



Notification about being a member of a MNE Group

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The Law on Transfer Pricing ("TP Law") published in December 2017 introduced new requirements for multinational enterprise groups ("MNE Group(s)") with regard to the preparation of transfer pricing ("TP") documentation. The new regulation introduces the requirement to prepare three-tiered TP documentation following the recommendations in the Organization of Economic Cooperation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") Action 13, consisting of the following types of three-tiered TP documentation:

- Country-by-Country Report ("CbCR");
- Master file ("MF");
- Local file ("LF");
- Notification about being a member of a MNE Group ("Notification").

Any entity within a MNE Group is obliged to file a Notification if it is subject to any type of the three-tiered TP documentation (i.e. CbCR, MF, LF) requirements. A Notification must be submitted on an annual basis, no later than 1 September of the year following the reporting financial year (**period of submission for 2019 is 1 September 2020**).

A Local File for the reporting financial year must be filed with the Kazakhstan tax authorities on an annual basis within the 12-month period following the reporting financial year (**period of submission for 2019 is 31 December 2020**).

Non-compliance with the requirements of TP documentation submission could lead to **administrative penalties up to 3,000 US dollars**.

To prepare a Notification, it is necessary to contact the parent company and obtain information in relation to the jurisdiction where the CbCR has been filed and information on the company that filed CbCR to the authorized bodies. The information received must be indicated in the Notification. At your request we can assist your Company with completion of the Notification of participation in the MNE.

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