Government to Preserve Full VAT Refunds for Agricultural Exporters

Contacts

Elena Kaeva
Partner
Tax, Legal and People services
elena.kaeva@pwc.com

Timur Zhursunov
Partner
Tax, Legal and People services
timur.zhursunov@pwc.com

Nursultan Nurbayev
Director
Tax Dispute Resolution Services
nursultan.nurbayev@pwc.com

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

Summary:

Under Article 484 of the new Tax Code, taxpayers exporting agricultural products are required to adjust input VAT by reducing by 80% the amount of VAT previously claimed as a credit. In practice, this measure significantly limits the VAT refund available to exporters, reducing it to approximately 20% of the VAT paid. This provision has raised substantial concerns among industry associations, agricultural producers, and exporters.

Details:

Following discussions within the Project Office established to support the implementation of the new Tax Code, the Government of the Republic of Kazakhstan has decided to abandon these amendments and maintain the existing taxation regime for export operations that was in effect prior to January 1, 2026.

The proposal to repeal Article 484 will be included in a broader package of amendments to the Tax Code and submitted for consideration by the National Kurultai. According to government statements, the amendments are expected to be adopted with retroactive effect from 1 January 2026.

At the same time, an enhanced control mechanism will be introduced: the justification of the VAT refund claims will be verified by the tax authorities through the use of the "Pyramid" analytical report, which allows tracking of the movement of goods and VAT payments throughout the entire supply chain from the primary producer to the exporter, while incorporating elements of the risk management system.

We understand that the adopted and proposed changes to the taxation of export transactions may raise questions among taxpayers who have already submitted, or are planning to submit, VAT refund claims for the 2nd and 3rd quarters of 2026.

Considering the Government's decision to maintain the full VAT refund mechanism while simultaneously strengthening tax controls, particularly through the use of the "Pyramid" analytical report, taxpayers are advised to conduct a preliminary assessment of their positions.

In this regard, we recommend that companies:

- analyze the feasibility assess the appropriateness of submitting VAT refund claims in respect of zero-rated transactions, taking into account both the current regulations and the anticipated amendments to the Tax Code;

Contacts

Elena Kaeva
Partner
Tax, Legal and People services
elena.kaeva@pwc.com

Timur Zhursunov
Partner
Tax, Legal and People services
timur.zhursunov@pwc.com

Nursultan Nurbayev
Director
Tax Dispute Resolution Services
nursultan.nurbayev@pwc.com

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

- objectively evaluate their ability to confirm the legitimacy of VAT refunds during tax control procedures, including a review of the entire supply chain;
- consider the potential impact of the transitional period and the practical application of the “Pyramid” methodology on the timelines and outcome of VAT refund claim reviews.

Such an approach will help minimize tax risks and support a more robust VAT refund strategy in an evolving regulatory environment.

How We Can Help

Considering the forthcoming amendments to the Tax Code, the PwC team is ready to assist companies by performing comprehensive supply chain reviews. This would enable businesses to verify the transparency of their transactions and the availability of supporting documentation throughout the entire chain (supplier – intermediaries – exporter), assess potential risks of VAT refund denial during tax audits involving the “Pyramid” analytical report, and provide support throughout tax audits concerning the confirmation of VAT refund claims.

In addition, our team has extensive experience in pre-trial and judicial challenges of tax audit findings, including disputes related to the confirmation of VAT amounts claimed for refund.