

Declaring personal properties held outside of Kazakhstan

September 2017

In brief

Since 1 January 2017 Kazakhstan resident individuals should declare property held outside of Kazakhstan in their annual income tax declarations.

In detail

According to Article 185 of the Kazakhstan Tax Code, since 1 January 2017 Kazakhstan tax residents are obliged to declare possession of the following types of property (in addition to the information on funds available in foreign bank accounts):

- *real estate*, registered with competent authorities of foreign countries (residential and non-residential buildings and premises, including apartments, houses, garages, country houses and lands);
- *securities*, whose issuers are registered outside of Kazakhstan;
- *participation interest in legal entities* registered outside of Kazakhstan.

The following details must be disclosed in the tax declaration:

- type of property;
- registration data;
- property location;
- ownership share.

Please note that disclosure of the above information is for information purposes. However, if income is derived from the above property, such income should be reflected in the declaration.

Please be reminded that deadline for submission of individual income tax declaration is 31 March of the year following the reporting year (i.e. calendar year).

Administrative liability

1) Under Article 272.1 of the Kazakhstan Administrative Code, non-submission of the declaration is subject to administrative warning in case of the first instance of breach of the legislation. Further violations will result in administrative fine of 15 MCIs.*

2) Under Article 275.3 of the Administrative Code, non-reporting of funds available in foreign bank accounts or personal property held outside of Kazakhstan is subject to administrative fines of 250 MCIs for each non-disclosed item. Please note that non-submission of the declaration will be considered as non-reporting of funds.

[Source: the Law of the Republic of Kazakhstan No. 400-V dated 13 November 2015 "On introduction of amendments and additions to the certain legal acts of the Republic of Kazakhstan on amnesty of citizens of the Republic of Kazakhstan"]

The takeaway

If resident individuals own assets outside of Kazakhstan, which are subject to declaration, we recommend systemizing information and supporting documents in advance.

*one monthly calculation index in 2017 totals KZT 2,269.

Let's talk

For a deeper discussion of how this might affect your tax position, please contact PwC team members servicing your company, or any person below.



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