



# Rules for conducting a pilot project on Horizontal Monitoring

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Globally, tax administrations are moving towards cooperative relationships with taxpayers. Their working method is changing from vertical monitoring towards horizontal monitoring. Vertical monitoring is based on checking retrospectively; horizontal monitoring involves working in the present, based on mutual trust, understanding and transparency between taxpayers and the tax authorities.

A draft Order of the Minister of Finance “On approving the Rules for conducting a pilot project on Horizontal Monitoring” is being developed. The draft Rules list categories of taxpayers eligible for the pilot project, rules for the pilot project implementation, as well as the rights and obligations of taxpayers and state tax authorities in implementation of the pilot project.

The period for the pilot project depends on the industry, as follows:

- telecommunications sector - from August 1, 2020 to December 31, 2023;
- gas transportation by trunk pipelines - from October 1, 2020 to December 31, 2023;
- electric power transmission and mining industries - from January 1, 2021 to December 31, 2023;
- freight transportation, aviation, oil transportation by trunk pipelines, oil production and oil refining industries - from January 1, 2022 to December 31, 2023;
- for taxpayers included in the register of authorized economic operators (per the Code “On Customs Regulation in the Republic of Kazakhstan” (dated December 26, 2017)) - from January 1, 2021 to December 31, 2023.

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