



Changes to the Rules on reporting of the cross-border transactions subject to the TP monitoring

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

Briefly

Changes have been made to the List of international business transactions subject to price monitoring in accordance with Article 6 of the Transfer Pricing Law ("TP"). These changes are aimed at strengthening TP control.

In details

We remind you that the requirement to provide transactions monitoring report apply if:

- during the reporting period there were international business transactions included in the **List** (including transactions with independent parties), and
- the total amount of income/expenses and/or obligations for such transactions in the reporting financial year exceeds **250,000 monthly calculation indices** (923 million tenge for the 2024 report).

Before introduction of the changes, the List included goods such as oil, petroleum products, certain types of metals, ores and concentrates, as well as construction work, equipment installation, marketing and forwarding services.

The new list includes the same types of goods and services, but in addition to the previously mentioned, it includes operations related to*:

- **loans obtained and issued,**
- coal,
- petroleum coke,
- polymers,
- sulfur,
- raw aluminum, aluminum wire,
- semifinished products from iron or non-alloy steel, flat-rolled products,
- ores and concentrates of precious metals,
- rice, barley, wheat or wheat-rye flour, flax and sunflower seeds, sunflower, safflower, or cottonseed oil,
- calcium phosphates,
- fertilizers.

** The list is provided in a condensed format, and therefore, we recommend familiarizing yourself with the full list according to the Order of the Minister of Finance of the Republic of Kazakhstan #194 dated 19 March 2015.*



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In details (continued)

These changes apply to transaction monitoring reports for the year 2024. In this regard, we recommend to the taxpayers, especially to those who have not previously submitted such reports, to check the applicability of the new transaction monitoring requirements to their activities for 2024.

Given that preparing the report can take up to 5-6 weeks, we recommend starting the preparation of the monitoring report in advance.

Responsibility for failure to submit/incomplete submission

In case of failure to submit or incomplete submission of the transaction monitoring report, the legislation provides for an administrative fine of up to 350 MCI (~\$2,600 USD).

It is important to note that the data from the monitoring reports is carefully examined by tax authorities and, in the event of discrepancies between market prices and transaction prices, it may serve as a basis for issuing notifications within the framework of desk audits or for initiation of the transfer pricing tax audit.

How We Can Assist You

We are ready to provide all the necessary transfer pricing advisory services to your company, assist with conducting benchmarking study and preparation of transaction monitoring reports.