



# Regulatory changes of production and turnover of certain types of oil products

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

The Law of the Republic of Kazakhstan “On state regulation of the production and turnover of certain types of oil products” dated July 20, 2011 was amended to exclude intermediaries in supply of crude oil to refineries. The amendments come into force partially on January 12 and March 3, 2023.

Previously the Law allowed entities to purchase crude oil and (or) gas condensate directly from subsoil users for processing on Kazakhstan oil refineries and (or) for further sale.

The current edition of the Law allows such activity only for:

- subsoil users in relation to the crude oil produced by them, or
- legal entities that are related to the subsoil users from which crude oil and (or) gas condensate is purchased.

As a result, there are several options for the sale of crude oil and (or) gas condensate for the subsoil users to the domestic market:

- 1) direct sale of crude oil to the refinery;
- 2) supply of crude oil for processing to the refinery and further sale of oil products by subsoil users;
- 3) sale of crude oil to the related legal entity for further sale to the refinery;
- 4) sale of crude oil to the related legal entity for processing at the refinery and further sale of oil products.

## Our services

We are ready to discuss with you the above-mentioned amendments to the Law and their impact on accounting and tax liabilities on:

- separate accounting for corporate income tax purposes;
- minerals extraction tax;
- excess profit tax;
- rent tax on export;
- excise tax.