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# *Increase in the late interest penalty*

*March 2017*

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## *In brief*

Starting from 1 April 2017, the official refinancing rate will double, resulting in increase in the late interest penalty.

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## *In detail*

Starting from 1 April 2017, the official refinancing rate will double, being equal to the base rate of the National Bank (11%). Currently rate is 5.5%.

This results in an increase in the late interest penalty for the late settlement of taxes and other obligatory payments.

The effective annual interest rate for calculating the late interest penalties increases from 13,75% to 27,5%.

Note that costs with late interest penalty are non-deductible for CIT purposes.

## *The Takeaway*

Given this hike, we recommend reviewing internal controls related to settlement of taxes.

## Tax and Legal Alert

### PwC Kazakhstan

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#### *Let's talk*

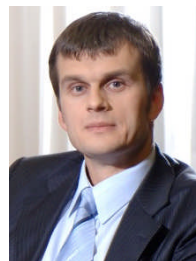
If you are interested in further information, please contact PwC specialists providing services to your Company or any person below.



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