an oil refinery located in the territory of the Republic of Kazakhstan - the volume of oil produced by a subsoil user under each individual subsoil use contract for a taxable period and sold by the subsoil user to an oil refinery located in the territory of the Republic of Kazakhstan or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan;

2) oil transferred for processing as customer-supplied raw materials to an oil refinery located in the territory of the Republic of Kazakhstan - the volume of oil produced by a subsoil user under each individual subsoil use contract for a taxable period and transferred by the subsoil user as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan, or sold to a third party for subsequent transfer as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan;

3) oil used by the subsoil user for own production needs - the volume of oil produced by the subsoil user under each individual subsoil use contract for a taxable period and used for own production needs within a taxable period;

4) oil transferred by the subsoil user in kind to pay the mineral extraction tax, the export rent tax, royalties and share of the Republic of Kazakhstan within production sharing to the recipient on behalf of the state in accordance with Chapter 88 of this Code;

5) crude gas sold on the domestic market of the Republic of Kazakhstan and (or) used for own production needs.

For the purposes of this chapter, raw gas shall also be recognised as raw gas used for the production of commercial gas:

sold on the domestic market of the Republic of Kazakhstan;

used by a subsoil user – an entity engaged in industrial and innovative activities, the implementation thereof is envisaged by the Law of the Republic of Kazakhstan "On Industrial Policy".

Save as otherwise established by this sub-paragraph, for the purposes of this section, raw gas used for own production needs shall be recognised as raw gas, including processed gas, extracted by a subsoil user under a subsoil use contract and used under that contract as per the documents approved by the authorised body in the field of hydrocarbons:

as a fuel in hydrocarbon treatment when carrying out subsoil use operations;

for technological and household needs;

for heating oil at the wellhead and for transporting oil from the place of production and storage to the place of transshipment to the main pipeline and (or) another mode of transport in accordance with approved project documents;

for the production of electricity used in subsoil use operations;

for reinjection into subsoil in the volume provided for by approved project documents, except for cases of reinjection into subsoil provided for in paragraph 5 of this article;

for the purposes of gas-lift (mechanized) method of operation of oil wells in the volumes provided for by project documents approved by the authorized body for hydrocarbons.

Crude gas used for own production needs is also recognized as crude gas extracted by a subsoil user under a subsoil use contract and used for reinjection into subsoil in order to maintain formation pressure in oil-and-gas zones under another subsoil use contract of the subsoil user in the volume provided for by the approved project documents;

6) associated gas used for production of liquefied petroleum gas in the volume attributable to liquefied petroleum gas sold on the domestic market of the Republic of Kazakhstan. In this case, such a volume of liquefied petroleum gas is approved by the authorized body for hydrocarbons and is mandatory for sale on the domestic market of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on gas and gas supply;

7) crude gas used by a subsoil user that is an entity carrying out industrial and innovation activity, the implementation of which is stipulated by the Entrepreneurial Code of the Republic of Kazakhstan;

8) commercial hydrocarbons - the total volume of hydrocarbons extracted by a subsoil users for a taxable period under each individual subsoil use contract, less the volumes of oil, crude gas and associated gas specified in subparagraphs 1) - 7) of this paragraph, unless otherwise specified in this article.

3. In accordance with subparagraphs 5) and 6) of paragraph 2 of this article, the volume of crude gas used for own production needs and (or) associated gas used for production of liquefied petroleum gas is recognized as actual volume of such used natural and (or) associated gas within the limits specified in the documents approved by the authorized body for hydrocarbons.

4. To confirm the sale, specified in subparagraph 1) of paragraph 2 of this article, to an oil refinery located in the territory of the Republic of Kazakhstan or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan, and in subparagraph 2) of paragraph 2 of this article for transfer as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan, or sold to a third party for subsequent transfer as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan, a subsoil user is obliged to have original copies of commercial and shipping documents or their notarized copies confirming the physical volume and fact of acceptance by an oil refinery, located in the territory of the Republic of Kazakhstan, of a relevant volume of oil, and to confirm the sale, specified in subparagraph 1) of paragraph 2 of this article, to an oil refinery located in the territory of the Republic of Kazakhstan or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan - also original documents or their notarized copies of the actual purchase price paid by the oil refinery located in the territory of the Republic of Kazakhstan, for the relevant volume.

In case of no such original documents or their notarized copies, the relevant volume of oil is considered as commercial hydrocarbons, for the purposes of calculating the mineral extraction tax.

5. The mineral extraction tax is not paid on crude gas in the volume re-injected into subsoil in order to increase the oil recovery factor provided for in the approved project documents.

Footnote. Article 739 as amended by Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (shall come into force since 01.01.2018).

Article 740. Tax base

The tax base for calculating the mineral extraction tax is the value of the volume of hydrocarbons produced for a taxable period.

Article 741. The order for determining the value of hydrocarbons

1. For the purposes of calculating the mineral extraction tax, the value of oil produced in a taxable period is determined as follows:

1) in case of sale by a subsoil user to an oil refinery located in the territory of the Republic of Kazakhstan or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan - as the product of the actual volume of oil sold by a subsoil user to an oil refinery located in the territory of the Republic of Kazakhstan or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan, and the actual purchase price of an oil refinery located in the territory of the Republic of Kazakhstan, per unit of output;

2) in case of transfer by a subsoil user as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan or sale to a third party for subsequent transfer as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan and (or) use by a subsoil user for their own production needs - as the product of the actual volume of oil transferred by a subsoil user as customer-supplied raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan or sold to a third party for subsequent transfer as customer-supplied raw materials to an oil refinery located in the territory of the Republic of Kazakhstan and (or) used by the subsoil user for its own production needs and the production cost, including treatment, of a unit of output determined in accordance with international financial reporting standards and requirements of legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

3) in case of in-kind transfer of mineral resources by a subsoil user to pay the mineral extraction tax, the export rent tax, royalties and share of the Republic of Kazakhstan within production sharing to the recipient on behalf of the state - as the product of the actual amount of oil transferred by a subsoil user in kind to pay the mineral extraction tax, the export rent tax, royalties and share of the Republic of Kazakhstan within production sharing to the recipient on behalf of the state in accordance with Chapter 88 of this Code and transfer price established in the manner determined by the Government of the Republic of Kazakhstan.

2. The cost of commercial hydrocarbons produced by a subsoil user under each subsoil use contract for a tax period shall be determined as the product of the volume of commercial hydrocarbons produced and the world price per unit of production, calculated for the tax period in the manner specified in paragraphs 3 and 4 of this Article.

3. The world price of oil is defined as the product of the arithmetic mean value of daily price quotations for a taxable period and the arithmetic average market exchange rate for a relevant taxable period using the formula below.

For the purposes of this paragraph, a price quotation means a price quotation for oil in a foreign currency for each separate standard grade of oil of Urals Med or Brent Dtd in a taxable period on the basis of information published in the “Platts Crude Oil Marketwire” source of The Mcgraw-Hill Companies Inc.

In case of no information on prices of these standard grades of crude oil in this source, the prices for these standard crude oil grades are used:

according to the “Argus Crude” source of the Argus Media Ltd;

in case of no information on prices for these standard grades of crude oil in the above sources - according to other sources determined by the legislation of the Republic of Kazakhstan on transfer pricing.

To determine the world price of oil, the units of measurement are converted from a barrel to a metric ton with account of actual density and temperature of extracted oil, adjusted to standard measurement conditions and indicated in the oil quality certificate, in accordance with the national standard approved by the authorized agency for standardization.

In this case, for the purposes of calculating the mineral extraction tax, the units of measurement are converted from a metric ton to a barrel on the basis of the weighted average ton-to-barrel conversion factor using the following formula:

К w.av.barr. = (V ton 1 x K barr.1 + V ton 2 ... x K barr.2... + V ton n x K barr.n)/V ton S, where:

К w.av.barr. - weighted average ton-to-barrel conversion factor, calculated to within four decimal places;

V ton - the volumes of each produced oil batch;

К barr.1, K barr.2... + K barr.n – ton-to-barrel conversion factors specified in the quality certificate for each relevant batch of produced oil;

V ton S - total volume of oil produced within a taxable period, expressed in metric tons.

The world price of oil is determined using the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S - world oil price for a taxable period;

P1, P2..., Pn - daily arithmetic average price quotation on the days, for which price quotations were published within a taxable period;

E - arithmetic average market exchange rate for a relevant taxable period;

n - the number of days in a taxable period, for which price quotations were published.

The daily average arithmetic price quotation is determined using the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn - daily arithmetic average price quotation;

Cn1 - the lowest value (min) of the daily price quotation of the standard grade of crude oil Urals Med or Brent Dtd;

Cn2 - the highest value (max) of the daily price quotation of the standard grade Urals Med or Brent Dtd.

A subsoil user classifies a certain standard grade of oil Urals Med or Brent Dtd on the basis of oil supply contracts. If a standard oil grade is not specified in a supply contract or indicated oil grade does not belong to the above standard grades, a subsoil user is obliged to classify the volume of oil delivered under such a contract as that belonging to such oil grade, the average world price for which was the maximum one within a taxable period.

4. The world price of crude gas is defined as the product of the arithmetic mean value of the daily price quotations in foreign currency for a taxable period with account of conversion of international units of measurement into cubic meter in accordance with the approved factor and the arithmetic average market exchange rate for a relevant taxable period using the formula below.

For the purposes of this paragraph, a price quotation means the price quotation of Zeebrugge Day-Ahead natural gas in foreign currency in a taxable period on the basis of information published in the "Platts European Gas Daily" source of The Mcgraw-Hill Companies Inc.

In case of no information on the price of Zeebrugge Day-Ahead natural gas, this source uses the price of Zeebrugge Day-Ahead natural gas:

1) according to the "Argus European Natural Gas" source of the Argus Media Ltd;

2) in case of no information on the price of Zeebrugge Day-Ahead natural gas in the above sources - according to other sources determined by the legislation of the Republic of Kazakhstan on transfer pricing.

The world price of crude gas is determined using the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S - world price of crude gas for a taxable period;

P1, P2..., Pn - daily arithmetic average price quotation on the days, for which price quotations were published within a taxable period;

E - arithmetic average market exchange rate for a relevant taxable period;

n - the number of days in a taxable period, for which price quotations were published.

The daily average arithmetic price quotation is determined using the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn - daily arithmetic average price quotation;

Cn1 - the lowest value (min) of the daily price quotation of Zeebrugge Day-Ahead natural gas;

Cn2 - the highest value (max) of the daily price quotation of Zeebrugge Day-Ahead natural gas.

5. For the purposes of calculating the mineral extraction tax, the value of crude gas sold by a subsoil user on the domestic market of the Republic of Kazakhstan and (or) used for its own production needs, of associated gas used for the production of liquefied petroleum gas, and also crude gas used by a subsoil user that is an entity carrying out industrial and innovative activity, is determined as follows:

1) in case of sale by a subsoil user of extracted crude gas on the domestic market of the Republic of Kazakhstan – on the basis of the weighted average selling price established for a taxable period determined in accordance with paragraph 7 of Article 745 of this Code;

2) in case of use of extracted associated gas for the production of liquefied petroleum gas in accordance with the conditions specified in subparagraph 6) of paragraph 2 of Article 739 of this Code, and (or) use of extracted crude gas for own production needs - as the product of the actual volume:

of associated gas, used for the production of liquefied petroleum gas, and the production cost of extraction, including treatment, of a unit of output determined in accordance with international financial reporting standards and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

of crude gas used by a subsoil user for own production needs, and the production cost of extraction, including treatment, of a unit of output determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

If the extraction of crude gas is associated with that of oil, the production cost of extraction of crude gas is determined on the basis of the production cost of extraction, including treatment, of oil in the following ratio:

one thousand cubic meters of crude gas corresponds to 0.857 tons of oil;

3) in case of use of extracted crude gas by a subsoil user that is an entity carrying out industrial and innovation activity in accordance with the conditions specified in subparagraph 7) of paragraph 2 of Article 739 of this Code - as the product of the actual volume of crude gas, used by a subsoil user that is an entity carrying out industrial and innovation activity, and the production cost of extraction, including treatment, of a unit of output determined in

accordance with international financial reporting standards and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

6. The world price of standard grades of hydrocarbons is determined for each taxable period by the authorized body in the manner prescribed by this Code and shall be published in mass media on or before the 10th day of a month following a reporting taxable period.

Footnote. Article 741 as amended by Law of the Republic of Kazakhstan № 184-VI as of 05.10.2018 (takes effect ten calendar days after its first official publication); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 742. The order for calculating the tax

1. The amount of the mineral extraction tax payable to the state budget is determined on the basis of a taxable item, tax base and tax rate.

2. To calculate the mineral extraction tax, within a calendar year, a subsoil user applies a rate that corresponds to the planned production volume for a current taxable year for each individual subsoil use contract, in accordance with the scale given in Article 743 of this Code.

In this case, in case of assignment (transfer) of subsoil use right under a subsoil use contract, it is necessary to apply the mineral extraction tax rate corresponding to the declared total annual production volume under such subsoil use contract, irrespective of the fact of assignment (transfer) of the subsoil use right.

To ensure correct calculation and full payment of the mineral extraction tax to the state budget, before January 20 of a current calendar year, the authorized body for hydrocarbons submits to the tax authority information on the planned volumes of hydrocarbon production with respect to subsoil users for the forthcoming year for each individual subsoil use contract.

3. If, based on the results of a reporting calendar year, the actual volume of hydrocarbons produced under a subsoil use contract does not correspond to the planned volume under such a contract and requires to alter the rate of the mineral extraction tax, a subsoil user is obliged to adjust the amount of the mineral extraction tax calculated for a reporting year.

The amount of the mineral extraction tax is adjusted in a declaration for the last taxable period of a reporting taxable year by applying the mineral extraction tax rate, corresponding to the actual volume of produced hydrocarbons determined in accordance with Article 743 of this Code, to the tax base calculated in tax declarations of the mineral extraction tax for 1 - 3 quarters of a reporting taxable year.

The amount of the mineral extraction tax with account of the adjustment made is a tax obligation for the mineral extraction tax for the last taxable period of a reporting year.

Article 743. Tax rates for mineral extraction

1. Unless otherwise established by paragraph 2 of this article, the rates of the mineral extraction tax on oil shall be fixed according to the following scale:

Item №	Volume of annual extraction	Rates, %
1	2	3
1.	up to 250 000 tons, incl.	5

2.	up to 500 000 tons, incl.	7
3.	up to 1 000 000 tons, incl.	8
4.	up to 2 000 000 tons, incl.	9
5.	up to 3 000 000 tons, incl.	10
6.	up to 4 000 000 tons, incl.	11
7.	up to 5 000 000 tons, incl.	12
8.	up to 7 000 000 tons, incl.	13
9.	up to 10 000 000 tons, incl.	15
10.	over 10 000 000 tons	18

In case of sale and (or) transfer of oil on the domestic market of the Republic of Kazakhstan, also in the in-kind form, to pay the mineral extraction tax, the export rent tax, royalties and share of the Republic of Kazakhstan within production sharing to the recipient on behalf of the state or use for own production needs in accordance with the procedure specified in subparagraphs 1), 2), 3) and 4) of paragraph 2 of Article 739 of this Code, a reduction factor of 0.5 is applied to the established rates.

The rate of the mineral extraction tax on crude gas is 10 percent.

In case of sale of crude gas on the domestic market, depending on the volume of annual production, the mineral extraction tax is paid at the following rates:

Item №	Volume of annual extraction	Rates, %
1	2	3
1.	up to 1,0 billion cubic meters, incl.	0,5
2.	up to 2,0 billion cubic meters, incl.	1,0
3.	over 2,0 billion cubic meters	1,5

2. The rates of the mineral extraction tax on oil for sites (a group of sites, part of a site) classified as low-profit, high-viscosity, watered, low-yield, worked-out under contract for hydrocarbon extraction are established by the Government of the Republic of Kazakhstan.

Clause 2. The mineral extraction tax on mineral raw materials, except for common minerals

Article 744. Taxation object

The object of taxation is the physical volume of mineral raw materials or solid minerals extracted by the subsoil user during the tax period, taking into account the volume of actual losses in the subsoil for the tax period, exceeding the limits of standardized losses in the subsoil established by the technical project of field development, approved by the government body of the Republic of Kazakhstan authorized for these purposes (taxable volume of minerals).

In this case, the subsoil user shall transmit information on the physical volume of mineral raw materials or solid minerals extracted by the subsoil user for the past (reporting) calendar year to the authorized body for the study and use of subsoil no later than April 30 of the year following the reporting year, in the form established by such authorized body.

For the purpose of determining the taxation object, extracted mineral raw materials and (or) solid minerals are determined within the framework of the state reserve register , valid as of the day preceding the day of transition to accounting for reserves according to The Kazakhstan Code for the Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves (hereinafter – KAZRC Code), and also taking into account mineral raw materials extracted from written-off reserves (recovery of losses) at the deposit.

For mineral raw materials and (or) solid minerals that were not previously approved by the State Commission for Mineral Reserves, the extracted mineral raw materials and (or) minerals shall be determined within the framework of mineral reserves in accordance with the KAZRC Code.

For the purposes of determining the taxable volume of minerals, the measurement units used in the reporting and consolidated balances of mineral reserves and (or) solid minerals submitted to the authorized body for the study and use of subsurface resources are applied.

The volume of uranium returned to the subsurface as part of in-situ leaching mining is not subject to taxation.

Footnote. Article 744 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (effective from 01.01.2024).

Article 745. Tax base

1. The tax base for calculating the mineral extraction tax is the value of the taxable volume of minerals for the tax period.

2. For the purposes of calculating the mineral extraction tax, mineral raw materials are divided into:

1) mineral raw materials containing only those minerals that are specified in paragraph 4 of this article;

2) mineral raw materials containing minerals specified in paragraph 4 of this article and other types of minerals at the same time;

3) mineral raw materials containing minerals, except for minerals specified in paragraph 4 of this article;

4) excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (effective from 01.01.2024).

5) excluded by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (effective from 01.01.2024).

3. For the purpose of calculating the mineral extraction tax, the value of the taxable volume of mineral resources for the tax period is determined:

1) for solid minerals contained in the extracted mineral raw materials specified in subparagraph 1) of paragraph 2 of this article - based on the average exchange price for such minerals for the tax period.

The average exchange price, unless otherwise specified in this article, is defined as the product of the arithmetic mean of daily average price quotations for a taxable period and the

arithmetic average market exchange rate for a relevant taxable period using the formula below
.

For the purposes of this article, a price quotation means a mineral price quotation in foreign currency fixed by the London Metal Exchange or the London Bullion Market Association and published in the Metal Bulletin Magazine of Metal Bulletin Journals Limited, the Metal Pages Magazine of Metal-Pages Limited.

The average exchange price, unless otherwise specified in this article, is determined using the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S - average exchange price of a mineral for a taxable period;

P1, P2, ..., Pn - daily average price quotation on the days, for which price quotations on the London Metal Exchange were published within a taxable period;

E - arithmetic average market exchange rate for a relevant taxable period;

n - the number of days in a taxable period, for which price quotations were published.

The daily average mineral price quotation is determined using the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn - daily average price quotation;

Cn1 - daily Cash price quotation for a mineral;

Cn2 - daily Cash Settlement price quotation for a mineral.

The average exchange price for gold, platinum, palladium is defined as the product of the arithmetic mean of the daily average price quotations for a taxable period and the arithmetic average market exchange rate for a relevant taxable period using the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S - average exchange price for gold, platinum, palladium for a taxable period;

P1, P2, ..., Pn - daily average price quotation for gold, platinum, palladium on the days, for which the price quotations of the London Bullion Market Association were announced and published within a taxable period;

E - arithmetic average market exchange rate for a relevant taxable period;

n - the number of days in a taxable period, for which price quotations were published.

The daily average price quotation for gold, platinum, palladium is determined using the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn - daily average price quotation;

Cn1 - daily quotation of a.m. prices (morning fix) for gold, platinum, palladium;

Cn2 - daily quotation of p.m. prices (afternoon fix) for gold, platinum, palladium.

The average exchange price for silver is defined as the product of the arithmetic mean value of daily silver price quotations for a taxable period and the arithmetic average market exchange rate for a relevant taxable period using the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S - average exchange silver price for a taxable period;

P1, P2, ..., Pn - daily silver price quotation on the days, for which price quotations of the London Bullion Market Association were announced and published within a taxable period;

E - arithmetic average market exchange rate for a relevant taxable period;

n - the number of days in a taxable period, for which quotations were published.

The average exchange price for minerals shall apply to the entire volume of each type of solid mineral specified in paragraph 4 of this article contained in the extracted mineral raw materials, including the volume transferred to other legal entities and (or) a structural unit within one legal entity for subsequent processing and (or) use for own production needs;

2) for solid minerals contained in the extracted mineral raw materials specified in subparagraph 2) of paragraph 2 of this article:

for solid minerals specified in paragraph 4 of this article - in the manner determined by subparagraph 1) of this paragraph;

for other types of extracted solid minerals contained in the extracted mineral raw materials - based on their weighted average selling price, and in the case of transfer to other legal

entities and (or) a structural unit within one legal entity for subsequent processing and (or) use for their own production needs - based on the actual production cost of extraction and primary processing (concentration) attributable to such types of minerals, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

3) for mineral raw materials specified in subparagraph 3) of paragraph 2 of this article - based on the weighted average selling price of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing (enrichment).

4. The provisions of subparagraph 1) of paragraph 2 of this Article shall apply to those types of solid minerals for which official price quotations recorded by the London Metal Exchange or the London Bullion Market Association are available during the tax reporting period.

5. In the absence of sales of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing, the cost of the taxable volume of minerals shall be determined based on the weighted average selling price of the last tax period in which such sales took place.

The provisions of this paragraph shall not apply to the mineral raw materials specified in paragraph 4 of this article.

6. In the complete absence of sales of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing (enrichment), from the beginning of the contract, the cost of the taxable volume of minerals is determined:

1) for solid minerals specified in paragraph 4 of this article - in the manner determined by subparagraph 1) of paragraph 3 of this article;

2) for other types of solid minerals specified in subparagraph 2) of paragraph 2 of this article - based on the actual production cost of extraction and primary processing (concentration) attributable to such types of solid minerals, determined in accordance with international financial reporting standards and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

3) for mineral raw materials and (or) solid minerals specified in subparagraph 3) of paragraph 2 of this article, except for those specified in subparagraph 4) of part one of this paragraph - based on the actual production cost of extraction and primary processing (enrichment) attributable to such types of minerals, determined in accordance with international financial reporting standards and the legal requirements of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

In the event of the subsequent sale of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing, except for the minerals

specified in paragraph 4 of this article, the subsoil user is obliged to adjust the amounts of the calculated mineral extraction tax taking into account the actual weighted average sales price in the tax period in which the first sale took place.

4) uranium extracted from productive solutions – on the basis of the weighted average price per kilogram of uranium in the form of natural uranium concentrate (U3O8), determined as the product of arithmetic mean value of monthly price quotations per pound of uranium in the form of natural uranium concentrate (U3O8) in foreign currency for each month of the tax period, taking into account the conversion of pounds into kilograms in accordance with the approved coefficient and the arithmetic average of the market exchange rate for the relevant tax period according to the formula below.

For the purposes of part one of this subparagraph, the quotation of the price per pound of uranium in the form of natural uranium concentrate (U3O8) means the monthly indicator of the spot price per pound of natural uranium concentrate (U3O8) valid on the last day of the month in foreign currency based on the information published in the sources “Ux Weekly”, Ux Consulting LLC (USA) and “The Nuclear Market Review” by TradeTech LLC (USA).

In the absence of information on the quotation of the price of uranium in the form of natural uranium concentrate (U3O8) in one of the indicated sources, the price of another indicated source in which such a quotation is available shall be applied.

In the absence of information on the price quotation for uranium in the form of natural uranium concentrate (U3O8) in the sources specified in part two of this subparagraph, the price shall be applied according to other sources determined by the legislation of the Republic of Kazakhstan on transfer pricing.

The weighted average price per kilogram of uranium in the form of natural uranium concentrate is determined by the following formula:

$$S = \frac{P1 + P2 + P3}{3} \times K \times E,$$

where:

S- is the weighted average price quotation per kilogram of uranium in the form of natural uranium concentrate for the tax period;

P1, P2, P3 – arithmetic average monthly price quotation from sources for each month during the tax period;

the arithmetic average monthly price quotation is determined by the formula:

$$Pn = \frac{Cn + Dn}{2},$$

where:

Pn – is arithmetic average price quotation;

Cn - the value of the monthly quotation of the price per pound of uranium in the form of natural uranium concentrate (U3O8) on the last day of the corresponding month of the reporting period from the Ux Weekly source of Ux Consulting LLC (USA);

Dn - the value of the monthly quotation of the price per pound of uranium in the form of natural uranium concentrate (U3O8) (Exchange Value) on the last day of the corresponding month of the reporting period from the source "The Nuclear Market Review" of TradeTech LLC (USA);

K - the coefficient for converting pounds to kilograms, set at 2.59978;

E - arithmetic average market exchange rate of foreign currency for the corresponding tax period.

In case of subsequent sale of mineral raw materials that underwent primary processing (enrichment) and minerals contained in taxable volumes of recovered mineral reserves specified in Subparagraph 2) of Paragraph 2 of this Article, except for minerals specified in Paragraph 4 of this Article, a subsoil user shall be obliged to adjust the amounts of the calculated mineral extraction tax with account of the actual weighted average selling price in the taxable period of the first sale.

A subsoil user adjusts the calculated amounts of the mineral extraction tax for a twelve-month period preceding the taxable period of the first sale. In this case, the adjustment amount is a tax obligation for a current taxable period.

7. For the purposes of this article, the weighted average sales price for the tax period shall be determined by the following formula:

P av. = (V1 s.b. x P1 s. + V2 s.b. x P2 s....+ Vns.b. x Pn s.)/V tot. sale,

where:

V1 s.b., V2 s.b.,. Vns.b. –are volumes of each batch of minerals sold for a taxable period;

P1 s., P2 s. ... Pn s. - actual sale prices of minerals for each batch in a taxable period;

n - the number of batches of minerals sold in a taxable period;

V tot.sale - total volume of sales of minerals for a taxable period.

If the weighted average selling price of mineral raw materials and (or) solid minerals is lower than their production cost, increased by 20 percent, determined in accordance with international financial reporting standards and the legal requirements of the Republic of Kazakhstan on accounting and financial reporting, then the weighted average sales price for the tax period shall be determined based on such production costs increased by 20 percent.

The weighted average selling price shall be applied by the subsoil user to the entire taxable volume of minerals, including the volumes transferred at production cost of extraction

to a structural unit within one legal entity for subsequent processing and (or) used for the subsoil user's own production needs, including the use as feedstock for the production of commercial output.

8. If the selling price of a mineral is set in a foreign currency, then such price for sales transactions made after January 1, 2020, for the purposes of paragraph 7 of this Article, shall be recalculated in tenge using the market exchange rate determined on the date of transition of the right ownership of the mineral raw materials being sold, including those that have only undergone primary processing (enrichment), in accordance with the agreement (contract).

Footnote. Article 745 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2020); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); dated 21.12.2022 № 165-VII (effective from 01.01.2024).

Article 746. Rates of the mineral extraction tax

Note!

Paragraph 1 is provided for in the wording of the Law of the Republic of Kazakhstan dated 01.07.2024 № 105-VIII (effective from 01.01.2026).

1. Unless otherwise provided by this article, mineral extraction tax rates shall be established in the following amounts:

Item №		Minerals, mineral raw materials, including those after primary processing	Rates, in percent
1	2	3	4
	Note! Row 1 of the Table is valid from 01.01.2025 to 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2017 № 121-VI. (effective from 01.01.2025).		
1.	Ores of ferrous, non-ferrous and radioactive metals	Chrome ore (concentrate)	21,06%
		Manganese, iron-manganese ore (concentrate)	3,25%
		Iron ore (concentrate)	3,64%
		Uranium (extracted from productive solutions, mine method)	9 %
2.	Metals	Copper	8,55%
		Zinc	10,5%
		Lead	10,4 %
		Gold, silver	7,5 %
		Platinum, palladium	6,5 %
		Aluminum	0,38 %
		Tin	3,9 %
		Nickel	7,8 %

3.	Mineral raw materials containing metals	Vanadium	5,2 %
		Chromium, titanium, magnesium, cobalt, tungsten, bismuth, antimony, mercury, arsenic and others	7,8 %
4.	Mineral raw materials containing rare metals	Niobium, lanthanum, cerium, zirconium	7,7 %
		Gallium	1,0 %
5.	Mineral raw materials containing trace metals	Selenium, tellurium, molybdenum	7,0 %
		Scandium, germanium, rubidium, cesium, cadmium, indium, thallium, hafnium, rhenium, osmium	6,0 %
6.	Mineral raw materials containing radioactive metals	Radium, thorium	5,0 %
7.	Mineral raw materials containing rare metals	Lithium, beryllium, tantalum, strontium	7,7%
8.	Mineral raw materials containing rare-earth metals	Praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, lute, yttrium	6,0%
Mineral raw materials containing non-metallic solid minerals			
9.	Fuel, chemical and agronomic minerals	Coking coal, anthracite	4,05%
		Coal (except for coking and anthracite), brown coal, oil shale	2,7 %
		Phosphorites	4,0 %
		Borates, including boric anhydrite	3,5 %
		Potassium and potassium-magnesium salts	6,0 %
		Barite	4,5 %
		Talc	2,0 %
		Gypsum	5,6 %
		Sulfur.	6,0 %
		Fluorites	3,0 %
		Wollastonite	3,5 %
		Schungite	2,0 %
		Graphite etc.	3,5 %
Raw gemstones			

10.	Mineral raw materials containing precious stones	Diamond, ruby, sapphire, emerald, garnet, alexandrite, red (noble) spinel, euclase, topaz, aquamarine and others	12,0%
11.	Mineral raw materials containing semi-precious stones	Jade, jasper, jadeite, lapis lazuli, rhodonite, malachite, aventurine, agate, rhinestone, rose quartz, turquoise, dioptase, chalcedony and others	3,5%
12.	Mineral raw materials containing industrial stones	Industrial diamonds, agate, corundum, zircon, jasper, serpentinite, asbestos, mica and others	2,0%
13.	Other	Other non-metallic mineral raw materials that are not common minerals	4.7%, but not less than 0.02 MCI per volume unit

At the same time, the 0.01 coefficient is applied to the rate of the mineral extraction tax on mined hard coal (except for coking and anthracite), brown coal, oil shale, established by this article in the following cases:

1) the use by a subsoil user, which is a subject of a natural monopoly, of such mined hard coal, brown coal, oil shale for the provision of services for the transmission of electrical energy, production, transmission, distribution and (or) supply of thermal energy, water supply and (or) sanitation in accordance with the legislation of the Republic of Kazakhstan on natural monopolies;

2) the sale by the subsoil user of mined hard coal, lignite coal, oil shale to a natural monopoly entity providing the services provided for in subparagraph 1) of part two of this Article;

3) the sale by the subsoil user of mined hard coal, lignite, oil shale to educational and healthcare organizations;

4) use of mined coal, hard coal, brown coal, oil shale in the operation of social facilities, defined by Article 239 of this Code;

5) the sale by the subsoil user of mined hard coal, brown coal, oil shale to recipients of targeted social assistance;

6) processing by the subsoil user of mined hard coal, brown coal, oil shale and (or) their use for their own production needs;

7) use by a subsoil user, which is an energy-producing organization, of mined hard coal, brown coal, combustible shale for the production of electrical and (or) thermal energy for its own needs and (or) sale in accordance with the legislation of the Republic of Kazakhstan on the electric power industry;

8) the sale by the subsoil user of the mined coal of hard, brown coal, combustible shale to an energy-producing organization for the production of electrical and (or) thermal energy for

its own needs and (or) sale in accordance with the legislation of the Republic of Kazakhstan on the electric power industry;

9) the sale by the subsoil user of mined hard coal, lignite, oil shale to organizations engaged in their processing and (or) use in the production of goods.

Unless otherwise established by this article, the mineral extraction tax on all types of solid minerals and mineral raw materials extracted from off-balance reserves of a deposit shall be paid at a rate of 0 percent.

For the purposes of this chapter, off-balance reserves include:

solid minerals and mineral raw materials, which, as of the day preceding the transition to accounting for reserves under the KAZRC Code, were classified as off-balance reserves on the field based on their approval as such by the State commission for mineral reserves;

in the case of solid minerals mining on the subsoil use licenses obtained after the transition to accounting for reserves in accordance with the KAZRC Code, off-balance reserves include solid minerals contained in mineral raw materials, the volumes of which are included in the category of inferred mineral resources and are not proven or probable mineral reserves for the corresponding tax period.

At the same time, the mineral extraction tax rate of 0 percent shall not be applied in the case of the sale of mineral raw materials and (or) solid minerals extracted from off-balance reserves.

2. If the profitability level for a deposit (a group of deposits under one subsoil use contract , part of a deposit) that meets the criteria determined by the Government of the Republic of Kazakhstan in accordance with part two of paragraph 4 of Article 720 of this Code is 5 percent or less, the subsoil user of minerals produced at such a deposit (a group of deposits under one subsoil use contract, parts of a deposit) shall be entitled to apply the mineral extraction tax rates established by this Code as of December 31, 2022.

In case of actual non-compliance of a deposit (a group of deposits under one subsoil use contract, part of a deposit) with the low profitability criteria determined in accordance with part one of this paragraph, the subsoil user shall recalculate tax liabilities no later than the 15th day of the second month following the fourth quarter of the corresponding calendar year for mineral extraction tax on the basis of the rates established by paragraph 1 of this article for the entire year in which such criteria were not met, and shall reflect the received values in an additional declaration on mineral extraction tax for the fourth quarter. The amount of mineral extraction tax reflected in such a declaration is a tax liability for the fourth quarter and shall be payable to the budget in accordance with the generally established procedure.

The provisions of this paragraph shall also apply to deposits (a group of deposits under one subsoil use contract, part of a deposit) for which the subsoil use right has been re-registered (transition to a licensed subsoil use regime) or subsoil plots provided for exploration or production of solid minerals have been transformed (allocation of a subsoil plot).

3. The mineral extraction tax is calculated for a deposit (a group of deposits under one subsoil use contract, parts of a deposit) at 0 percent rate within sixty months from the date of commercial production commencement, subject to the following conditions:

1) commercial production of mineral raw materials at a deposit (a group of deposits under one subsoil use contract, part of a deposit) started after December 31, 2022;

2) the level of internal rate of return for a deposit (a group of deposits under one subsoil use contract, part of a deposit) does not exceed 15 percent;

3) the right to subsoil use for a deposit, for which the tax rate for the extraction of minerals, specified in part one of this paragraph, was applied, is not subject to alienation during the period of application of the provisions of this paragraph, with the exception of alienation in favor of a related entity.

For the purposes of this paragraph, the level of internal rate of return for a deposit (a group of deposits under one subsoil use contract, part of a deposit) shall be determined in accordance with the procedure specified in part two of paragraph 4 of Article 720 of this Code.

In case of non-compliance with the conditions established by subparagraphs 1) and 3) of part one of this paragraph, the mineral extraction tax shall be paid at the rates established in accordance with paragraph 1 or 2 of this article for the entire period of application of the provisions of this paragraph.

Upon reaching the level of the internal rate of return for a deposit (a group of deposits under one subsoil use contract, part of a deposit) of the indicator established by subparagraph 2) of this paragraph, the taxpayer shall recalculate tax liabilities on the mineral extraction tax no later than the 15th day of the second month following the fourth quarter of the corresponding calendar year. The specified recalculation of tax liabilities on the mineral extraction tax shall be made using the rates of the mineral extraction tax specified in paragraph 1 or 2 of this article for the entire year in which the level of internal rate of return exceeded fifteen percent, and shall be reflected in an additional declaration on mineral extraction tax for the fourth quarter of that year. The amount of mineral extraction tax reflected in such a declaration is a tax liability for the fourth quarter and shall be payable to the budget in accordance with the generally established procedure.

If in subsequent periods after recalculation of tax liabilities for the mineral extraction tax the level of the internal rate of return decreases below fifteen percent, the taxpayer is not entitled to apply the provisions of this paragraph for these subsequent periods.

Footnote. Article 746 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); dated 11.07.2022 № 135-VII (shall be enforced from 01.01.2023); dated 21.12.2022 № 165-VII (effective from 01.01.2024).

Clause 3. The mineral extraction tax on common minerals, groundwater and therapeutic muds

Article 747. Taxable item

A taxable item is the physical volume of common minerals, groundwater and therapeutic muds extracted by a subsoil user for a taxable period.

For the purposes of identifying a taxable item, it is necessary to use the units of measurement used in report and summary balances of mineral stocks provided to the authorized body for the study and use of mineral resources.

For the purposes of this Chapter, one cubic meter or one ton shall be recognized as the unit volume of produced common mineral and therapeutic mud.

The mineral extraction tax is not paid in the following cases:

1) when reinjecting groundwater, including in the form of steam generated from it, into the subsoil (pumping out man-made water) to maintain reservoir pressure;

1-1) when disposing of groundwater produced along with hydrocarbons and posing a threat to public health and the environment, in accordance with the water legislation of the Republic of Kazakhstan;

2) in case of discharge of groundwater (mine, quarry, mine water) extracted (abstracted, pumped out) in the course of exploration and (or) extraction of solid minerals;

3) by an individual extracting groundwater at a land plot owned by him/her on the basis of the right of ownership, land use right and other rights to land, provided that extracted groundwater is not used for entrepreneurial activity;

4) on groundwater extracted by state institutions for their own household needs.

Footnote. Article 747 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated December 10, 2020, № 382 -VI (refer to Article 2 for the procedure of enacting).

Article 748. Rates of the mineral extraction tax

1. The rates of the mineral extraction tax on common minerals and therapeutic mud shall be calculated per unit of the volume of produced common mineral and therapeutic muds based on the size of the monthly calculation index established by the law on the republican budget and effective as of January 1 of a relevant financial year and are as follows:

Item №	Name of Mineral	Rates, MCI
1	2	3
1.	Metamorphic rocks, including marble, quartzite, quartz-feldspar rocks	0,02
2.	Igneous rocks, including granite, syenite, diorite, gabbro, rhyolite (liparite), andesite, diabase, basalt, volcanic tuffs, slag, pumice, volcanic glass and vitreous rocks (perlite, obsidian)	0,02
	Sedimentary rocks, including pebbles and gravel, gravel and sand (sand and gravel) mixture, sands and	

3.	sandstones, clays and clay rocks (loams, siltstones, mudstones, shales), common salt, gypsum rocks, marls, limestones, including shell rocks, chalk rocks, dolomites, limestone-dolomite rocks, siliceous rocks (tripoli, flask, diatomite), natural pigments, peat	0,015
4.	Therapeutic mud	0,02

2. The rates of the mineral extraction tax on groundwater are calculated per 1 cubic meter of extracted groundwater based on the monthly calculation index established by the law on the national budget and effective as of January 1 of a relevant financial year and are as follows:

№	Name of minerals	Rates, in MCI
1	2	3
1.	extracted by a subsoil user, except for groundwater specified in lines 2-5 of this table	0.003
2.	Groundwater produced by a subsoil user for carrying out activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies, and (or) subsequent sale to a natural monopoly entity for carrying out activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies	0.001
3.	Mineral underground water, utility and drinking underground water extracted by a subsoil user and used by him for the production of alcoholic products, soft drinks and (or) food products (excluding the production of agricultural products and (or) its processing)	0.250
4.	Actual losses of utility and drinking underground water in the course of activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies, and (or) subsequent sale to a natural monopoly entity for activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies	0.005
5.	Actual losses of mineral underground water, utility and drinking underground water	1,000

	produced by a subsoil user, except for groundwater specified in line 4 of this table	

3. In case of no separate accounting for extracted groundwater for the purposes of applying mineral extraction tax rates to groundwater specified in paragraph 2 of this article, the largest rate shall be applied.

Footnote. Article 748 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced from 01.01.2018); dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2018).

Article 749. Taxable period

The taxable period for the mineral extraction tax is a calendar quarter.

Article 750. Payment deadline

A taxpayer is obliged to pay the calculated amount of the tax to the state budget at its location on or before the 25th day of the second month following a taxable period.

Article 751. Tax declaration

The mineral extraction tax declaration shall be submitted by a subsoil user to the tax authority at its location on or before the 15th day of the second month following a taxable period.

Chapter 86. EXCESS PROFITS TAX

Article 752. General provisions

1. The excess profits tax is calculated for a taxable period for each individual subsoil use contract, under which a subsoil user is a payer of the excess profits tax in accordance with Article 753 of this Code.

2. For the purposes of calculating the excess profits tax, a subsoil user identifies a taxable item, as well as the below mentioned tax-related items, for each individual subsoil use contract in accordance with the procedure established in this Chapter:

1) net income for the purposes of calculating the excess profits tax;

2) taxable income for the purposes of calculating the excess profits tax;

3) gross annual income under a subsoil use contract;

4) deductions for the purposes of calculating the excess profits tax;

5) corporate income tax under a subsoil use contract;

6) the estimated amount of tax on net income of a permanent establishment of a non-resident under a subsoil use contract.

Article 753. The payers

1. The excess profits tax is paid by subsoil users on the activity carried out under each individual subsoil use contract, except for subsoil use contracts specified in paragraph 2 of this article.

2. Not subject to the excess profits tax, established by this Chapter, are subsoil users on the activity carried out under subsoil use contracts:

1) specified in paragraph 1 of Article 722 of this Code;

2) for the exploration and (or) extraction of solid minerals, including common minerals, groundwater and (or) therapeutic mud, provided that these contracts do not provide for the extraction of other groups of minerals;

3) for construction and operation of underground facilities not connected with exploration and production.

Footnote. Article 753 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021).

Article 754. Taxable item

An item subject to the excess profits tax is part of net income of a subsoil user, determined for the purposes of calculating the excess profits tax in accordance with Article 755 of this Code for each individual subsoil use contract for a taxable period, exceeding the amount equal to 25 percent of the subsoil user's deductions for the purposes of calculating the excess profits tax, determined in accordance with Article 758 of this Code.

Article 755. Net income for the purposes of calculating the excess profits tax

1. For the purposes of calculating the excess profits tax, net income is defined as the difference between taxable income for the purposes of calculating the excess profits tax, determined in accordance with Article 756 of this Code, and corporate income tax under a subsoil use contract, calculated in accordance with Article 759 of this Code.

2. For non-residents carrying out the subsoil use activity in the Republic of Kazakhstan through a permanent establishment, net income, for the purposes of calculating the excess profits tax, is further reduced by the calculated amount of the tax on the net income of a permanent establishment under a relevant subsoil use contract, calculated in accordance with Article 760 of this Code.

Article 756. Taxable income for the purposes of calculating the excess profits tax

1. For the purposes of this Chapter, taxable income is defined as the difference between gross annual income for the purposes of calculating the excess profits tax under a subsoil use contract, determined in accordance with Article 757 of this Code, and deductions for the purposes of calculating the excess profits tax, determined in accordance with Article 758 of this Code, with account of the reduction in the amount of income and expenses provided for by Article 288 of this Code.

2. Excess amount of deductions for the purposes of calculating the excess profits tax over the amount of gross annual income for a taxable period is carried forward to pay the excess profits tax of subsequent consecutive taxable periods at the expense of taxable income for the purposes of calculation.

Article 757. Gross annual income under a subsoil use contract for the purposes of calculating the excess profits tax

1. A subsoil user determines gross annual income for the purposes of calculating the excess profits tax for contract activity under each individual subsoil use contract in the manner established by this Code to determine total annual income, except for income provided for in Articles 228, 234 and 235 of this Code, defined in accordance with paragraph 2 of this article.

2. For the purposes of calculating the excess profits tax, the income provided for in Articles 234 and 235 of this Code shall be determined as the amount of full value of sale, transfer and disposal of the assets specified in Articles 258, 259 and 270 of this Code.

The income provided for in Article 228 of this Code shall be determined as the amount of full value of sale, transfer and disposal of the assets specified in Articles 258, 259 and 270 of this Code in case of allocating the value of these assets to deductibles for the purposes of calculating the excess profits tax.

The amount of income from the sale of assets specified in Article 228 of this Code, the value of which shall not be allocated to deductibles for the purposes of calculating the excess profits tax, is determined in accordance with Article 228 of this Code.

Article 758. Deductions for the purposes of calculating the excess profits tax

1. For the purposes of calculating the excess profits tax, the deductions for each individual subsoil use contract are determined as the sum of:

1) expenses to be allocated to deductibles for the purposes of calculating corporate income tax on contract activity in a reporting taxable period in accordance with Articles 242 - 248, 252 - 257, 261 - 263 and 272 of this Code;

2) expenses actually incurred within a taxable period to be included in:

value balances of groups (subgroups) of fixed assets;

separate groups of depreciable assets formed in accordance with Articles 258, 259 and 260 of this Code.

In this case, the costs of acquiring total and (or) indirect fixed assets for the purposes of calculating the excess profits tax are to be allocated to deductibles by the share of direct expenses, attributable to each specific subsoil use contract and non-contract activity, in the total amount of direct expenses incurred by a subsoil user for a taxable period.

2. For the purposes of calculating the excess profits tax for the 2018 taxable period, the amount, accumulated for the purposes of calculating the excess profits tax, that shall be allocated to deductibles for the purposes of calculating the excess profits tax from January 1, 2009 to January 1, 2018, but not allocated thereto, shall be deducted only once.

3. If same types of expenses are provided for in several types of deductions established by this article, these expenses shall be deducted only once when calculating taxable income.

Article 759. Corporate income tax under a subsoil use contract

Corporate income tax under a subsoil use contract is determined for a taxable period for contract activity on each individual subsoil use contract as the product of the rate established by paragraph 1 of Article 313 of this Code and taxable income calculated under such a subsoil

use contract in the manner specified in Article 302 of this Code, reduced by the amounts of income and expenses provided for in Article 288 of this Code, and also the amount of losses under a subsoil use contract carried forward in accordance with Articles 299 and 300 of this Code.

Article 760. Estimated amount of tax on net income of a permanent establishment of a non-resident under a subsoil use contract

The estimated amount of a tax on net income of a permanent establishment of a non-resident under a subsoil use contract for the purposes of this Chapter is determined for a taxable period as the product of the rate of the tax on net income of a permanent establishment of a non-resident established by paragraph 3 of Article 313 of this Code and an item subject to the tax on net income of a permanent establishment of a non-resident, calculated under a subsoil use contract in the manner specified in Article 652 of this Code.

Article 761. The order for calculation

1. The excess profits tax for a taxable period is calculated by applying every appropriate rate for each level, established by Article 762 of this Code, to each part of an item subject to the excess profits tax, belonging to such a level, followed by summation of calculated amounts of the excess profits tax for all levels.

2. For the purposes of application of the provisions of paragraph 1 of this article, a subsoil user:

1) identifies items subject to and related to the excess profits tax under a subsoil use contract;

2) determines maximum amounts for distributing net income for the purposes of calculating the excess profits tax for each level, established by Article 762 of this Code, in the following order:

for levels 1, 2, 3, 4, 5 and 6 - as the product of the percentage for each level indicated in column 3 of the table given in Article 762 of this Code and the amount of deductions for the purposes of calculating the excess profits tax;

for level 7:

if the amount of net income for the purposes of calculating the excess profits tax exceeds 70 percent of the amount of deductions for the purposes of calculating the excess profits tax - as the difference between net income for the purposes of calculating the excess profits tax and the amount equal to 70 percent of the amount of deductions for the purposes of calculating the excess profits tax;

if the amount of net income for the purposes of calculating the excess profits tax is less than or equal to 70 percent of the amount of deductions for the purposes of calculating the excess profits tax - as zero;

3) distributes net income actually received in a taxable period for the purposes of calculating the excess profits tax for the levels provided for in Article 762 of this Code, in the following order:

for level 1:

if the net income amount for the purposes of calculating the excess profits tax for a taxable period exceeds the maximum amount of distribution of net income for the first level, the distributed part of the net income for the first level is equal to the maximum amount of distribution of net income for the first level;

if the amount of net income for the purposes of calculating the excess profits tax for a taxable period is less than the maximum amount of distribution of net income for the first level, the distributed part of net income for the first level is equal to the amount of net income for the purposes of calculating the excess profits tax for a taxable period. In this case, net income is not distributed for the purposes of calculating the excess profits tax for next levels;

for levels 2, 3, 4, 5, 6 and 7:

if the difference between net income for the purposes of calculating the excess profits tax for a taxable period and the total amount of distributed parts of net income for previous levels exceeds or is equal to the maximum amount of distribution of net income for an appropriate level, the distributed part of net income for this level is equal to the maximum amount of distribution of net income for this appropriate level;

if the difference between net income for the purposes of calculating the excess profits tax for a taxable period and the total amount of distributed parts of net income for previous levels is less than the maximum amount of distribution of net income for an appropriate level, the distributed part of net income for this level is equal to this difference.

In this case, net income is not distributed for the purposes of calculating the excess profits tax for next levels.

The total amount of net income divided by levels shall be equal to the total amount of net income for the purposes of calculating the excess profits tax for a taxable period;

4) applies an appropriate rate of the excess profits tax to each part of net income distributed by levels in accordance with Article 762 of this Code;

5) determines the amount of the excess profits tax for a taxable period by summing the calculated amounts of excess profits tax on all levels provided for in Article 762 of this Code.

Article 762. Excess profits tax rates, levels and percentages for calculating the maximum amount of distribution of net income for the purposes of calculating the excess profits tax

A subsoil user pays the excess profits tax by the sliding scale of rates, determined as follows:

Level №	The scale of distributing net income by levels for the purposes of calculating the excess profits tax, the percentage of the amount of deductions	The percentage for calculating the maximum amount of distribution of net income for the purposes of calculating the excess profits tax	Rate (%)
1	2	3	4
1.	less than or equal to 25 percent	25	No

2.	from 25 percent up to 30 percent incl.	5	10
3.	from 30 percent up to 40 percent incl.	10	20
4.	from 40 percent up to 50 percent incl.	10	30
5.	from 50 percent up to 60 percent incl.	10	40
6.	from 60 percent up to 70 percent incl.	10	50
7.	more than 70 percent	in accordance with subparagraph 2) of paragraph 2 of Article 761 of this Code	60

Article 763. Taxable period

1. For the excess profit tax, a taxable period is a calendar year from January 1 through December 31.

2. If a subsoil use contract was concluded within a calendar year, the first taxable period for calculating the excess profits tax under such a contract is a time period running from the date the subsoil use contract enters into force until the end of the calendar year.

3. If a subsoil use contract expires before the end of a calendar year, the last taxable period for calculating the excess profits tax under such a contract is a time period running from the start of the calendar year until the day of expiration of validity of the subsoil use contract.

4. If the validity of a subsoil use contract, which entered into force after the start of a calendar year, expired before the end of this calendar year, a taxable period for calculating the excess profits tax under such a contract is a time period running from the day the subsoil use contract enters into force until the day of expiration of validity of the subsoil use contract.

Article 764. Deadline for tax payment

The excess profits tax shall be paid to the state budget at the location of the taxpayer within ten calendar days of the deadline set for the submission of the declaration.

Article 765. Tax declaration

A taxpayer submits the excess profits tax declaration to the tax authority at its location on or before March 31 of a year following a reporting taxable period.

Chapter 87. ALTERNATIVE SUBSOIL USE TAX

Article 766. General provisions

1. Unless otherwise established by paragraph 4 of this article, legal entities - subsoil users who have concluded, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use:

1) a contract for production and (or) combined exploration and production of hydrocarbons in a subsoil area (areas) located entirely in the Kazakh sector of the Caspian Sea;

2) a contract for production and (or) exploration and production of hydrocarbons for a subsoil area (areas) with the depth of the upper point of hydrocarbon deposits specified in the mining allotment or contract for the extraction or exploration and production of hydrocarbons in the absence of a mining allotment, not higher than 4500 meters and the lower point of hydrocarbon deposits specified in the mining allotment or contract for the production or exploration and production of hydrocarbons in the absence of a mining allotment, 5000 meters and below.

This right shall apply from the date of conclusion of these subsoil use contracts until the expiration date of the relevant subsoil use contract and shall not be subject to change.

Notification on the application of this right shall be sent by the taxpayer to the tax authority at the location no later than thirty calendar days from the date of registration of the relevant subsoil use contract.

2. The right to apply from January 1, 2018, an alternative procedure for fulfilling the tax obligation for special payments and taxes of subsoil users under the contracts specified in paragraph 1 of this Article, concluded before January 1, 2018, shall be made for the entire remaining period of the subsoil use contract and shall not be subject to change, on which the taxpayer shall send a notification to the tax authority at the location no later than March 1, 2018.

3. In case of failure to submit the notifications provided for in paragraphs 1 and 2 of this Article within the established time limits, the fulfilment of the tax obligation to pay for the reimbursement of historical costs, the tax on the extraction of minerals and the tax on excess profits shall be carried out in the manner determined by Chapters 84, 85 and 86 of this Code.

4. An alternative subsoil use tax is applied instead of payment for reimbursement of historical costs, mineral extraction tax, excess profit tax by legal entities - subsoil users who, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, have entered into a contract for exploration and production or production of hydrocarbons for complex projects , by virtue of the relevant contract from the date of its registration. These subsoil users do not send the notification specified in paragraph 1 of this article.

At the same time, for the purposes of this chapter, a contract for exploration and production or production of hydrocarbons for complex projects shall also be recognized as a contract for exploration and production or production of hydrocarbons, set out in a new edition in accordance with the standard contract for exploration and production or production of hydrocarbons for complex projects in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use. In this case, the provisions of part one of this paragraph shall apply from the date of registration of the amendment to the previously concluded subsoil use contract.

Footnote. Article 766 as amended by the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2021); as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023)

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Article 767. The order for calculating alternative subsoil use tax

1. An alternative subsoil use tax is determined for a taxable period on contract activity with regard to each individual subsoil use contract.

2. An item subject to an alternative subsoil use tax is defined as the difference between total annual income for the purposes of calculating an alternative subsoil use tax and deductions for the purposes of an alternative subsoil use tax, with account of the adjustments provided for in Article 287 of this Code.

Given the specifics provided for in paragraph 4 of Article 722-1 of this Code, for a subsoil user under a contract for exploration and production or production of hydrocarbons on complex offshore projects, the excess of deductions for the purposes of calculating the alternative tax on subsoil use over the amount of the total annual income calculated for the purposes of the alternative tax on subsoil use for the tax period shall be carried over to the next ten years inclusive for repayment at the expense of the taxable income calculated for the purposes of the alternative tax on subsoil use of the taxable income of these subsequent tax periods.

3. Total annual income for the purposes of calculating an alternative subsoil use tax is determined in accordance with the procedure specified in this Code for the purposes of calculating corporate income tax, except for the excess of the amount of positive exchange rate difference over the amount of negative exchange rate difference not to be included in total annual income for purposes of calculating an alternative subsoil use tax and without account of the adjustment of total annual income provided for in Article 241 of this Code.

For the purposes of this paragraph, the excess of the amount of a positive exchange difference over the amount of a negative exchange difference arising from the write-off prior to commercial discovery during the period of exploration by a strategic partner of the obligations of a national company for subsoil use or a legal entity whose shares (stakes in the authorized capital) are directly or indirectly owned by such national mining company shall not be considered as an income.

4. Deductions for the purposes of calculating an alternative subsoil use tax shall be determined in accordance with the procedure established by this Code for the purposes of calculating corporate income tax, with account of the following:

remuneration, including that to be allocated to deductibles in accordance with Article 246 of this Code or to be accounted for as capital expenses, is not subject to deduction;

the excess of the amount of a negative exchange difference over the amount of a positive exchange difference, including as part of the expenses attributable to deductions in accordance with Article 258 of this Code, shall not be subject to deduction;

the amount of the calculated (assessed) corporate income tax is not deductible.

5. If same expenses (costs) are provided for in several types of expenses (costs) established by paragraph 4 of this article, when calculating an alternative subsoil use tax, these expenses (costs) shall be deducted only once.

6. An alternative subsoil use tax is calculated as the product of an item subject to such a subsoil use tax and the rate established by Article 768 of this Code.

Footnote. Article 767 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 768. Tax rate

Unless otherwise provided by this article, the alternative subsoil use tax shall be calculated at the following rates issuing from the world oil price calculated as specified in paragraph 3 of Article 741 of this Code:

№	World price	Rate, %
1	2	3
1.	Up to $ 50 per barrel incl.	0
2.	Up to $ 60 per barrel incl.	6
3.	Up to $ 70 per barrel incl.	12
4.	Up to $ 80 per barrel incl.	18
5.	Up to $ 90 per barrel incl.	24
6.	Up to $ 100 per barrel incl.	30
7.	Up to $ 110 per barrel incl.	32
8.	Up to $ 120 per barrel incl.	34
9.	Up to $ 130 per barrel incl.	36
10.	Up to $ 140 per barrel incl.	38
11.	Up to $ 150 per barrel incl.	40
12.	Over $ 150 per barrel	42

Given the specifics provided for in paragraph 4 of Article 722-1 of this Code, under contracts for the exploration and production or production of hydrocarbons on complex offshore projects in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, the alternative subsoil use tax shall be calculated at the following rates based on the world oil price calculated as specified in paragraph 3 of Article 741 of this Code:

№	World price	Rate, %
1	2	3
1.	Up to $ 50 per barrel incl.	0
2.	Up to $ 60 per barrel incl.	2
3.	Up to $ 70 per barrel incl.	4
4.	Up to $ 80 per barrel incl.	6
5.	Up to $ 90 per barrel incl.	8

6.	Up to $ 100 per barrel incl.	10
7.	Up to $ 110 per barrel incl.	10,7
8.	Up to $ 120 per barrel incl.	11,3
9.	Up to $ 130 per barrel incl.	12,0
10.	Up to $ 140 per barrel incl.	12,7
11.	Up to $ 150 per barrel incl.	13,3
12.	Over $ 150 per barrel	14,0

Footnote. Article 768 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Article 769. Taxable period

1. A taxable period for an alternative subsoil use tax is a calendar year.

2. If a subsoil use contract was concluded within a calendar year, the first taxable period for calculating an alternative subsoil use tax under such a contract is the time period running from the date the subsoil use contract enters into force until the end of the calendar year.

3. If a subsoil use contract expires before the end of a calendar year, the last taxable period for calculating an alternative subsoil use tax under such a contract is the time period running from the start of the calendar year until the day of expiration of validity of the subsoil use contract.

4. If the validity of a subsoil use contract that entered into force after the start of a calendar year expired before the end of this calendar year, the taxable period for calculating the alternative subsoil use tax under such a contract is the time period running from the date the subsoil use contract enters into force until the day of expiration of validity of the subsoil use contract.

Article 770. Deadline for tax payment

An alternative subsoil use tax is paid to the state budget at the location of the taxpayer within ten calendar days of the deadline for the submission of the declaration.

Article 771. Tax declaration

An alternative subsoil use tax declaration is submitted by a taxpayer to the tax authority at the location on or before March 31 of a year following a reporting taxable period.

Chapter 88. THE ORDER FOR FULFILLMENT OF TAX OBLIGATIONS FOR MINERAL EXTRACTION TAX, EXPORT RENT TAX ON HYDROCARBONS, ROYALTIES AND SHARE OF THE REPUBLIC OF KAZAKHSTAN WITHIN IN-KIND PRODUCTION SHARING

Article 772. The order for fulfillment of the tax obligation for royalties and share of the Republic of Kazakhstan within in-kind production sharing

1. The fulfillment of the tax obligation for cash payment of royalties and share of the Republic of Kazakhstan within production sharing can be temporarily replaced by in-kind payment, in full or in part, provided all of the following requirements are met:

1) production sharing agreements, subsoil use contracts, approved by the President of the Republic of Kazakhstan, specified in Article 722 of this Code, provide for in-kind transfer of minerals by a subsoil user in order to fulfill its tax obligation for the payment of royalties and (or) share of the Republic of Kazakhstan within production sharing;

2) by its decision, the Government of the Republic of Kazakhstan appoints a recipient on behalf of the state of minerals transferred by a subsoil user to fulfill its tax obligation in kind.

2. To fulfill its tax obligation in kind:

1) a subsoil user transfers minerals to the recipient on behalf of the state in accordance with the procedure and within the time limits established by a production sharing agreement and (or) a subsoil use contract approved by the President of the Republic of Kazakhstan, specified in Article 722 of this Code, or by another document provided for by such an agreement and (or) a contract;

2) the recipient on behalf of the state sells minerals on its own or through a person authorized thereto by the recipient on behalf of the state, in compliance with the legislation of the Republic of Kazakhstan on transfer pricing.

Minerals received as in-kind fulfillment of the obligation by a subsoil user are sold in keeping with the principles of:

legality;

transparency;

certainty;

conscientiousness;

fairness;

profit maximization;

minimization of associated costs;

3) the recipient on behalf of the state or a person, authorized thereto by the recipient on behalf of the state, determines and transfers to the state budget current payments in the amount calculated in accordance with the procedure for in-kind fulfillment of the obligation determined by the Government of the Republic of Kazakhstan;

4) the subsoil user and the recipient on behalf of the state submit to the tax authorities at the location the declaration (calculation of current payments) of in-kind fulfillment of the tax obligation in the manner prescribed by this Code and in the form established by the authorized body.

3. A taxable period for a subsoil user to fulfill the tax obligation for taxes in kind is a calendar quarter.

For the recipient on behalf of the state, a taxable period for the payment of money received from actual sale of minerals transferred by the subsoil user to fulfill its tax obligation in kind is a calendar year.

4. The determination of the volume of minerals transferred to fulfill the tax obligation in kind, its calculation in monetary terms, as well as their sale shall be carried out in accordance

with the procedure for in-kind fulfillment of the obligation determined by the Government of the Republic of Kazakhstan.

5. A subsoil user submits to the tax authority at its location a declaration of in-kind fulfillment of a tax obligation on or before the 15th day of the second month following a taxable period.

6. The recipient on behalf of the state shall submit to the tax authority at its location:

1) the calculation of current payments for in-kind fulfillment of the tax obligation on or before the 15th day of the second month following a taxable period.

Except for cases provided for in paragraph 3 of Article 210 of this Code, it is not allowed to submit the calculation of current payments for in-kind fulfillment of the tax obligation, to introduce amendments and additions to it, and also to withdraw it after the deadline set for submitting the declaration specified in subparagraph 2) of this paragraph;

2) a declaration of in-kind fulfillment of the tax obligation for a calendar year on or before March 31 of a year following a reporting calendar year.

The recipient on behalf of the state does not submit corporate income tax and VAT declarations in respect of an activity related to in-kind fulfillment of the tax obligation.

7. Within a taxable period, quarterly, the recipient on behalf of the state determines current payments to pay taxes in kind and transfers them to the state budget on or before the 25th day of the second month following a taxable period, except for current payments specified in part two of this paragraph.

Current payments on minerals sold in the first quarter, received for previous taxable periods are to be indicated in the additional calculation of current payments in kind for the fourth quarter of a previous calendar year and are transferred to the state budget within the time period established by paragraph 8 of this article.

Current payments are transferred to the state budget in the amount of money received in a relevant taxable period from the sale of minerals, less the expenses for such sales, subject to reimbursement in accordance with the procedure for in-kind fulfillment of the obligation determined by the Government of the Republic of Kazakhstan.

8. Within ten calendar days of the deadline for submitting the declaration of in-kind fulfillment of the tax obligation, the recipient on behalf of the state shall pay the money received from the sale of minerals transferred within a previous calendar year by a subsoil user to fulfill its tax obligation in kind. Such payment shall be in the currency specified in a relevant production sharing agreement (contract) and (or) a subsoil use contract approved by the President of the Republic of Kazakhstan, indicated in Article 722 of this Code.

The amount of the in-kind tax obligation for a calendar year is determined in accordance with the procedure for in-kind fulfillment of the obligation determined by the Government of the Republic of Kazakhstan.

9. When making the payment (transferring money), payment documents shall include the name and identification number of the recipient on behalf of the state.

10. An overdue tax obligation shall be determined in the size of the physical volume of minerals under an overdue tax obligation converted into in monetary value.

11. The physical volume of minerals under an overdue tax obligation for a subsoil user is defined as the difference between the physical volume of minerals to be transferred for a taxable period and the physical volume of minerals actually transferred for a taxable period.

The physical volume of minerals is converted into monetary value using conditional prices determined in accordance with production sharing agreements (contracts), a subsoil use contract approved by the President of the Republic of Kazakhstan provided for in Article 722 of this Code.

In case of no procedure for determining conditional prices in production sharing agreements (contracts), a subsoil use contract approved by the President of the Republic of Kazakhstan as provided for in Article 722 of this Code, such conditional prices shall be determined in accordance with the procedure for in-kind fulfillment of the obligation determined by the Government of the Republic of Kazakhstan.

12. The physical volume of minerals under an overdue tax obligation for a calendar year for a recipient on behalf of the state is defined as difference between the physical volume of minerals, received to fulfill the tax obligation in kind, to be sold for a reporting calendar year, calculated in accordance with the procedure for in-kind fulfillment of the obligation, determined by the Government of the Republic of Kazakhstan, and the physical volume of minerals actually sold in a reporting calendar year.

The physical volume of minerals under an overdue tax obligation for a calendar year for the recipient on behalf of the state is converted into monetary value using the weighted average actual price for a reporting calendar year, but not below the average weighted conditional price provided for in paragraph 11 of this article.

Article 773. The order for in-kind payment of the mineral extraction tax, the export rent tax on hydrocarbons

1. In cases established by paragraph 2 of Article 715 and paragraph 2 of Article 737 of this Code, a taxpayer is obliged to transfer to the Republic of Kazakhstan minerals in kind to pay the mineral extraction tax, the export rent tax on hydrocarbons.

2. The monetary form of payment of the mineral extraction tax and the export rent tax on hydrocarbons, established by this Code, may be temporarily replaced, in full or in part.

3. The amount of the mineral extraction tax and the export rent tax on hydrocarbons, established by this Code, paid in kind, shall be equivalent to the sum of these taxes and payments calculated in monetary terms in accordance with the procedure and in amounts established by this Code.

The determination of the volume of minerals transferred by a subsoil user to fulfill its tax obligation in kind, its calculation in monetary terms, and the sale of such minerals are carried

out in accordance with the procedure for in-kind fulfillment of the obligation determined by the Government of the Republic of Kazakhstan.

4. In case of conclusion of an additional agreement providing for the taxpayer's in-kind payment of the mineral extraction tax and the export rent tax on hydrocarbons established by this Code, it must specify:

1) the recipient on behalf of the state of the volumes of minerals transferred in kind by the taxpayer to the Republic of Kazakhstan in the form of the mineral extraction tax, the export rent tax on hydrocarbons;

2) a clause, terms of and time limits for the supply of volumes of minerals in the form of the mineral extraction tax, the export rent tax on hydrocarbons, transferred by the taxpayer to the Republic of Kazakhstan in kind.

5. The timeframe for the taxpayer's transfer of minerals transferred in kind to pay the mineral extraction tax and the export rent tax on hydrocarbons established by this Code shall comply with the time limits for payment of the specified taxes and payments to the budget in monetary form established by this Code.

6. The recipient on behalf of the state transfers to the state budget the due amount of the mineral extraction tax, the export rent tax on hydrocarbons in monetary terms within the time limits for the payment of these taxes and payments established by this Code.

7. The recipient on behalf of the state, on its own, monitors the timeliness and completeness of transfer of relevant volume of minerals by a taxpayer.

The responsibility for complete and timely payment to the state budget of the mineral extraction tax and the export rent tax on hydrocarbons established by this Code, transferred by a taxpayer to the Republic of Kazakhstan in kind, shall be borne by the recipient on behalf of the state from the date of actual shipment by the taxpayer of relevant volumes of minerals.

8. The taxpayer and the recipient on behalf of the state submit to the tax authorities at their location statements of amounts and terms of in-kind payment (transfer) of the mineral extraction tax and the export rent tax on crude oil, gas condensate, established by this Code, within the time limits established by this Code and in the forms approved by the authorized body.

SECTION 24. UNIFIED PAYMENT

Footnote. Code is supplemented by Section 24 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); was valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

Section 24-1. Single payment

Footnote. The Code shall be supplemented by section 24-1 in accordance with the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023) .

Chapter 89-1.Single payment

Article 776-1. General provisions

1. In the relevant declaration the tax agent shall independently determine the unified procedure for taxing the income of employees subject to taxation at the source of payment, in accordance with the provisions of this Chapter or in accordance with the provisions of Section 8 of this Code.

2. For the purposes of this chapter, tax agents shall be understood to be individual entrepreneurs and legal entities that are micro and small business entities applying special tax regimes prescribed by paragraph 3 of Chapter 77, Chapters 77-2 and 78 of this Code, paying income to an individual, with the exception of an individual - non-resident, in the form of wages and who have chosen to fulfill their obligations on calculation, withholding and transfer of individual income tax on such income as part of a single payment.

3. The single payment shall comprise the amounts of individual income tax payable on income subject to taxation at the payment source, mandatory pension contributions and mandatory pension contributions of the employer, social contributions paid in accordance with the Social Code of the Republic of Kazakhstan, contributions and deductions for compulsory social health insurance, paid pursuant to the Law of the Republic of Kazakhstan “ On Compulsory Social Health Insurance”.

4. The chosen procedure for taxing the employees’ income subject to taxation at the source of payment in the initial or next declaration is not subject to change during the tax period.

Footnote. Article 776-1 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023); dated12.12.2023 № 45-VIII (effective from 01.07.2023).

Article 776-2. Object of taxation by a single payment

The object of taxation by a single payment is the income of an employee, with the exception of a non-resident employee, provided for in Article 322 of this Code, accrued by an employer that is a micro- and small business entity that applies special tax regimes provided for in paragraph 3 of Chapter 77, Chapters 77-2 and 78 of this Code.

Footnote. Article 776-2 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Article 776-3. The single payment rate and the share of individual income tax in it on income taxable at the source of payment

1. The single payment rate applied to the object of taxation shall be:

from January 1, 2023 - 20.0 percent;

from January 1, 2024 - 21.5 percent;
from January 1, 2025 - 23.8 percent;
from January 1, 2026 - 24.8 percent;
from January 1, 2027 - 25.8 percent;
from January 1, 2028 - 26.3 percent.

At the same time, for workers exempt from social payments (except for mandatory occupational pension contributions) in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance", as well as for workers for whom, in accordance with subparagraphs 1) , 7), 8), 9), 11), 12) and 13) of paragraph 1 of Article 26 of the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance", contributions for compulsory social health insurance are paid by the state, the single payment rate is reduced by the corresponding share of social payments (except for mandatory occupational pension contributions).

2. The share of individual income tax of the single payment payer from the single payment rate shall be:

from January 1, 2023 - 9.0 percent;
from January 1, 2024 - 8.4 percent;
from January 1, 2025 - 7.6 percent;
from January 1, 2026 - 7.3 percent;
from January 1, 2027 - 7.0 percent;
from January 1, 2028 - 6.9 percent.

Article 776-4. The procedure for calculating, paying a single payment and reflecting obligations on it in the relevant tax reporting

1. The calculation, withholding of the relevant shares of the single payment and its transfer, and also reflection of obligations on it in the relevant tax reporting, shall be carried out by the tax agent in the manner and within the time frames established by this chapter.

2. Calculation of a single payment shall be made by a tax agent when accruing the taxation object.

3. Withholding the amounts of the corresponding shares of the single payment due to individual income tax, mandatory pension contributions, mandatory social health insurance contributions shall be made by the tax agent no later than the day of payment of income subject to taxation at the source of payment.

4. Employer's mandatory pension contributions, social contributions and mandatory social health insurance contributions shall be made by tax agents at their own expense in favor of employees.

5. The tax agent shall transfer the single payment on accrued income on a monthly basis no later than the 25th day of the month following the reporting one, in the total amount

through second-tier banks or organizations engaged in certain types of banking operations, to the bank account of the Government for Citizens State Corporation, indicating the month, for which such a single payment is transferred.

6. Payment, transfer of a single payment, penalties on a single payment and their distribution by way of individual income tax and social payments (with the exception of mandatory occupational pension contributions), penalties, as well as their return shall be carried out in the manner determined by the state authorized social security body in agreement with the National Bank of the Republic of Kazakhstan, the authorized body, also authorized state bodies of state planning, healthcare and digital development.

7. The amounts of a single payment shall be reflected in the relevant declarations in the manner prescribed by Articles 358, 688 and 707 of this Code.

Footnote. Article 776-4 as amended by the Law of the Republic of Kazakhstan dated 20.03.2023 № 213-VII (shall be enforced from 01.01.2023).

Article 776-5. Taxable period

The tax period for the calculation of a single payment by tax agents shall be a calendar month.

Article 776-6. Competence of the State Corporation "Government for Citizens" as part of the single payment

1. Within the framework of the single payment the State Corporation Government for Citizens shall carry out the following types of activities related to the state monopoly:

1) maintain a personalized record of payers of the single payment based on an individual identification number;

2) update the personalized accounting of single payment payers;

3) distribute and transfer the amount of the single payment to the State Social Insurance Fund, the social health insurance fund, the unified accumulative pension fund and the corresponding budget at the location of the tax agent;

4) return erroneously (excessively) paid amounts of a single payment in the manner determined by the authorized social security state body in agreement with the National Bank of the Republic of Kazakhstan, the authorized body, as well as the authorized state bodies for state planning, healthcare and digital development .

2. Prices for works, services produced and (or) sold by the State Corporation Government for Citizens shall be established by the authorized body, determined by the decision of the Government of the Republic of Kazakhstan from among the central state bodies, in agreement with the antimonopoly body and the authorized body.

Section 25 Peculiarities of taxation of foreign companies in the course of electronic trade in goods, provision of services in the electronic form to individuals

Footnote. The Code was supplemented by section 25 in accordance with the Law of the Republic of Kazakhstan dated 10.12.2020 № 382-VI (shall come into effect from 01.01.2022) .

Chapter 90 Peculiarities of taxation of a foreign company in the course of electronic trading in goods, provision of services in the electronic form to individuals

Article 777. Basic concepts used in this section

1. Basic concepts used in this section:

1) Internet platform - an information system posted on the Internet for organizing electronic trade in goods;

2) merchant ID is a unique set of characters identifying a foreign company as the recipient of payment and (or) transfer of money using payment systems;

3) electronic trade in goods - entrepreneurial activities for the sale of goods to individuals, carried out through the Internet site;

4) a foreign company - a legal entity-non-resident or another form of a foreign organization of entrepreneurial activity without forming a legal entity;

5) services in electronic form - services provided to individuals through a network of telecommunications and the Internet.

Footnote. Article 777 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 778 Conditional registration of a foreign company

1. For conditional registration as a taxpayer, a foreign company shall send a confirmation letter by mail on paper to the tax authority indicating:

1) full name of the foreign company;

2) tax registration number (or its equivalent), if such a number exists in the country of incorporation or the country of residence of the non-resident;

3) state registration number (or its equivalent) in the country of incorporation of the non-resident or the country of residence of the non-resident;

4) bank details from which the payment of value-added tax will be made in the course of electronic trade in goods, provision of services in the electronic form to individuals;

4-1) the list of details, including the data of the merchant ID used to receive payments and (or) transfers of money;

5) postal details (official email address, location address in the country of incorporation or country of residence of a non-resident).

For the purposes of this section, the provisions of Chapter 9 of this Code shall not apply to a foreign company.

Footnote. Article 778 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 779. General provisions

1. Foreign company shall be recognized as a payer of value-added tax:

through the Internet platform of which electronic trade in goods is carried out;

providing services in electronic form.

For the purposes of this paragraph, a foreign company shall not include a person who has been registered for value-added tax in accordance with Articles 82 and 83 of this Code.

2. Payer of value-added tax shall calculate value-added tax when carrying out electronic trade in goods, rendering services in the electronic form to individuals in the manner established by this Section, if one of the following conditions is met:

the place of residence of the individual buyer is the Republic of Kazakhstan;

the location of the bank in which the bank account is opened, used by the individual buyer to pay for services, or the electronic money operator through which the individual buyer pays for services, is the territory of the Republic of Kazakhstan;

the network address of the individual purchaser used when purchasing the services is registered in the Republic of Kazakhstan;

the international country code of the telephone number (including mobile) used to purchase or pay for services is assigned by the Republic of Kazakhstan.

3. Issuance of invoices by the payer of value-added tax for goods sold, services rendered to individuals in electronic form is not required.

4. Value added tax in implementation of electronic trade in goods, providing services in electronic form to individuals is not subject to calculation and payment in the following cases:

1) in terms of excess of the value and (or) weight rate determined in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, according to which customs duties, taxes were paid in the Republic of Kazakhstan in the form of a total customs payment and are not refunded;

2) if the cost of such goods and services is included in the amount of taxable imports determined in accordance with Article 444 of this Code, according to which value added tax on goods imported from the member states of the Eurasian Economic Union is paid to the budget of the Republic of Kazakhstan and is not subject to return in accordance with chapter 50 of this Code.

Footnote. Article 779 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 85-VII (shall be enforced from 01.01.2022).

Article 780 Procedure for calculation and payment of value-added tax in the course of electronic trade in goods, provision of services in the electronic form to individuals

1. Value added tax in the course of electronic trade in goods, provision of services in the electronic form to individuals shall be calculated by applying the tax rate established by paragraph 1 of Article 422 of this Code to the cost of goods and services sold in electronic form.

The cost of goods sold in electronic form, services rendered to individuals in foreign currency shall be converted to tenge on the market exchange rate as of the last business day preceding the tax payment date.

A foreign company shall be obliged to pay the calculated value-added tax when conducting electronic trade in goods, providing services in the electronic form to individuals to the budget, for each quarter no later than the 25th day of the second month following the quarter in which the sale of goods, the provision of services.

2. For the purposes of this section, the date of the turnover in electronic trade in goods and (or) provision of services in electronic form to individuals shall be the date of payment by the buyer of goods and (or) services.

3. Paid sums of value added tax in accordance with this article are not refundable.

Footnote. Article 780 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 165-VII (shall be enforced from 01.01.2023).

Section 26. Transitional provisions

Footnote. The Code has been supplemented with Section 26 under Law of the Republic of Kazakhstan № 208-VIII of 15.07.2025 (see Article 2 for the enactment procedure).

Article 781. Transitional provisions on the calculation, withholding and payment of personal income tax from 1 January 2025

1. This article establishes transitional provisions for the calculation, withholding and payment of personal income tax on taxable income at source and taxable income of persons engaged in private practice for the period from 1 January 2025 to the last day of the month, which enacts the Law of the Republic of Kazakhstan “On Amendments and Additions to the Code of the Republic of Kazakhstan “On Taxes and Other Mandatory Payments to the Budget ” (Tax Code) and the Laws of the Republic of Kazakhstan on Its Implementation” (hereinafter referred to as the Law for the purposes of this article).

2. Upon application by an individual for tax deductions, the tax agent shall be entitled to apply a preliminary amount of other deductions, starting from any calendar month of 2025 within the calendar year.

3. A person engaged in private practice shall pay individual income tax calculated on taxable income for the period from 1 January 2025 to the last day of the month in which the Law came into force, no later than the 5th day of the month following the month in which the Law came into force.

Article 782. Establish that the provisions of paragraphs 3 and 5 of Article 3 of this Code shall not apply to taxpayers from 1 January 2025 to 1 January 2026 when they apply paragraph 1 of Article 302, Articles 223 and 313 of this Code.

Article 783. To suspend from 1 January 2025 to 1 January 2026:

1) the effect of Article 223 of this Code, establishing that in the period of suspension, this article shall apply in the following wording:

"Article 223. Objects of taxation

The objects of corporate income tax shall be:

1) taxable income;

2) income taxed at source;

3) net income of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

4) taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, excluding those registered in countries with preferential taxation;

5) taxable income of controlled foreign companies and permanent establishments of controlled foreign companies registered in countries with preferential taxation;

6) income measured as the sum of the following income for 2025 concerning:

increase in value upon sale of government securities (less losses from sale of government securities),

income from currency and interest rate swaps concluded for a term of up to one year (less losses on currency and interest rate swaps concluded for a term of up to one year), specified under Article 279 of this Code,

remuneration on repo transactions concluded for a term of up to one year (reduced by the amount of expenses in the form of remuneration on repo transactions concluded for a term of up to one year);

remuneration on government securities;

remuneration on deposits placed with the National Bank of the Republic of Kazakhstan for a term of up to one year;

2) the effect of paragraph 1 of Article 302 of the Tax Code, establishing that within the period of suspension, this paragraph shall apply in the following wording:

“1. Corporate income tax, excluding corporate income tax on net income and corporate income tax withheld at source, shall be calculated for the tax period in the following manner:

the product of the rate established by paragraph 1 or 2 of Article 313 of this Code and the taxable income reduced by the amount of income and expenses stipulated by Article 288 of this Code, as well as reduced by the amount of losses transferred pursuant to Article 300 of this Code,

plus

the product of the rate established by paragraph 1-1 of Article 313 of this Code and the taxable object specified in sub-paragraph 4) of Article 223 of this Code, reduced by the amount of losses brought forward pursuant to part two of paragraph 1 of Article 300 of this Code,

plus

the product of the rate established by paragraph 1-1 of Article 313 of this Code and the taxable object stipulated by sub-paragraph 5) of Article 223 of this Code,

plus

the product of the rate established by paragraph 1-2 of Article 313 of this Code and the taxable object specified in sub-paragraph 6) of Article 223 of this Code,

minus

the amount of corporate income tax offset pursuant to Article 303 of this Code,

minus

the amount of corporate income tax withheld within the tax period at source from income in the form of winnings, which is reduced pursuant to paragraph 2 of this Article,

minus

the amount of corporate income tax withheld at source from income in the form of remuneration, dividends, brought forward from previous tax periods pursuant to paragraph 3 of this article,

minus

the amount of corporate income tax withheld at source in the tax period from income in the form of remuneration, dividends, which is reduced pursuant to paragraph 2 of this article";

3) the effect of Article 313 of this Code, establishing that within the period of suspension, this article shall apply in the following wording:

"Article 313. Tax rates

1. The taxable income of a taxpayer, reduced by the amount of income and expenses envisaged in Article 288 of this Code and by the amount of losses transferred under the procedure specified in Article 300 of this Code, shall be subject to taxation at a rate of 20 per cent, unless otherwise specified in paragraph 2 of this Article..

1-1. Taxable items designated in sub-paragraphs 4) and 5) of Article 223 of this Code shall be subject to taxation at a rate of 20 per cent.

1-2. Taxable items designated in sub-paragraph 6) of Article 223 of this Code shall be subject to taxation at a rate of 10 per cent.

2. The taxable income of legal entities that are producers of agricultural products and aquaculture (fish farming) products less the amount of income and expenses stipulated in Article 288 of this Code and the amount of losses transferred according to the procedure established by Article 300 of this Code, shall be subject to taxation at a rate of 10 per cent if such income is derived from activities related to the production of agricultural products, aquaculture (fish farming) products, processing and sale of such products of own production, as well as products of such processing.

For the purposes of this Code, income received from the activities mentioned in the first part of this paragraph shall include budget subsidies granted to agricultural producers in the following areas:

1) reduction of interest rates for entities in the agro-industrial complex on leases of agricultural machinery and technological equipment, as well as on loans for technological equipment;

2) preservation and development of the gene pool of valuable plant varieties and breeds of farm animals, birds and fish;

3) development of seed production;

4) improvement of the productivity and quality of livestock products;

5) improvement of the productivity and quality of aquaculture products (fish farming);

6) increasing crop yields and quality, reducing the cost of fuel, lubricants and other supplies needed for spring fieldwork and harvesting by subsidising the production of priority crops;

7) reducing the cost of fertilisers (excluding organic fertilisers) for domestic agricultural producers);

8) reducing the cost of herbicides, bioagents (entomophages) and biological preparations intended for the treatment of agricultural crops for the purpose of plant protection for agricultural producers;

9) developing livestock breeding;

10) planting and growing (including restoring) perennial fruit and berry crops and grapes;

11) cultivating agricultural crops in protected ground;

12) reducing the cost of transport expenses when exporting agricultural products;

13) reimbursement of part of the expenses incurred by an entity in the agro-industrial complex when making investments aimed at creating new or expanding existing production capacities for the production of agricultural products.

3. Income taxed at the source of payment, excluding income of non-residents from sources in the Republic of Kazakhstan shall be subject to withholding tax at the rate of 15 percent.

4. Income of non-residents from sources in the Republic of Kazakhstan established by sub-paragraphs 1) – 9), 11) – 34) paragraph 1 of Article 644 of this Code, which are not related to the permanent establishment of such non-residents, as well as the income mentioned in sub-paragraph 10) of paragraph 1 of Article 644 of this Code, shall be taxed at the rates established by Article 646 of this Code.

5. The net income of a non–resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall be subject to corporate income tax at the rate and under the procedure established by Article 652 of this Code.”.

Article 784. Establish that from the date of entry into force of the Law of the Republic of Kazakhstan “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Improving the System of State Support for the Field of Innovation and State Statistics”, the activities of the Astana Hub International Technology Park and its participants, as well as the activities of the participants of the Park of Innovative Technologies Innovation Cluster shall be considered as the activities of the Astana Hub Autonomous Cluster Fund, the Astana Hub Innovation Cluster and its participants.

President

of the Republic of Kazakhstan *N. Nazarbayev*

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