



PwC team is excited to share our successful recent practice related to refunding withholding tax withheld at the source of payment within the framework of Convention for the Avoidance of Double Taxation

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Since 2021, the Tax Code of the Republic of Kazakhstan has undergone a number of changes affecting the application of the provisions of the Convention for the Avoidance of Double Taxation (“Convention”). In accordance with the amendments, additional requirements are introduced for the application of the provisions of the Convention when paying income to non-residents, despite the fact that the Conventions themselves do not provide for such requirements. Due to the new rules, many taxpayers do not apply the provisions of the Convention and withhold tax at source at the rates provided for under the Tax Code, i.e. mainly 10% or 15%.

At the same time, these changes should not deprive non-residents, from whose income withholding tax was withheld at the source of payment, the right to apply the provisions of the Convention. Such non-residents can still apply for tax refunds from the state budget by submitting an application. The procedure for refunding the tax withheld at the source based on the Convention is regulated by the Tax Code of the Republic of Kazakhstan and involves certain procedures.

Recently, our team successfully assisted a large company in refunding withholding tax previously withheld at the source of payment from the state budget, based on the provisions of the Convention following a thematic tax audit.

Are you interested in this topic?

We would be happy to discuss the details of the refund procedure with you, as well as review your payments to non-residents and necessary steps ensuring compliance with applicable legal requirements.

If you are interested in more information, please reach out to us.

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

