



# Introduction of VAT on electronic trade of goods and electronic services from 1 January 2022

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

## In brief

According to the Law “On amendments and additions to the Tax Code of the Republic of Kazakhstan”, which was introduced on 10 December 2020, the Tax Code of the Republic of Kazakhstan will be supplemented with a new section 25 “Peculiarities of taxation of foreign companies engaged in electronic trade of goods and provision of electronic services to individuals” which is effective from 1 January 2022.

Foreign legal entities engaged in electronic trade of goods and providing electronic services to Kazakhstan individuals will be obliged to go through a special registration and pay Kazakhstan VAT.

## Details

The liability to register and pay VAT arises in the following situations if:

- buyers of goods and/or services are domiciled in Kazakhstan;
- bank accounts used for purchase of goods and/or services are opened in financial institutions located in Kazakhstan;
- IP addresses used for purchase of goods and/or services are registered in Kazakhstan;
- country codes of phone numbers used for purchase or payment of goods and/or services are assigned to Kazakhstan.

Following VAT registration, foreign legal entities should:

- assess VAT on electronic trade of goods and/or electronic services;
- 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:

- review your operations for applicability of Kazakhstan VAT and provide advice on the requirements;
- assist with VAT registration with the tax authority.

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