



The President signed amendments to the Tax Code

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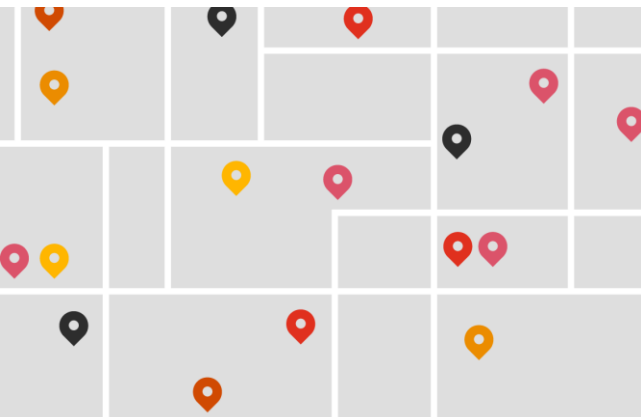
In brief

On 2 July 2020, the President signed the Law on amendments and additions to the Kazakhstan Code on “Taxes and Other Obligatory Payments to the State Budget” (the “Tax Code”) and the Law on “Enactment of the Tax Code”. The Law enters into force on 1 July 2020 (if otherwise is not stated below).

Legislative changes include the following:

- **introduction of a license fee** for the right to conduct microfinance activities, financial market activities by branches of foreign banks, insurance activities;
- responsibility of second-tier banks and entities engaged in certain types of banking operations on **submission of the information and (or) documents in accordance with the rules on cash withdrawal** from bank accounts **to the Ministry of Finance**.
Effective from 1 January 2021;
- **postponement of VAT payment deadline** for the 2nd and 3rd quarters of 2020 **to February 2021**. The postponement applies to the National Infrastructure Operator. *Effective since 1 July 2020 till 26 February 2021.*
- **tax amnesty for individuals:** forgiveness of fines recorded on taxpayer accounts as of 1 April of the current year provided that taxes owed are paid until 31 December of the current year. The amnesty applies to property tax, land tax and vehicle tax for the period up to 1 January 2020.
- for the purpose of applying subparagraph 1) of the second part of paragraph 4, paragraph 7 of Article 666 of the Tax Code, paragraph 3 of Article 667 of the Tax Code:
 - extension of the deadline for submission of 2019 tax residency certificates until **31 December 2020;**
 - postponement of the deadline for submission of copies of 2019 tax residency certificates to the tax authorities till **31 December 2020.**

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



- for the period of the state of emergency in Kazakhstan, **taxpayers are entitled to maintain tax records on the basis of copies of primary documents (scanned copies)** provided that the originals of primary documents are executed within seven months following the month in which the state of emergency period is discontinued. Before the end of the seven-month period, copies of primary documents are recognized as originals (for tax audit purposes) for the tax periods in which the state of emergency was in force.
- For the period from 1 June to the end of 2020:
 - **increase of simplified VAT refund from 70% to 80%** for mining entities (save for those producing hydrocarbons) and metallurgical enterprises included into the list of large taxpayers subject to monitoring for the 1st, 2nd and 3rd quarters of 2020;
 - **excess of 2020 CIT liability** over CIT advance payments **by not more than 33 percent** for the above categories of taxpayers without assessing fines;
 - import of aircraft spare parts (engines, power plants, heat exchangers, radio altimeters, radars, sensors, shrouds) is exempt from VAT;
 - for taxpayers engaged in air-passenger transport activities: RC VAT exemption of royalties, software technical maintenance and update, services on provision and processing of information, acquiring an access to online resource;
 - **application of 0% land tax** and land use fees on land used by runways at aerodromes and airport terminals.