



Initiation of Unscheduled Tax Inspections Following Cameral Control Findings

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If you are interested in getting more information, feel free to reach out to us.

Briefly:

Taxpayers have started to receive preliminary decisions regarding the initiation of unscheduled thematic tax inspections due to violations identified through cameral control from the territorial State Revenue Administration (SRA).

In detail:

In our previous Tax and Legal Alert, issue No. 219, we discussed the forthcoming amendments to the Tax Code effective from 2024. Notably, as of February 12, 2024, Article 96 of the Tax Code has been revised. The amendments have simplified the fulfilling of notifications of medium-risk violations identified during cameral control. Currently, if taxpayers disagree with such notifications, providing an explanation should be considered as fulfillment of the notification, irrespective of whether supporting documents are attached. This change underscores that the submission of documents is now at the taxpayer's right (not obligation).

Previously, tax authorities would only initiate unscheduled inspections if the taxpayer failed to fulfill the notification. However, it has been observed that in certain regions, tax authorities are deciding to conduct unscheduled inspections, even when taxpayers have fulfilled the notifications.

It is important to note that with the amendments effective from February 12, 2024, tax authorities are now authorized to initiate inspections to verify the occurrence of the violations outlined in the notifications, regardless of their execution. This authority is specific to notifications concerning tax obligations for tax periods commencing **after January 1, 2024**.

Despite these changes, there is currently a divergence in how tax authorities interpret the amendments to the Tax Code. In practice, there are cases where tax authorities are initiating unscheduled inspections based on notifications that were fulfilled and issued before January 1, 2024, for tax periods before 2024.

Furthermore, it is crucial to highlight that the jurisdiction to appoint and conduct unscheduled inspections has transitioned from State Revenue Departments to territorial State Revenue Administrations.

Given these developments, it can be assumed to anticipate an escalation in the frequency of tax inspections and subsequent disputes.

