



# Introduction of VAT on electronic services was approved by Majilis

## Contacts

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## In brief

During plenary session, which took place on 24 June 2020, deputies of Majilis (the Lower Chamber of the Kazakhstan Parliament) approved amendments to the tax legislation.

As per these amendments, foreign legal entities providing electronic services to Kazakhstan individuals will be required to register for VAT purposes and pay Kazakhstan VAT at the standard rate of 12% as from 1 January 2021.

## Details

The list of electronic services triggering Kazakhstan VAT is quite extensive. For instance, it includes services such as provision of rights to use computer games, books, audio and video materials.

The VAT registration liability arises in situations including if:

- buyers of services are domiciled in Kazakhstan;
- bank accounts used for purchase of services are opened in financial institutions located in Kazakhstan;
- the e-money operator through which services are purchased is located in Kazakhstan;
- IP addresses used for purchase of services are registered in Kazakhstan;
- country codes of phone numbers used for purchase or payment of services are assigned to Kazakhstan.

Following VAT registration, foreign legal entities should:

- i. assess VAT on electronic services;
- ii. submit VAT declarations;
- iii. pay VAT at the standard rate of 12%.

## How we can help you?

We recommend considering applicability of these amendments to your activities to ensure compliance with the Kazakhstan tax legislation.

We can:

1. review your services for applicability of Kazakhstan VAT and provide advice on the requirements;
2. assist with VAT registration;
3. provide support with preparation of VAT declarations and their submission to the tax authorities.

If you are interested in our support or any additional information, please contact us.

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