

# *New changes in tax appeal procedure*

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## ***New changes in tax appeal procedure***

In 2015, the President signed the new Civil Procedure Code of the Republic of Kazakhstan ("CPC"), as well as new Entrepreneurial Code of the Republic of Kazakhstan. In this regard, please note the changes in the procedure of tax disputes resolution through the courts, which will come into effect from January 1, 2016.

### Three levels of the new court system

The main change introduced by the new Civil Procedure Code is the transition to a three-tier court system: the first instance for consideration of tax disputes – in special interregional economic courts ("SIEC"), appeal – in regional courts, cassation – in the Supreme Court, which could significantly reduce the duration of proceedings.

The period of appeal against the decision of the first instance court has been increased from 15 days to 1 month. The period for contesting the court acts of the appeal instance will be 6 months from the date when the act enters into force.

### Investment courts

From January 1, 2016 there will be established a special procedure for civil cases on disputes between investors and state authorities.

Consideration of civil cases on investment disputes (for example, a dispute on the fulfillment of investor's obligations under the contract for investment project implementation) will be implemented based on the rules of the first instance court:

- 1) by the Court of Astana city;
- 2) by the Supreme Court of the Republic of Kazakhstan - in cases where the party to the proceedings is the largest investor (investment amount not less than 2 million MCI).

Furthermore, based on the rules of the first instance court the Court of Astana city will consider and resolve civil cases on other disputes between investors and state authorities (including appeal of the tax audit results).

### State duty

Starting 2016, the following limits are established for the state duty set for the application relating to tax appeals:

- for individual entrepreneur and farmers – 5 00 MCI (slightly more than 1 million KZT);
- for legal entities – 20 000 MCI (42,2 million KZT).

Starting 2016, in the case of appeal against the decision of the first instance court to the higher appeal instance the state duty will not be paid.

PwC successfully supported the clients with appealing the tax audit results. If you are interested in a more detailed information on the process and procedure of appealing on tax matters, please do not hesitate to contact us.

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