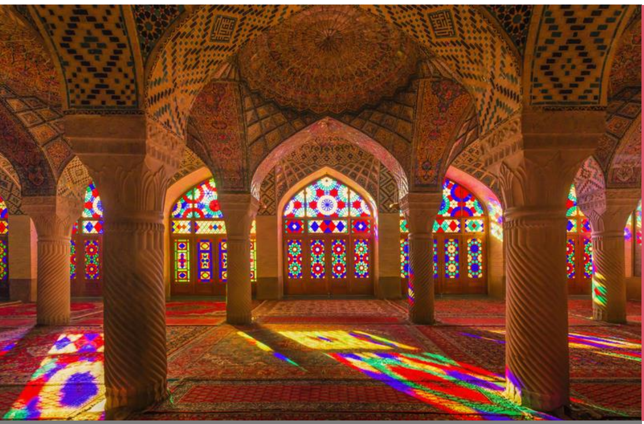

Kazakhstan-Iran Double Tax Treaty to be updated with MLI-compliant provisions

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

In brief

There is a draft law which is under the public discussion aiming to modify the Double Tax Treaty between Kazakhstan and Iran ("DTT") through the signing of an additional Protocol between the two states.

The objective of this Protocol is to bring the DTT in line with The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("MLI").

In details

The primary changes anticipated for the DTT include:

- Modification of the DTT's preamble in order to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance;
- Modification in terms of the conditions for recognition of permanent establishments;
- Limitation related to the reduced tax rate to dividends depending on the holding period of the company that pays dividends;
- Limitation related to entitlement to benefits granted by the DTT by passing the "principle purpose test" ("PPT").

In this regard, if these amendments are approved, it will become essential to assess their impact on the taxation of transactions involving tax residents of Iran, considering the stipulations outlined in Articles 666 and 667 of the Kazakhstan Tax Code.

Are you interested in this topic?

If you are interested in additional information and would like to discuss how the potential amendments to the DTT can impact your business, please contact us.