



New package of amendments to the Tax Code

Contacts

Timur Zhursunov

Partner
Tax and Legal Services
timur.zhursunov@pwc.com

Elena Kaeva

Partner
Tax and Legal Services
elena.kaeva@pwc.com

Alexey Zhukov

Director
Tax Services
alexey.zhukov@pwc.com

Anuar Adilkhan

Director
Tax Services
anuar.adilkhan@pwc.com

Mikhail Kovalenko

Director
Tax Services
mikhail.kovalenko@pwc.com

Nursultan Nurbayev

Director
Tax Services
nursultan.nurbayev@pwc.com

If you are interested in additional information, please contact us.

On 12 December 2023, the President signed the Law on introduction of amendments to the Tax Code (the "**Law**").

Below are some interesting, from our perspective, amendments introduced by the Law to the Tax Code.

Desktop control (effective from February 12, 2024)

For high-risk notifications, the tax authorities have the right to recognize them as unfulfilled in case of disagreement with explanations provided by taxpayers in response to the notifications on elimination of violations identified by the results of the desktop control.

At the same time, a decision of the state revenue authority on recognition of notifications on elimination of violations as unfulfilled will no longer be a reason for suspending taxpayers' expense bank operations, except in cases when the notifications are not responded within the established deadlines.

In case of a disagreement with violations specified in a notification of a medium risk level, the obligation to provide (along with a disagreement) extracts from tax or accounting registers related to these violations was removed. According to the new edition, the provision of such information is a right, not an obligation.

Based on recent changes, requesting documents not related to violations indicated in notifications is not allowed.

Deduction of expenses on "intangible" services purchased from non-resident related parties (effective from January 1, 2023)

Clarification was provided that limitation of deduction of expenses on "intangible" services purchased from a non-resident related party applies only when such a non-resident related party is registered in a state with a preferential taxation ("black-listed" jurisdictions).

Intangible services include management, consulting, consultancy, auditing, design, legal, accounting, advocacy, advertising, marketing, franchising, financial (except for interest expenses), engineering, agency services, royalties, as well as payments in the form of royalties and for granting rights to use intellectual property objects.

Similar changes have been made to the norm regulating reduction of taxable income for the above services.



New package of amendments to the Tax Code

Contacts

Timur Zhursunov

Partner
Tax and Legal Services
timur.zhursunov@pwc.com

Elena Kaeva

Partner
Tax and Legal Services
elena.kaeva@pwc.com

Alexey Zhukov

Director
Tax Services
alexey.zhukov@pwc.com

Anuar Adilkhan

Director
Tax Services
anuar.adilkhan@pwc.com

Mikhail Kovalenko

Director
Tax Services
mikhail.kovalenko@pwc.com

Nursultan Nurbayev

Director
Tax Services
nursultan.nurbayev@pwc.com

If you are interested in additional information, please contact us.

Change in taxation of residents' income on securities (effective from January 1, 2023)

Income of residents in the form of dividends on securities that are listed on the official stock exchanges functioning on the territory of Kazakhstan is exempt from taxation irrespective of whether such securities were traded on the stock exchange or not.

Change in taxation of income of non-residents on securities (effective from January 1, 2024)

Income of non-residents in the form of interest on securities that are listed on the official stock exchanges functioning on the territory of Kazakhstan will not be subject to exemption from taxation at the source of payment in the absence of trading on the stock exchange within the tax period in accordance with the criteria determined by the Kazakhstan Government.

Taxation of income of second-tier banks from securities issued by the National Bank (effective from March 1, 2024)

Income of second-tier banks in the form of interest and capital gains on government securities issued by the National Bank of Kazakhstan is not subject to exclusion from the aggregate annual income for corporate income tax purposes.

Taxation of Special Economic Zones ("SEZ") (effective from January 1, 2024)

A differentiated approach to the provision of tax benefits for SEZ participants has been introduced according to the "more investments, more benefits" principle, so the validity period of tax benefits will be determined depending on the volume of investments made under agreements. Effective for agreements concluded after January 1, 2024.

Are you interested in this topic?

We will be glad to discuss with you these amendments and their impact on your business, as well as to analyze and take the necessary steps in ensuring your business meets the new requirements.

Please contact us if you are interested in additional information.