



Kazakhstan plans to introduce a fee for payments and transfers to offshore zones

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Kazakhstan is considering introducing a new fee on transfers of funds to a state with privileged taxation starting from 1 January 2022.

Payers of the new fee can be individuals and legal entities making payments or transfers of funds to the states with privileged taxation. In this regard, it is suggested to set up a fee rate of 5% on the amount of transfer, if the total amount of transferred funds for a day does not exceed KZT 1 mln. For transfers over KZT 1 mln per day, the fee will be 10%.

The fee should not be levied on the following persons:

- individuals or legal entities repaying loans with the annual interest rate not exceeding 10%;
- investors;
- persons carrying out air transportation;
- clients of professional participants in the securities market.

It is assumed that second-tier banks and organizations carrying out certain types of banking operations will withhold the fee from the transferred funds and report on persons performing transfer operations to the tax authorities.

It is also planned to introduce a tax return for the fee that should be submitted by the fee payers on a quarterly basis.

Please note that currently the list of states with privileged taxation includes 56 states, including the Cayman Islands, the Bahamas, the British Virgin Islands, etc. The full list which is established by Order of the Ministry of Finance of RoK #142 dated 8 February 2018 is attached to this alert.



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The list of jurisdictions with privileged taxation (as of 29 September 2021)

1. Principality of Andorra.
2. Antigua and Barbuda.
3. Commonwealth of the Bahamas.
4. Barbados.
5. Kingdom of Bahrain.
6. Belize.
7. Sultanate of Brunei Darussalam.
8. Republic of Vanuatu.
9. Cooperative Republic of Guyana.
10. Republic of Guatemala.
11. Grenada.
12. Republic of Djibouti.
13. Dominican Republic
14. Commonwealth of Dominica.
15. Kingdom of Spain (only in part of the territory of the Canary Islands).
16. People's Republic of China (only in part of the territories of the special administrative regions of Aomin (Macao) and Xianggang (Hong Kong)).
17. Republic of Colombia.
18. Federal Islamic Republic of the Comoros.
19. Republic of Costa Rica.
20. Malaysia (only in part of the Labuan enclave).
21. Republic of Liberia.
22. Lebanese Republic
23. Republic of Mauritius.
24. Islamic Republic of Mauritania.
25. Portuguese Republic (only in part of the territory of the Madeira Islands).
26. Republic of Maldives
27. Republic of the Marshall Islands.
28. Principality of Monaco.
29. Malta.
30. Mariana Islands.
31. Kingdom of Morocco (only in part of the territory of Tangier city).
32. Republic of the Union of Myanmar.
33. Republic of Nauru.
34. Kingdom of the Netherlands (only in a part of the territory of Aruba island and the dependent territories of the Antilles).
35. Federal Republic of Nigeria.
36. New Zealand (only in parts of the Cook Islands and Niue).
37. Republic of Palau.
38. Republic of Panama.
39. Independent State of Samoa.
40. Republic of San Marino.
41. Republic of Seychelles.
42. Saint Vincent and the Grenadines.
43. Federation of Saint Kitts and Nevis.
44. Saint Lucia.
45. United Kingdom of Great Britain and Northern Ireland (only in part of the following territories):
 - 1) Anguilla Islands; 2) Bermuda;
 - 3) British Virgin Islands; 4) Gibraltar;
 - 5) Cayman Islands;
 - 6) Montserrat Island;
 - 7) Terke and Caicos Islands;
 - 8) Isle of Man;
 - 9) Channel Islands (Guernsey, Jersey, Sark, Alderney);
 - 10) South Georgia Island;
 - 11) South Sandwich Islands;
 - 12) Chagos Island.
46. United States of America (only in part of the following territories):
 - 1) US Virgin Islands;
 - 2) Guam Island;
 - 3) Commonwealth of Puerto Rico;
 - 4) the state of Wyoming;
 - 5) Delaware
47. Republic of Suriname.
48. United Republic of Tanzania
49. Kingdom of Tonga.
50. Republic of Trinidad and Tobago.
51. Sovereign Democratic Republic of Fiji.
52. Republic of the Philippines.
 53. French Republic (only in the part of the following territories):
 - 1) Kerguelen Islands; 2) French Polynesia; 3) French Guiana.
54. Montenegro.
55. Democratic Republic of Sri Lanka.
56. Jamaica.