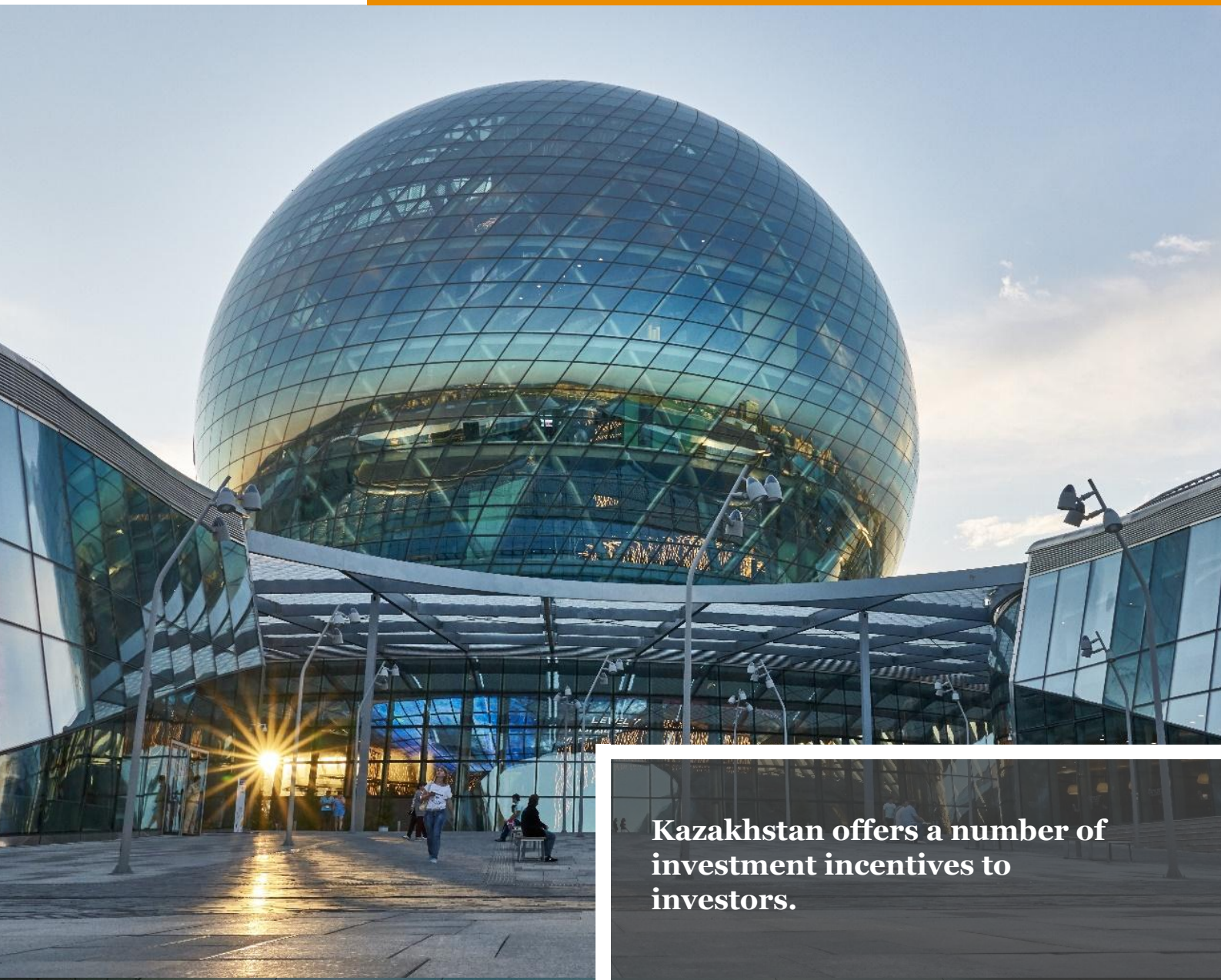


Kazakhstan Investment Preferences



Kazakhstan offers a number of investment incentives to investors.

Types of investment preferences:

 Investment project	 Special Investment project	 Investment Priority project	 Investment agreement	 Investment obligations agreement
<ul style="list-style-type: none"> • No customs duties (up to 5 years); • No import VAT (per approved list); • Natural grants (land, buildings, etc.); • Work permit benefits under certain conditions. 	<ul style="list-style-type: none"> • No customs duties (up to 15 years); • No import VAT. 	<ul style="list-style-type: none"> • No customs duties (up to 5 years); • 0% CIT (up to 10 years); • 0% Land tax (up to 10 years); • 0% Property tax (up to 8 years); • Work permit benefits under certain conditions; • Natural grants (land, buildings, etc.). 	<ul style="list-style-type: none"> • 0% CIT (up to 10 years); • 0% Land tax (up to 10 years); • 0% Property tax (up to 8 years); • No VAT (within SEZ); • Reduction of tax liabilities for up to 20% of actual expenses under certain conditions; • Stability of tax regime. 	<ul style="list-style-type: none"> • Guarantee of tax legislation stability (for 10 years) for the following taxes: <ul style="list-style-type: none"> • VAT; • excise tax; • payment for environmental emissions; • PIT; • WHT.



Investment project

Qualifying industries:

- Renewable energy;
- Food production;
- Beverage production;
- Pharmaceutical production;
- Iron and steel industry;
- Production of computers;
- Production of automobiles;
- Furniture production;
- Construction;
- Telecommunication;
- Education;
- etc.

Requirements for investment preferences:

Investment project	<ul style="list-style-type: none">• be a legal entity registered in Kazakhstan;• carry out priority type of activities approved by the Government.
Special Investment project	<ul style="list-style-type: none">• be a legal entity registered in a special economic zone; or• be an owner of a free bonded warehouse; or• be a legal entity implementing an industrial assembly of motor vehicles project.
Investment Priority project	<ul style="list-style-type: none">• be a legal entity registered in Kazakhstan creating new or modernizing existing production;• does not apply special tax regimes;• carry out priority type of activities approved by the Government.• investment threshold of 2 mln. MCI (~USD 12.8 mln for 2022) or 5 mln MCI (~USD 32 mln for 2022) depending on certain conditions; for new productions in food and consumer goods industry – 1 mln MCI (~USD 7 mln for 2022);
Investment agreement	<ul style="list-style-type: none">• do not apply special tax regimes;• carry out priority type of activities approved by the Government;• is not a subsoil user and (or) a person engaged in the production of excisable goods;• qualify for investment threshold of 7.5 mln MCI (~USD 48 mln for 2022);• investment threshold of 15 mln MCI (~USD 96.1 mln) is set to qualify for reduction of tax liabilities.
Investment obligations agreement	<ul style="list-style-type: none">• is an export-oriented (income from export sales is at least 70% in the AAI) goods producer, except the exporters of hydrocarbon minerals and oil products;• is a major taxpayer, consisting on horizontal monitoring;• does not carry out activities on the production of excise goods;• do not apply special tax regimes;• investment threshold of at least 150 million MCI (~USD 1 bln for 2022);• financing of at least 70% of the amount should be carried out within the first 5 years;• starting from the second year from the date of conclusion of the agreement, a legal entity that is not a subsurface user is also obliged to annually finance the training of Kazakhstani personnel in the amount of at least 20 thousand MCI (~USD 128 thousand for 2022). Subsurface users finance expenses in accordance with the legislation of Kazakhstan on subsoil and subsurface use.

Special Economic Zones (“SEZ”)

Incentives



- 0% CIT on profit from SEZ priority types of activities;
- 0% Land Tax;
- 0% Property Tax;
- 0% VAT for realisation of goods fully consumed within SEZ priority types of activities;
- No land use fees;
- No import customs duties up to 15 years.

Requirements



Applicant should:

- be a legal entity;
- carry out approved priority type of activities of particular SEZ;
- not apply special tax regimes (for small and agro business, farming);
- not involve in Investment Priority and Strategic projects.



Full cycle support:



Preliminary analysis:

- Performance of a feasibility analysis to understand if your project is eligible for incentives;
- Development of a strategy and road map for implementation of the project;
- Assistance with preliminary negotiations with the competent Government authorities.

Application to incentives:

- Assistance with development of a business plan, investment program and other required documents;
- Preparation of an application form, collection and compiling of other required documents;
- Submission of application form and required documents to the competent Government authorities;
- Follow-ups on the status of application and documents with competent Government authorities;
- Assistance with preparing answers/clarifications/comments on the questions/requests from competent Government authorities on application forms/documents.

Conclusion of investment contract:

- Assistance with negotiation of investment contract with the competent Government authorities;
- Development of step plan on your obligations under investment contract;
- Further supports related to fulfilling your obligations and compliance under investment contract.

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