TAX CODE OF THE REPUBLIC OF KAZAKHSTAN

Unofficial translation

Code of the Republic of Kazakhstan of July 18, 2025 № 214-VIII.

Unofficial translation

Footnote. Throughout the text:

the words "foreigner," "foreigners" have been replaced by the words "foreign citizen," " foreign citizens" respectively;

the word "tenge" has been replaced by the word "tenge";

the words “region, city of republican significance, capital”, “to regions, cities of republican significance, the capital”, have been replaced respectively by the words “the capital, oblast, city of republican status”, “the capital, oblasts, cities of republican status” pursuant to the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026)

GENERAL PART SECTION 1. GENERAL PROVISIONS Chapter 1. MAIN PROVISIONS

Article 1. Sphere regulated by this Code

This Code establishes the fundamental principles of taxation, regulates the power relations in the establishment, introduction, amendment, cancellation, calculation and payment of taxes and other mandatory payments to the budget, as well as public relations pertaining to the fulfillment of tax obligations.

Paragraph 1. Basic concepts used in this Code

Article 2. General provisions on basic concepts used for taxation purposes

1. In this Code, for taxation purposes, basic concepts are used in the meanings defined in this paragraph.

Other special concepts and terms of the tax legislation of the Republic of Kazakhstan are used in the meanings defined in the corresponding articles of this Code.

2. For the purposes of this Code, the provisions provided for second-tier banks, insurance (reinsurance) organizations, insurance brokers, shall apply to branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan, opened in the territory of the Republic of Kazakhstan and operating on the basis of a license from the authorized body for regulation, control and supervision of the financial market and financial organizations.

3. For the purposes of this Code, an account opened with the central authorized budget execution body or its territorial divisions shall be equated to a bank account, and the central authorized budget execution body and its territorial divisions shall be equated to organizations performing certain types of banking operations.

4. The concepts of civil and other branches of the legislation of the Republic of Kazakhstan used in this Code shall be applied in the meaning in which they are used in these legislation branches of the Republic of Kazakhstan, unless otherwise provided by this Code.

5. The name "Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code)", used in regulatory legal acts, shall be identical to the name "Tax Code of the Republic of Kazakhstan".

Article 3. Concepts related to tax relations entities

Concepts related to tax relations entities:

1) organization body of the Astana International Financial Centre – a legal entity registered in accordance with the current law of the Astana International Financial Centre (hereinafter referred to as the AIFC), whose 50 or more percent of the shares (voting shares) are directly or indirectly held by the AIFC body.

Indirect ownership shall mean ownership of the AIFC body through another legal entity that is directly owned by the AIFC body;

2) banking organization – a second-tier bank, the Development Bank of Kazakhstan and an organization performing certain types of banking operations established in the Republic of Kazakhstan;

3) non-resident legal entity – an organization established under the legislation of a foreign state, with the exception of an organization, whose place of effective management (location of the actual management body) is in the Republic of Kazakhstan.

A non-resident legal entity also means a company, partnership, organization or other corporate entity created under the laws of a foreign state, which are considered as independent legal entities regardless of whether they have the status of a legal entity of the foreign state where they are created;

4) an organization vested with functions for the sale of property restricted in disposal (pledged) - a legal entity assigned by the authorized body in the sale of property restricted in disposal and (or) pledged in accordance with this Code of the taxpayer (tax agent) and (or) a third party;

5) a legal entity that was previously a bank - a legal entity that was previously a bank, which was restructured by a court ruling, whose more than 90 percent of the voting shares as of December 31, 2013 belonged to the national management holding;

6) a private practice owner - a private notary, private bailiff, lawyer, professional mediator ;

7) an individual – a citizen of the Republic of Kazakhstan, a foreign national, a kandas or a stateless person;

8) an employee:

an individual who is in an employment relationship with an employer and directly performs work under an employment agreement (contract);

civil servant;

member of the board of directors or other management body of the taxpayer that is not the highest management body, with the exception of civil servants;

a foreign national or stateless person, provided for work under a contract for the provision of personnel by a non-resident, whose activities do not constitute a permanent establishment, to a resident or other non-resident, operating in the Republic of Kazakhstan through a permanent establishment;

9) legal entity - a resident legal entity, a non-resident legal entity;

10) a structural subdivision of a legal entity - a branch, a representative office;

11) a foreign company operating through an Internet platform in the territory of the Republic of Kazakhstan - a non-resident legal entity selling goods and (or) providing services through an Internet platform in the territory of the Republic of Kazakhstan;

12) a resident legal entity - an organization created under the legislation of:

the Republic of Kazakhstan;

a foreign state, whose place of effective management (location of the actual management body) is in the Republic of Kazakhstan;

13) tax agent - an individual, sole proprietor, private practitioner, legal entity, structural subdivision of a legal entity, an Internet platform operator, which in the cases and manner established by this Code are recognized as a tax agent;

14) taxpayer - an individual, structural subdivision of a legal entity that is a payer of taxes and other mandatory payments to the budget;

15) taxpayer subject to tax monitoring - a participant in horizontal monitoring, a participant in monitoring of large taxpayers;

16) person - an individual, a legal entity;

17) the registering authority — authorized state bodies and the State Corporation Government for Citizens (hereinafter referred to as the State Corporation) that perform state registration (re-registration) of legal entities and record registration (re-registration) of their branches and representative offices and (or) taxable items and taxation-related items, including:

real estate titles;

pledge of movable property and mortgage of a vessel;

radio-electronic means and high-frequency devices;

space objects and rights thereto;

vehicles;

medicines and medical devices;

rights to works and related rights objects, license agreements for the use of works and related rights objects;

also, registration of mass media;

18) authorized state bodies - state bodies of the Republic of Kazakhstan, with the exception of tax authorities and local executive bodies, exercising management in a separate sector or public administration area, including calculation and (or) collection of other mandatory payments to the budget;

19) the authorized body - a state body exercising management in ensuring the receipt of taxes and other mandatory payments to the budget;

20) participant in monitoring of large taxpayers - a taxpayer on the list of participants in monitoring of large taxpayers, approved by the authorized body.

Article 4. Concepts related to taxes and other payments

Concepts related to taxes and other payments:

1) social payments - mandatory pension contributions, mandatory occupational pension contributions, mandatory employer pension contributions, social deductions paid in accordance with the Social Code of the Republic of Kazakhstan, deductions and contributions for mandatory social health insurance paid in accordance with the Law of the Republic of Kazakhstan On Mandatory Social Health Insurance;

2) other mandatory payments to the budget (hereinafter referred to as payments to the budget) - mandatory deductions of money to the budget in the form of fees, charges, duties, with the exception of customs payments, made in the amounts and cases established by this Code;

3) tax - a mandatory monetary payment to the budget legislatively established unilaterally by the state, with the exception of cases provided for by this Code, made in a certain amount, irrevocable and gratuitous in nature.

Article 5: Concepts related to tax arrears

Concepts related to tax arrears:

1) arrears – calculated and charged amounts of taxes and payments to the budget not paid on time, as well as advance and current payments on them, with the exception of amounts reflected in the notification of the tax audit results, during the appeal period in accordance with the procedure established by the legislation of the Republic of Kazakhstan in the contested part;

2) penalties - monetary amounts calculated as a multiple of the base rate of the National Bank of the Republic of Kazakhstan (hereinafter referred to as the National Bank), effective for each day of delay, and charged on:

the amount of tax and payment to the budget not paid by the taxpayer (tax agent) on time, including advance and (or) current payment, starting from the day following the due date of the tax obligation to pay, including the day of payment to the budget;

the amount of paid and (or) overpaid tax, payment to the budget and (or) the amount of excess value added tax on which the tax authority has violated the deadline for the offset and (or) refund under the taxpayer's tax application, starting from the day following the day of the end of the deadline for the offset and (or) refund, including the day of refund.

The multiplicity of the National Bank's base rate under this subparagraph shall be:

0.65 - for a horizontal monitoring participant;

1.25 - for other taxpayers (tax agents).

3) tax debt - the amount of arrears, unpaid amounts of penalties and fines.

The tax debt shall not include the amount of penalties reflected in the notification of the tax audit results, as well as the amount of fines reflected in the decision on imposing an administrative penalty, during the appeal period in the manner determined by the legislation of the Republic of Kazakhstan, in the contested part;

4) maximum amount of tax debt- the amount of tax arrears established by the authorized body, in the excess of which the tax authority applies the method of securing the tax liability and (or) the measure of enforced tax arrears collection provided for in Articles 86 and 87 and Articles 185, 186, 187, 188 and 189 of this Code to a taxpayer - a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, a sole proprietor, a private practitioner.

The maximum amount of tax debt is determined in the amount of at least 20 times the monthly calculation index effective as of January 1 of the corresponding financial year, separately for each method of securing a tax liability and (or) each measure of compulsory collection of tax debts.

Article 6. Concepts related to the procedure of calculation, payment of taxes and payments to the budget

Concepts related to the procedure of calculation, payment of taxes and payments to the budget:

1) special tax regime - the procedure for calculation, payment of certain taxes and payments to the budget, as well as submission of tax reporting on them for certain categories of taxpayers, different from the generally established taxation procedure, provided that the taxpayer complies with the conditions established by this Code;

2) the generally established taxation procedure - the basic procedure of calculation, payment of taxes and payments to the budget, established by the Special Part of this Code.

Article 7. Royalty

1. Unless otherwise provided by paragraph 2 of this article, royalties are payments for:

1) the right to use subsoil in the process of extraction of minerals and processing of technogenic formations;

2) the use of or the right to use copyrights, drawings or models;

3) the use of or the right to use patents, trademarks or other similar rights;

4) the use of or the right to use software, including services for updating the version of such software, excluding versions intended to correct errors, defects, and make modifications to such software that are not related to the development of software;

5) use of know-how.

"Know-how" is confidential information of a technical, technological, organizational or other nature that has commercial value and is used in professional or business activities;

6) use of or right to use films, videos, sound recordings or other recording media;

7) use of or right to use commercial, research and (or) industrial equipment, including sea vessels or aircraft (except for vessels leased under demise-charter agreements).

2. Payment for full realization of proprietary (exclusive) rights to an intellectual property item shall not be recognized as royalty.

Article 8. Concepts related to certain types of services and transactions

Concepts related to certain types of services and transactions:

1) information processing services - services for collecting and summarizing information, systematizing information arrays (data) and (or) providing the user with the information processing results, including rating services.

In this case, rating services are understood to mean analysis and assessment services that display a numerical or ordinal indicator of the importance or significance of a certain object or phenomenon;

2) design services - services for designing artistic forms, the appearance of products, building facades, interiors; styling design;

3) engineering services - engineering and consulting services, research, design and engineering, calculation and analytical work, preparation of feasibility studies for projects, development of recommendations in the field of organizing production and management, sales of products;

4) online medium - an online store and (or) trading platform intended for the sale of goods , provision of services, offers to provide services through the public telecommunications network and the Internet, including intermediary services to enable the sale and provision of services, order placement and payment to other persons by providing access to the online store and (or) trading platform;

5) consulting services - services on provision of explanations, recommendations, advice and other forms of consultations, including identification and (or) assessment of problems and (or) opportunities of a person in order to address managerial, economic, financial, investment matters, including issues of strategic planning, organization and doing business, personnel management;

6) marketing service - any paid service related to:

research, analysis, planning, forecasting in the sphere of production and (or) circulation of goods, works, services in order to determine measures to create better economic conditions;

a set of measures and solutions aimed at promoting goods, works, services or a brand, attracting a target audience, increasing sales, achieving established indicators and (or) sales goals;

7) sales:

shipment and (or) transfer of goods or other property, performance of works, provision of services for the purpose of sale, exchange, gratuitous transfer;

transfer of property under a leasing agreement;

transfer of pledged goods to the pledgee in the event of default by the debtor of the obligation secured by the pledge;

8) e- trade in commodities –business activity on sale of commodities to individuals, carried out via an Internet platform;

9) import of goods – importation of goods:

to the customs territory of the Eurasian Economic Union (hereinafter referred to as the EAEU), carried out in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

to the territory of the Republic of Kazakhstan from the territory of another state – a member of the EAEU;

10) electronic services– services provided via an Internet platform.

Article 9. Concepts related to gratuitous conveyance of property

Concepts related to gratuitous conveyance of property:

1) a grant - property provided on a gratuitous basis to achieve specific goals (objectives):

by states, governments of states - the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, individuals, and legal entities;

by international and state organizations, foreign and Kazakhstan non-governmental public organizations and foundations whose activities are charitable and (or) international and do not contradict the Constitution of the Republic of Kazakhstan, included in the list established by the Government of the Republic of Kazakhstan based on the conclusions of state bodies - the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, individuals, and legal entities;

by foreign nationals or stateless persons- to the Republic of Kazakhstan and the government of the Republic of Kazakhstan;

2) humanitarian aid - property provided on a gratuitous basis to the Republic of Kazakhstan in the form of food, consumer goods, machinery, equipment, medical drugs and devices, other property sent from foreign countries and international organizations to improve living conditions and everyday life of the population, as well as prevention and elimination of social, natural and man-made emergencies, distributed by the Government of the Republic of Kazakhstan through authorized organizations;

3) sponsorship - property provided on a gratuitous basis for the purpose of disseminating information about the person providing this assistance:

to individuals in the form of financial (except social) support for participation in competitions, contests, exhibitions, shows and development of creative, scientific, scientific-technological, inventive activity, improvement of education and sportsmanship;

to non-profit organizations for the implementation of their statutory objectives;

4) social support of an individual - gratuitous transfer by a tax agent for a year of property within 647-fold amount of the monthly calculation indicator, effective as of the corresponding fiscal year start, to an individual, referred to a separate category of such individuals, entitled to social protection under the legislation of the Republic of Kazakhstan.

The list of separate categories of individuals, provided for by part one of this subparagraph, shall be approved by the central authorized state planning body in coordination with the authorized body and the central executive body in the population social welfare;

5) charitable assistance - property provided on a gratuitous basis:

in the form of sponsorship;

in the form of social support to an individual;

to an individual affected by an emergency situation;

to a non-profit organization in order to support its statutory activities;

to an organization operating in the social sphere;

to a specialized organization of persons with disabilities in accordance with the Social Code of the Republic of Kazakhstan.

Article 10. Concepts related to subsoil use

Concepts related to subsoil use:

1) a subsoil use contract is an agreement between a competent body or an authorized body for subsoil exploration or a local executive body of the capital, oblast, city of republican status in accordance with the jurisdiction, established by the legislation of the Republic of Kazakhstan on subsoil and subsoil use, and an individual and (or) legal entity for the exploration, extraction, combined exploration and production of minerals or construction and (or) operation of underground structures, unrelated to exploration and (or) extraction, or for state geological exploration of subsoil resources.

Subsoil use contract also includes subsoil use licenses and other types of granting of subsoil and (or) water use rights under the legislation of the Republic of Kazakhstan.

The terms “exploration contract”, “production contract”, “combined exploration and production contract” and “exploration or production license” used in this Code are identical to the term “subsoil use contract”, the term “exploration and production contract” is identical to the term “combined exploration and production contract”;

2) subsoil users - individuals or legal entities entitled to conduct subsoil use operations, including oil operations, and (or) water use on the territory of the Republic of Kazakhstan under the laws of the Republic of Kazakhstan.

In this case:

subsoil use operations are recognized as works related to the geological study of the subsoil, exploration and (or) extraction of minerals, including those related to exploration and extraction of groundwater, therapeutic mud, exploration of subsoil for wastewater discharge, as well as construction and (or) operation of underground structures unrelated to exploration and (or) extraction;

oil operations are recognized as works on exploration, production of hydrocarbons, construction and (or) operation of necessary technological and production facilities;

3) non-contractual activities - activities of a subsoil user not expressly provided for by the provisions of a subsoil use contract, any other activities;

4) contractual activities - activities of a subsoil user carried out under a subsoil use contract;

5) hydrocarbon preparation - a set of technological processes for the preparation of hydrocarbons, including collection, delivery for preparation, delivery of well fluid to metering units, degassing, dehydration, desalination, stabilization, demercaptanization;

6) recipient on behalf of the state - a legal entity determined by the Government of the Republic of Kazakhstan, acting on behalf of the state as a recipient of minerals transferred in kind by a subsoil user in fulfillment of a tax obligation under the tax legislation of the Republic of Kazakhstan and (or) production sharing agreements (contracts), a subsoil use contract approved by the President of the Republic of Kazakhstan, provided for in Article 755 of this Code;

7) mineral stock - a part of the subsoil (rock, ore raw materials, etc.) extracted to the surface containing a mineral (minerals), excluding dilution;

8) primary processing (beneficiation) of mineral raw materials - a type of mining activity that:

includes on-site collection, crushing or grinding, classification (sorting), briquetting, agglomeration and enrichment by physical and chemical methods (without qualitatively changing the mineral forms of minerals, their aggregate-phase state, crystal-chemical structure);

may include processing technologies that are special types of work on the extraction of minerals (underground gasification and smelting, chemical and bacterial leaching, dredging and hydraulic development of placer deposits);

9) operator – a legal entity created or determined in accordance with the laws of the Republic of Kazakhstan by subsoil users carrying out subsoil use operations, as part of a simple partnership (consortium) under a production sharing agreement (contract);

10) extraction - the entire complex of works (operations) directly related to the extraction of hydrocarbons, minerals or solid minerals from the subsoil to the surface and (or) separation of minerals from their occurrence, including from technogenic mineral formations, also related to the withdrawal of underground water;

11) minerals – natural mineral formations, hydrocarbons and underground waters contained in the subsoil, also natural mineral formations and organic substances containing useful components, the chemical composition and physical properties of which enable their use in the material production and (or) consumption, and (or) other needs directly or after processing.

Article 11. Concepts related to the taxpayer (tax agent) location

The following places shall be recognized as the taxpayer (tax agent) location, depending on the categories of the entity including the taxpayer (tax agent):

1) place of residence of an individual - place of registration of a citizen in accordance with the legislation of the Republic of Kazakhstan in the field of population migration;

2) place of residence of a citizen of the Republic of Kazakhstan residing outside the Republic of Kazakhstan who does not have a place of registration in the Republic of Kazakhstan - the place of last registration of the citizen in the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan in the field of population migration;

3) location of a sole proprietor and a private practitioner - the place of predominant realization of their activity declared at tax registration in the Republic of Kazakhstan;

4) location of a resident legal entity, its structural subdivision, structural subdivision of a non-resident legal entity - location of its permanent body entered in the National Register of Business Identification Numbers upon registration in the Republic of Kazakhstan;

5) location of a non-resident legal entity operating through a permanent establishment without opening a structural subdivision - the place of activities in the Republic of Kazakhstan, declared at the tax registration in the Republic of Kazakhstan;

6) location of a legal entity established under the legislation of a foreign state, whose place of effective management is in the Republic of Kazakhstan - the location of the actual management body in the Republic of Kazakhstan, determined by the meeting of the Board of Directors or similar management body, declared at the tax registration in the Republic of Kazakhstan and indicated in the corresponding minutes of the management body;

7) the place of stay of a foreign national or stateless person is the place of temporary stay of the foreign national or stateless person, declared during state registration in the Republic of Kazakhstan;

8) the place of stay of a foreign national or stateless person, not residing in the Republic of Kazakhstan, who has a tax liability to pay individual income tax on the income, received from sources in the Republic of Kazakhstan from a person, who is not a tax agent, is the place of residence (location) of the person, paying income to such foreign national or stateless person from sources in the Republic of Kazakhstan.

Article 12. Remuneration

1. The following shall be recognized as remuneration:

1) fees on loans (credits, micro-loans);

2) fees on a financial leasing agreement;

3) fees on a deposit;

4) fees on an accumulative insurance agreement;

5) fees on a promissory note;

6) fees on repo transactions;

7) fees on debt securities;

8) fees on Islamic lease certificates;

9) fees under a bank account agreement.

2. Remuneration on credits (loans, micro-loans) shall be all payments related to the credit (loan, microcredit) in cases when such payments are made to:

1) the lender;

2) a legal entity specified in the Laws of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan" and "On Microfinance Activity" to which the right of claim under a credit (loan, microcredit) was assigned;

3) a person who is an interrelated party to the borrower.

The following shall not be remuneration on credits (loans, micro-loans):

1) the amount of credit (loan, microcredit) to be paid (received);

2) adjustment (indexation) of the amount of the credit (loan, microloan) payable (received) in tenge, due to changes in the exchange rate;

3) fees on money transfer by second-tier banks.

3. Remuneration on the financial leasing agreement shall be all payments related to the transfer of assets under the financial leasing agreement, where such payments are made:

1) to the lessor;

2) to a person who is an interrelated party for the lessee.

The following shall not be remuneration under a financial leasing agreement:

1) the value at which such assets are received (transferred) into financial leasing;

2) payments in connection with changes in the amount of lease payments when applying a coefficient (index) in accordance with the terms of the financial leasing agreement.

4. Remuneration on a deposit shall be all payments on a deposit in cases when such payments are made:

1) to the depositor;

2) a person who is an interrelated party for the person who accepted the deposit.

At the same time, the deposit amount shall not be the deposit remuneration.

5. Remuneration on a contract of endowment insurance shall be all payments related to the contract of endowment insurance where such payments are made:

1) to the insurer;

2) to a person who is an interrelated party for the policyholder.

The amount of the sum insured shall not constitute remuneration under the endowment insurance contract.

6. Remuneration on debt securities shall be payments in the form of discount on debt securities or coupon on debt securities (taking into account discount on debt securities or premium from the value of initial placement and (or) acquisition cost) in cases when such payments are made:

1) to the debt securities holder;

2) a person who is a related party to the person paying remuneration.

7. Remuneration on a promissory note shall be all payments on the promissory note where such payments are made:

1) to the promissory note holder;

2) to a person who is an interrelated party to the promissory note holder.

At the same time, the amount specified in the promissory note shall not be remuneration under the promissory note.

8. Remuneration on repo transactions are payments in the form of difference between closing price and repo opening price.

9. Remuneration on Islamic lease certificates is all payments on Islamic lease certificates.

10. Remuneration paid under the bank account agreement shall be the bank’s expenses on payment of income provided for by the bank account agreement.

11. The definition of remuneration established by this Article shall be applied regardless of the legislation of the state in which it arises.

Article 13. Dividends

1. The following types of dividends shall be recognized as dividends:

1) dividends from income distribution;

2) constructive dividends.

2. Income distribution dividend shall be the income:

1) in the form of net income or a part thereof payable on shares, including shares being the underlying assets of depositary receipts;

2) payable on units of a mutual investment fund, except for income on units when they are redeemed by the fund's management company;

3) in the form of net income or part thereof distributed by a legal entity among its founders, participants;

4) payable on Islamic participation certificates;

5) from the distribution of assets in the event of liquidation of a legal entity or reduction of the authorized capital, as well as repurchase by a legal entity from the founder, participant of an equity interest or part thereof in this legal entity, repurchase by the issuing legal entity from a shareholder of shares issued by this issuer, upon the withdrawal of a lawyer who is a partner of a law firm from such law firm, termination of legal practice through such a law firm or liquidation of a law firm;

6) in the form of an increase in a contribution to the authorized capital of a legal entity by increasing the amount of the authorized capital of the legal entity at the expense of the equity of such legal entity, except:

additionally paid-in capital in the form of an excess of the value of assets received by the issuer from the placement of shares issued by it over the nominal value of such shares;

additional contributions of a participant of a legal entity to the property of such legal entity;

revaluation surplus.

3. A constructive dividend is income:

1) received by a shareholder, participant, founder or an interconnected party from a legal entity, arising from the adjustment of taxable items and (or) items related to taxation, made in cases and in accordance with the procedure established by the legislation of the Republic of Kazakhstan on transfer pricing.

When calculating this income, the interrelated parties shall be determined in accordance with the legislation of the Republic of Kazakhstan on transfer pricing;

2) received by a shareholder, participant, founder or their related party from a legal entity in the form of:

value of expenses or liabilities unrelated to business activities of the legal entity arising from its shareholder, participant, founder or their related party to a third party, repaid by the legal entity without its reimbursement by the shareholder, participant, founder or their related party to the legal entity;

any property and material benefit provided by a legal entity to its shareholder, participant, founder or their related party, except for employee income and income from the sale of goods , works, services.

For the purposes of part one of this subparagraph, related parties shall be defined in accordance with Article 14 of this Code.

Income received by a shareholder, participant, founder or their related party from a legal entity in the form of royalties for the use or rights to use patented industrial property objects in commercial activities shall not be recognized as constructive dividend.

4. The income from the distribution of assets specified in subparagraph 5) of paragraph 2 of this Article shall be determined as follows:

I = Vr – Ap,

where: I – is income from the distribution of assets;

Vr – the book value of assets (to be) received by a shareholder, participant, founder, partner of a law firm upon the distribution of assets, including those (to be) received in return for previously contributed ones, at the date of transfer, (to be) stated in the accounting records of the transferring party, without revaluation and depreciation;

Ap: - is the amount of paid-in authorized capital attributable to the number of shares for which the assets are distributed, taking into account additionally paid-in capital in the form of

an excess of the value of the assets received by the issuer from the placement of its issued shares over the par value of such shares;

the amount of the paid-in authorized capital attributable to the participation share, to which the assets are distributed, taking into account additional contributions of a participant of a legal entity to the assets of such legal entity and increase in the amount of the authorized capital at the expense of the legal entity's equity capital, but not exceeding the initial value of such participation share, in the manner determined by this Code, of the participant in whose benefit the assets are distributed;

the value of the assets transferred by a lawyer who is a partner of a law firm into the ownership of such a law firm.

Article 14. Interrelated parties

1. Interrelated parties shall mean individuals and/or legal entities that have relationships meeting one or more of the following conditions:

1) one person is recognized as an affiliate of another person in accordance with the laws of the Republic of Kazakhstan;

2) one person is a major participant in another person;

3) persons are bound by an agreement under which one of them has the right to determine decisions made by the other;

4) the legal entity is controlled by a major shareholder, major participant or official of another legal entity;

5) a major shareholder, major participant or official of one legal entity is a major shareholder, major participant or official of another legal entity;

6) the legal entity together with another legal entity is controlled by a third party;

7) the person jointly with its affiliated persons holds, uses, disposes of ten or more percent of participation interests of the legal entity or legal entities specified in subparagraphs 2) - 6) of part one of this paragraph;

8) an individual is an official of a legal entity specified in subparagraphs 2) - 7) of part one of this paragraph, except for an independent director of a joint stock company;

9) an individual is a spouse, close relative or an in-law (brother, sister, parent, son or daughter of a spouse of a major participant or an officer of a legal entity.

A major participant for the purposes of this paragraph shall mean a participant whose share in the assets of a legal entity, except for joint-stock companies, is ten and more percent.

Control over a legal entity shall mean the ability to determine decisions made by the legal entity.

2. When adjusting taxable items and (or) items related to taxation within the framework of transfer pricing, the related parties are determined in accordance with the legislation of the Republic of Kazakhstan on transfer pricing.

Article 15. An organization engaged in social sphere

1. A legal entity engaged in one or more types of social sphere activities specified in paragraph 2 of this article, whose income, taking into account the income under paragraph 3 of this article, is at least 90 percent of the total annual income, shall be recognized as an organization operating in the social sphere.

2. Activities in the social sphere shall include the following types:

1) medical services, including those provided as a package, in accordance with the legislation of the Republic of Kazakhstan by a healthcare entity licensed for medical activity;

2) services in education:

provided under licenses for educational activities;

preschool education and training;

additional education provided by an educational organization licensed for educational activities;

3) scientific and (or) scientific-technological activity (including scientific research, use, including realization, of intellectual property objects), carried out by scientific and (or) scientific-technological activity entities, accredited by the authorized body in the field of science.

The income specified in part one of this subparagraph shall also include the income of scientific and (or) scientific-technological entities, accredited by the science authority, in the form of funding for the establishment of scientific centers under research universities;

4) sport activities;

5) culture activities carried out by cultural organizations;

6) provision of services on conservation of historical and cultural heritage sites included in the State List of Historical and Cultural Monuments in accordance with the legislation of the Republic of Kazakhstan (except for dissemination of information and propaganda);

7) provision of assistance to persons (families) recognized to be in need of special social services;

8) library services;

9) activity of autonomous educational organizations:

on the following education levels established by the laws of the Republic of Kazakhstan: elementary school (including preschool education and training), basic school, high school, post-secondary education, higher education, postgraduate education;

on additional education;

scientific-technological, innovative, research activity (including fundamental and applied scientific research).

3. For the purposes of applying paragraph 1 of this Article, the following types of income shall also be taken into account:

1) income in the form of gratuitously received property (including charitable and sponsorship assistance);

2) admission fees, membership fees and other receipts on a gratuitous and non-refundable basis from a founder, participant, member;

3) remunerations on deposits;

4) excess of the amount of positive exchange rate difference over the amount of negative exchange rate difference.

4. Organizations engaged in social sphere shall not include organizations receiving income from the production and sale of excisable goods.

Article 16. Agricultural cooperative

1. An agricultural cooperative is a legal entity established in accordance with the legislation of the Republic of Kazakhstan on agricultural cooperatives, engaged in one and (or) several types of activities:

1) production of agricultural output (except for excisable products) and their sale;

2) procurement, storage and sale of agricultural output produced by members of such a cooperative;

3) processing of agricultural products (except for excisable products) of own production and (or) produced by members of such a cooperative, as well as sale of products obtained through such processing;

4) performance of work and provision of services for members of such a cooperative for the purpose of production and processing of own-produced agricultural products, including auxiliary work and services;

5) sale of products to members of such a cooperative for the purpose of production and processing of own- produced agricultural output.

The list of goods, works, and services provided for in subparagraphs 4) and 5) of part one of this paragraph shall be approved by the authority in agro-industrial complex development in agreement with the central authorized state planning body.

2. The provisions of this Code applicable to agricultural cooperatives shall apply in the presence of land plots held under private ownership and/or land use rights (including secondary land use rights).

The requirement of the first part of this paragraph shall not apply to agricultural cooperatives producing beekeeping products, as well as the processing and sale of the said products of their own production.

Article 17. Participant in Astana Hub

1. A participant in Astana Hub is a legal entity that meets all of the following conditions:

1) is incorporated in the Astana Hub autonomous cluster fund as a participant in accordance with the legislation of the Republic of Kazakhstan on innovation clusters;

2) at least 90 percent of the total annual income of such a legal entity consists of income from priority activities in the information and communication technologies;

3) in the case of the production and sale of goods, such goods meet the criteria for own production.

When determining the income referred to in subparagraph 2) of the first part of this paragraph, the following income shall also be accounted if it is related to the receipt of income from priority activities in the information and communication technologies:

income in the form of property received free of charge,

interest on deposits,

excess of positive exchange rate differences over negative exchange rate differences,

income from doubtful pledges, including penalties and fines on such pledges.

2. The list of priority activities in the information and communication technologies and the criteria for domestic production shall be approved by the authorized body in informatization in agreement with the central authorized state planning body, the authority the technical regulation, the authority in the state support for innovative activities, and the authorized body.

Article 18. Concepts related to securities

Concepts related to securities:

1) debt securities – securities certifying the issuer's (debtor's) obligation to pay the principal debt amount under the terms of the issue of such securities, including government securities and bonds;

2) discount on debt securities (hereinafter referred to as discount) – the positive difference between the par value and the initial placement price (excluding the coupon) or the acquisition price (excluding the coupon) of debt securities;

3) coupon on debt securities (hereinafter referred to as coupon) – the amount paid (payable) by the issuer in excess of the nominal value of debt securities in accordance with the terms of issue;

4) debt securities premium – the positive difference between the initial placement price (excluding the coupon) or the acquisition price (excluding the coupon) and the nominal value of debt securities, the terms of issue of which provide for the payment of a coupon;

5) Islamic securities – Islamic lease certificates and Islamic participation certificates.

Article 19. Concepts related to cash settlements and cash registers

Concepts related to cash settlements and cash registers:

1) cash settlements – settlements made for the purchase of goods, performance of work, provision of services using cash and/or settlements using payment cards and/or mobile payments;

2) State Register of Cash Registers (hereinafter referred to as the Register of Cash Registers) – a list of cash register models approved by the authorized body for use in the Republic of Kazakhstan;

3) cash register – an electronic device with a fiscal memory unit and a hardware and software complex without a data transfer function, an electronic device and a hardware and software complex with a data recording and/or transfer function, ensuring the registration and display of information on cash settlements;

4) cash register registration card – an accounting document confirming the fact of registration (deregistration) of a cash register with the tax authority;

5) cash register receipt – a primary accounting document of a cash register confirming the fact of a monetary transaction between the seller (supplier of goods, work, services) and the buyer (customer), issued on paper or in electronic form;

6) service payment terminal – an electronic-mechanical device for accepting cash or payments using payment cards and/or mobile payments for provided services;

7) vending machine – an electronic-mechanical device that sells goods using cash or payment cards and/or mobile payments in automatic mode;

8) sales check– a primary accounting document confirming the fact of monetary settlement, used in cases of technical malfunction of the cash register or power failure;

9) sales check book – a collection of sales receipts bound together in a book;

10) three-component integrated system – an integrated system consisting of a cash register with data recording and transmission functions, a system (device) for accepting non-cash payments, as well as equipment (devices) with a system for automating the management of trade, the provision of services, performance of work, and accounting for goods, or a software and hardware complex replacing all three components of the integrated system;

11) fiscal attribute - a distinctive symbol displayed on cash register checks as confirmation of the cash register operation in fiscal mode;

12) fiscal data - information on cash settlements with a fiscal attribute, recorded in the fiscal memory of a cash register with a fiscal memory unit or a fiscal data storage device of a cash register with a data recording and/or transmission function, and transmitted to the tax authorities;

13) fiscal data storage device - a set of software and hardware tools that ensure uncorrectable registration and non-volatile long-term storage of information on cash settlements made in a cash register with a data recording and/or transmission function;

14) fiscal data operator – a legal entity that ensures the transfer of information on cash settlements in real time to tax authorities via public telecommunications networks, included in the list of fiscal data operators;

15) fiscal mode – the operation mode of a cash register that ensures unalterable recording and non-volatile long-term storage of information in the fiscal memory or fiscal data storage device with simultaneous transfer of information on cash settlements to tax authorities through a fiscal data operator.

Article 20. A state with preferential taxation

1. A foreign state or territory shall be recognized as a preferential tax jurisdiction if it meets one of the following conditions:

1) the income tax rate in such a state or territory is less than 10 percent;

2) such a state or territory has laws on the confidentiality of financial information or laws that enable secrecy on the actual owner of assets, income or the actual owners, participants, founders, shareholders of a legal entity (company).

The provisions of subparagraph 2) of the first part of this paragraph shall not apply to a foreign state or territory with which the Republic of Kazakhstan has an international treaty providing for the exchange of information between competent authorities on taxation matters, except for a foreign state or territory that does not provide for the exchange of information with the authorized body for taxation purposes.

2. A foreign state or territory shall be recognized as not providing or not ensuring the exchange of information with the authorized body for tax purposes if one of the following conditions is fulfilled:

1) the authorized body has received a written refusal from the competent or authorized body of a foreign state or territory to provide information, the exchange of which is envisaged by an international treaty;

2) the competent or authorized body of a foreign state or territory has not provided the requested information for more than two years after the authorized authority sent the relevant request.

3. The list of states with preferential taxation, determined under paragraphs 1 and 2 of this article, shall be approved by the authorized body.

Article 21. Other concepts

Other concepts:

1) monthly calculation index – the monthly calculation index established by the law on the republican budget for the relevant financial year and effective on the date specified by this Code;

2) social obligation – obligations to calculate, withhold, and transfer social payments;

3) official currency exchange rate – the official exchange rate of the national currency of the Republic of Kazakhstan against foreign currencies, established by the National Bank in accordance with the Law of the Republic of Kazakhstan On the National Bank of the Republic of Kazakhstan;

4) minimum wage – the minimum wage established by the law on the republican budget for the relevant financial year and effective on the date specified in this Code;

5) information on the absence (presence) of arrears, which is recorded by the tax authority (hereinafter referred to as information on the absence (presence) of arrears) – a document confirming the presence or absence of debt on taxes and payments to the budget, social payments, penalties, and fines, which are recorded by the tax authority.

The form of information on the absence (presence) of debt shall be established in accordance with the procedure for maintaining a personal account (hereinafter referred to as the procedure for maintaining a personal account) established by the authorized body;

6) The arithmetic average official exchange rate for the period is the rate determined by the following formula:

R = (R1 + R2 + ... + Rn)/n,

where:

R – is the arithmetic average official exchange rate for the period;

R1, R2, Rn – is the official exchange rate of the relevant currency set for each business day of the period during the period;

n – number of working days in the period.

In this case, the term “arithmetic average official exchange rate for the period” used in this Code corresponds to the average official exchange rate for the period published by the National Bank;

7) shareholding – equity participation of an individual and/or legal entity in joint activities , in the authorized capital of a legal entity, with the exception of joint stock companies and mutual investment funds;

8) fixed asset classifier – classification of fixed assets approved by the authority in technical regulation under the Law of the Republic of Kazakhstan On Standardization for the purpose of accounting for fixed assets in the fields of accounting and statistical accounting;

9) tax authority’s information system - an information system owned by the authorized body and intended for tax administration;

10) tax authority identification data - name, code, address of the tax authority;

11) state database of taxpayers (hereinafter referred to as the taxpayer database) - an information system intended for tax registration of taxpayers;

12) personal account of the taxpayer (tax agent) (hereinafter referred to as the personal account) - a document for recording calculated, charged (reduced), transferred and paid (taking into account offset and refunded) amounts of taxes and payments to the budget, social payments, as well as amounts of penalties and fines;

13) identification data of the taxpayer (tax agent) - surname, first name and patronymic (if indicated in the identity document) (hereinafter referred to as the surname, first name and patronymic) or title, identification number, location, and also in cases where the taxpayer (tax agent) is a legal entity - surname, first name and patronymic of the director;

14) tax mobile application - a software product installed and launched on a subscriber's cellular device for the taxpayer to receive electronic tax services and fulfill his tax obligations ;

15) national registries of identification numbers (hereinafter referred to as number registries) - state databases intended for the registration of individual identification numbers of individuals and business identification numbers of legal entities (branches and representative offices), individual entrepreneurs operating in the form of joint ventures;

16) accompanying invoice for goods - a shipping document for monitoring the movement of goods, including confirming the shipment of goods to the taxpayer;

17) winnings - income in kind and in cash received by the taxpayer in contests, competitions (Olympiads), lottery festivals, raffles, including raffles on deposits and debt securities, as well as income in the form of property benefits received in gambling and (or) betting;

18) electronic invoices information system - the tax authority's information system, through which invoices are issued in electronic form, acceptance, processing, registration, transfer and storage of electronic invoices and statements of work performed, services provided, accompanying invoices for goods issued in electronic form are carried out.

In this case, the term "electronic invoice" used in this Code is identical to the concept of " invoice issued in electronic form".

Paragraph 2. Legal framework of taxation

Article 22. Tax legislation of the Republic of Kazakhstan

1. The tax legislation of the Republic of Kazakhstan is based on the Constitution of the Republic of Kazakhstan and consists of this Code and regulatory legal acts, the adoption of which is provided for by this Code.

2. No one may be obligated to pay taxes and payments to the budget not provided by this Code.

3. In the event of a contradiction between this Code and other laws of the Republic of Kazakhstan, the provisions of this Code shall apply for taxation purposes.

4. It is prohibited to include provisions regulating tax relations in the non-tax legislation of the Republic of Kazakhstan, except for cases provided for by this Code.

5. International treaties ratified by the Republic of Kazakhstan shall have priority over this Code. The procedure and conditions for the effect on the territory of the Republic of Kazakhstan of international treaties to which the Republic of Kazakhstan is a party shall be determined by the legislation of the Republic of Kazakhstan.

Article 23. The effect of the tax legislation of the Republic of Kazakhstan

1. The tax legislation of the Republic of Kazakhstan shall be effective throughout the territory of the Republic of Kazakhstan and shall apply to all individuals, legal entities and their structural divisions, which are defined by this Code as payers of taxes and payments to the budget, as well as parties to the relevant tax and other procedures for the collection and administration of taxes and payments to the budget.

2. Laws introducing amendments and additions to this Code in terms of establishing a new tax and (or) payment to the budget, raising the rate, changing the object of taxation and (or) the tax base, increasing the categories of taxpayers (tax agents), canceling or reducing the deduction or benefit for the payment of taxes and payments to the budget, may be adopted no later than July 1 of the current year and put into effect no earlier than January 1 of the year following the year of their adoption.

3. Amendments and (or) additions to this Code shall be made by a law that does not provide for amendments and additions to other laws of the Republic of Kazakhstan.

Alongside this, when introducing amendments and (or) additions to this Code by way of legislative initiative of the Government of the Republic of Kazakhstan, the draft of such law shall be developed by the authorized body in tax policy and (or) the central authorized body for budget execution.

4. Provisions of laws establishing new types of taxes and (or) payments to the budget, raising rates, setting new obligations, and also worsening the position of the taxpayer (tax agent) shall not have retroactive effect.

Footnote. Article 23 as amended by the Law in pursuance of Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 24. The main goal and objective of the tax legislation of the Republic of Kazakhstan

1. The main goal of the tax legislation of the Republic of Kazakhstan is to establish taxes and payments to the budget, applicable in the territory of the Republic of Kazakhstan, as well as the rights and obligations of the parties to tax legal relations to ensure the fulfillment of tax obligations based on the principles of taxation.

2. The main objective of the tax legislation of the Republic of Kazakhstan is to establish a legal framework for the calculation and payment of taxes and payments to the budget, fulfillment of tax obligations.

Article 25. Principles of Taxation

The tax legislation of the Republic of Kazakhstan is based on the principles of taxation established by this Code.

The principles of taxation include the principles of bindingness, definiteness of taxation, fairness of taxation, transparency of taxation, integrity of the taxpayer (tax agent), unity of the tax system and publicity of the tax legislation of the Republic of Kazakhstan.

The provisions of the tax legislation of the Republic of Kazakhstan must not contradict the principles of taxation.

Article 26. The principle of bindingness of taxation

The taxpayer (tax agent) is obliged to fulfill the tax obligation in accordance with the tax legislation of the Republic of Kazakhstan in full and within the established timeframes.

Article 27. The principle of definiteness of taxation

Taxes and payments to the budget of the Republic of Kazakhstan have to be definite. Definiteness of taxation shall mean the establishment in the tax legislation of the Republic of Kazakhstan of all the grounds and procedure for the occurrence, fulfillment and termination of a taxpayer's (tax agent's) tax obligation.

Article 28. The principle of transparency of taxation

1. Taxation in the Republic of Kazakhstan shall be based on the transparency principle, which implies ensuring openness, clarity and accessibility of information on taxes and

payments to the budget, the procedure for their calculation, payment, control over their receipt during tax audits for all the tax legal relations entities.

2. When implementing tax administration, the tax authorities shall be obliged to act openly, objectively and in strict accordance with the requirements of the legislation of the Republic of Kazakhstan.

3. The taxpayer (tax agent) shall have the right to receive a reasoned, clear and comprehensive explanation on the application of the tax legislation of the Republic of Kazakhstan, also on the actions (inaction) of tax authorities within the tax administration framework.

4. Violation of the principle of transparency of taxation shall be the ground for appealing the actions (inaction) of tax authorities in the procedure established by this Code.

Article 29. The principle of fairness of taxation

1. Taxation in the Republic of Kazakhstan is universal and mandatory.

2. Provision of individual tax benefits shall be prohibited.

3. No one may be subject to repeated taxation by the same type of tax, the same type of payment to the budget for the same taxable object over the same period.

Article 30. The principle of integrity of tax payers (tax agents)

1. Integrity is assumed in the tax payer's (tax agent's) actions (inaction) in the fulfillment of the tax obligation.

2. A taxpayer may not reduce the tax liability as a result of:

distortion of information on the facts of economic activity (a set of such facts), on taxable items subject to reflection in the tax and (or) accounting records or tax reporting of the taxpayer;

transactions for the purpose of non-payment (incomplete payment) of the tax amount;

fulfillment of an obligation under a transaction (operation) by a person who is not a party to the agreement.

Understatement of the amounts of taxes and payments to the budget in tax reporting and (or) their non-payment by the supplier cannot be the only justification for not confirming the fact of mutual settlements with this supplier.

3. If a tax obligation fulfilled by a taxpayer (tax agent) in accordance with a previously received individual written explanation from an authorized body, later withdrawn, is found to be erroneous or a new, different explanation is sent, then the tax obligation is subject to correction (adjustment) when considering a complaint against notification of the tax audit results without charging fines to the taxpayer and penalties.

4. Breaching by a taxpayer (tax agent) of the tax legislation of the Republic of Kazakhstan and other legislation of the Republic of Kazakhstan related to a tax obligation fulfillment must be described during tax audits.

The tax authorities shall substantiate arguments and disclose circumstances pointing to breaching of the tax legislation of the Republic of Kazakhstan and other legislation of the Republic of Kazakhstan.

5. When considering a complaint about a notification of the tax audit results, all uncertainties and unresolved issues of the tax legislation of the Republic of Kazakhstan shall be construed in favor of the taxpayer (tax agent).

6. When determining tax liabilities, it is not allowed to account for assets, income and expenses received (incurred) as a result of a criminal offense (act), which are recognized as a bribe and (or) other illegal material remuneration on the basis of an effective judicial act or a resolution to terminate a criminal case on non-rehabilitating grounds.

Article 31. The principle of unity of the tax system

The tax system of the Republic of Kazakhstan is uniform throughout the territory of the Republic of Kazakhstan with respect to all taxpayers (tax agents).

Article 32. The principle of transparency of tax legislation of the Republic of Kazakhstan

Regulatory legal acts on taxation issues are subject to mandatory official publication.

Paragraph 3. General provisions on tax policy

Article 33. Tax policy

Tax policy is a set of measures to establish new and cancel existing taxes and payments to the budget, change rates, items of taxation and items related to taxation, the tax base for taxes and payments to the budget in order to meet the financial needs of the state based on observing a balance of economic interests of the state and taxpayers.

Article 34. Tax benefits

1. Tax benefit is an advantage granted in accordance with the norms of the tax legislation of the Republic of Kazakhstan to taxpayers in the form of a rate reduction, complete exemption from paying one or more taxes, deductions, adjustments from the taxable base.

2. In accordance with the Budget Code of the Republic of Kazakhstan the tax policy authority shall annually prepare an analytical report on tax expenses containing an assessment of the efficacy of tax benefits and the expediency of their further application.

3. Requests from authorized state bodies shall warrant consideration by the tax policy authority of the issue of granting a tax benefit.

4. In the event of a need to provide (extend) a tax benefit for the supervised industries, authorized state bodies shall send to the tax policy authority justifications for the need for the said benefit in the procedure established by the Government of the Republic of Kazakhstan.

Before applying to the tax policy authority, the authorized state bodies shall coordinate the proposed (extended) tax benefit with the antimonopoly body and the central authorized body for budget execution.

When applying to the tax policy authority the authorized state bodies shall submit an opinion on compliance with the legislation of the Republic of Kazakhstan in the competition

protection, issued by the antimonopoly body, and an opinion issued by the central authorized body for budget execution.

5. The tax policy authority, together with the central authorized body for budget execution , initiates proposals to grant or deny a tax benefit, extend or cancel a tax benefit, and the period for granting a tax benefit.

6. Authorized state bodies are required to monitor and control tax benefits in the supervised industries.

7. In the event of failure to achieve the socio-economic goals declared when introducing a tax benefit, and also taking into account its impact on the budget, the tax policy authority, together with the central authorized body for budget execution shall initiate clarification or cancellation of the tax benefit.

In this case the criteria for achieving the socio-economic goals of applying tax benefits and the procedure for establishing them shall be determined by the Government of the Republic of Kazakhstan.

8. Tax benefits cannot be provided if the amount of existing tax benefits reaches the threshold of ten percent of the gross domestic product for the calendar year preceding the current year.

Article 35. Methodological Council on Taxation Issues

1. In order to develop proposals to eliminate ambiguities, inaccuracies and contradictions that may arise in the course of fulfilling tax obligations, a Methodological Council on Taxation Issues shall be formed.

2. The Regulation on the Methodological Council on Taxation Issues and its composition shall be approved by the Prime Minister of the Republic of Kazakhstan.

Chapter 2. RIGHTS AND RESPONSIBILITIES OF THE TAXPAYER AND TAX AGENT. REPRESENTATION IN TAX RELATIONS Paragraph 1. Rights and obligations of the taxpayer and tax agent

Article 36. Rights and obligations of the taxpayer (tax agent)

1. The taxpayer (tax agent) has the right to:

1) receive information from the tax authority on current taxes and payments to the budget, changes in the tax legislation of the Republic of Kazakhstan;

2) receive from the tax authority an explanation and comments on the occurrence, fulfillment and termination of his tax obligation within the limits of the information and documents provided by him.

For a participant in horizontal monitoring, the authorized body shall make explanations and provide comments stipulated by the first part of this subparagraph, as well as preliminary clarification with respect to planned transactions (operations);

3) represent their interests in the relations regulated by the tax legislation of the Republic of Kazakhstan, personally or through a representative;

4) conclude an agreement to conduct a tax audit as required by the legislation of the Republic of Kazakhstan;

5) receive the tax control results in cases established by this Code;

6) apply to the tax authority to change the deadline for fulfilling the tax obligation to pay taxes and (or) fees in the manner determined by this Code;

7) appeal the notification of the tax audit results, the notification of the outcome of the consideration of the taxpayer's (tax agent's) complaint against the notification of the tax audit results, as well as the actions (inaction) of a tax authority official;

8) not to provide information and documents unrelated to taxable items and (or) taxation-related items.

2. The taxpayer (tax agent) is obliged to:

1) fulfill tax obligations timely and in full;

2) submit, at the tax authority's request an agreement to conduct a tax audit and a tax audit report if such an agreement is concluded;

3) provide information and documents requested by the tax authority in cases stipulated by this Code and other legislation of the Republic of Kazakhstan, compliance with which is monitored by tax authorities;

4) ensure the safety of property restricted in disposal in an unchanged condition until the restriction is lifted, with the exception of changes in such property due to natural wear and tear and (or) natural loss under normal storage conditions.

3. The taxpayer is obliged to:

1) comply with the requirements for the use of cash registers;

2) keep the books of sales receipts of the cash register for the limitation period from the date of full filling of such books;

3) when using a cash register without a data transfer function, store shift reports, cash accounting books, as well as cancellation and refund checks and checks on which cancellation and refund operations were made, during the limitation period;

4) undergo biometric identification in cases established by this Code.

4. A taxpayer engaged in the public catering and trade sectors is required to place a taxpayer passport in the immediate locations of cash registers and publicly accessible places to inform the public.

For the purposes of this article, a taxpayer passport is an information card of a business entity generated by a tax authority, which is not a tax secret and is contained in a barcode.

The taxpayer passport shall be posted on the authorized body's Internet resource.

The list of information contained in the taxpayer passport, the procedure and terms for its generation and posting on the Internet resource shall be established by the authorized body.

5. The taxpayer (tax agent) has other rights and shall fulfill other obligations established by this Code and other laws of the Republic of Kazakhstan.

Article 37. Ensuring and protecting the rights of a taxpayer (tax agent)

1. The taxpayer (tax agent) is guaranteed protection of his rights and legitimate interests.

2. The protection of the rights and legitimate interests of the taxpayer (tax agent) is effected in the manner determined by this Code and other laws of the Republic of Kazakhstan .

3. The tax authority and the official of the tax authority are prohibited from requiring the taxpayer (tax agent) to perform duties not provided for by this Code and other laws of the Republic of Kazakhstan.

Paragraph 2. Representation in tax relations

Article 38. Representation in tax relations

1. The taxpayer (tax agent) has the right to participate in relations regulated by the tax legislation of the Republic of Kazakhstan through:

1) the legal representative of an individual;

2) an authorized representative, including an operator.

2. The personal participation of the taxpayer (tax agent) in the relations regulated by the tax legislation of the Republic of Kazakhstan does not deprive him of the right to have a representative, just as the participation of a representative does not deprive the taxpayer (tax agent) of the right to personal participation in the said relations.

Article 39. Legal representative of an individual

A legal representative of an individual is a person authorized to represent an individual in accordance with the laws of the Republic of Kazakhstan.

The actions (inaction) of the legal representative of an individual, committed on behalf of this individual, shall be recognized as the actions (inaction) of the legal representative of the individual.

Article 40. Legal representative of a taxpayer (tax agent)

1. An authorized representative of a taxpayer (tax agent) is a person authorized to represent in relations with the tax authority and other participants in the relations regulated by this Code, the interests of a taxpayer (tax agent) who is:

1) an individual, including a sole proprietor or a private practitioner, on the basis of a notarized or equivalent power of attorney issued in accordance with the civil legislation of the Republic of Kazakhstan, which specifies the relevant powers of the representative;

2) a legal entity or its structural subdivision - on the basis of constituent documents and (or) a power of attorney issued in accordance with the civil legislation of the Republic of Kazakhstan, which specifies the relevant powers of the representative.

The taxpayer (tax agent) has the right to determine an authorized representative by issuing an electronic document of the taxpayer (tax agent) through the tax authority’s IT facility, in which the relevant powers of the representative are specified.

2. The actions (inaction) of the authorized representative of the taxpayer (tax agent), performed on behalf of the taxpayer (tax agent), shall be recognized as the actions (inaction) of the taxpayer (tax agent).

Article 41. Representation in subsoil use operation execution

1. Subsoil users carrying out subsoil use operations as part of a simple partnership (consortium) within the production sharing agreement (contract) shall have the right to participate in relations regulated by the tax legislation of the Republic of Kazakhstan, through the operator.

The powers of the operator in the relations regulated by the tax legislation of the Republic of Kazakhstan are determined in accordance with the production sharing agreement (contract) in the part that does not contradict this Code.

When fulfilling tax obligations in accordance with subparagraph 2) of paragraph 3 of Article 755 of this Code, the operator has all the rights and obligations provided for by this Code for taxpayers (tax agents).

The tax administration procedure provided for by this Code for taxpayers (tax agents) shall apply to the operator.

2. The actions (inaction) of the operator, performed on behalf of and (or) at the direction of subsoil users, shall be recognized as the actions (inaction) of such subsoil users and the operator acting on their behalf and (or) at their direction.

Chapter 3. TAX AUTHORITIES. INTERACTION IN TAX RELATIONS Paragraph 1. Tax authorities, their tasks, system, rights and obligations

Article 42. Tax authorities, their tasks and system

1. Tax authorities shall perform the following tasks:

1) ensuring compliance with the tax legislation of the Republic of Kazakhstan and other legislation of the Republic of Kazakhstan, compliance with which is monitored by tax authorities;

2) participation in the tax policymaking of the Republic of Kazakhstan;

3) ensuring, within their jurisdiction, the economic security of the Republic of Kazakhstan ;

4) formation, ensuring the development of tax authority informatization facilities and availability of electronic services for taxpayers;

5) performance of other tasks stipulated by the legislation of the Republic of Kazakhstan.

The tax authority is the state revenue agency - a state agency that, within its jurisdiction ensures receipt of taxes and payments to the budget, customs regulation in the Republic of Kazakhstan, wields powers to prevent, identify, suppress and disclose administrative offenses attributed by the legislation of the Republic of Kazakhstan to the jurisdiction of this agency, and also exercises other powers provided for by the legislation of the Republic of Kazakhstan.

2. The system of tax authorities consists of:

1) an authorized body;

2) territorial units in the capital, oblasts, cities of republican status, districts, cities and districts in cities;

3) inter-district territorial divisions;

4) territorial divisions in the territories of special economic zones;

5) a specialized state institution.

A specialized state institution is a training and methodological center established by the resolution of the Government of the Republic of Kazakhstan, which performs training, retraining and professional development of tax authority officials, also functions related to improving the tax culture of the population.

The authorized body exercises management of tax authorities.

3. Tax authorities have codes approved by the authorized body.

4. The tax authority has a symbol, the description and procedure for using which are determined by the authorized body.

Article 43. Rights and responsibilities of the tax authority

1. The tax authority shall have the right to:

1) carry out international cooperation on taxation issues, including exchanging information with foreign states' authorized bodies;

2) demand from the taxpayer (tax agent) in cases stipulated by this Code:

submission of documents confirming the correctness of calculation and timeliness of payment (withholding and transfer) of tax liabilities in payment of taxes and payments to the budget, as well as social obligations;

written explanations on the tax forms prepared by it, as well as its financial statements, including consolidated financial statements, including the financial statements of its subsidiaries outside the Republic of Kazakhstan, with an attached audit report if mandatory audit is established for such person by the laws of the Republic of Kazakhstan;

3) request and (or) receive information from authorized state and local executive bodies, the State Corporation, financial and payment organizations, collection agencies, banking organizations, as well as other persons in the manner and for the purposes determined by this Code;

4) verify an individual in terms of the accuracy of information on income and property stated in the tax reporting of an individual, for the fact of complete fulfillment of tax obligations;

5) involve specialists in tax audits and other forms of supervision;

6) make photo and video recording, question third parties in cases established by this Code;

7) file claims in courts to invalidate transactions, liquidate a legal entity on the grounds provided for in subparagraphs 1), 2), 3) and 4) of paragraph 2 of Article 49 of the Civil Code

of the Republic of Kazakhstan, as well as other claims in accordance with the competence and objectives established by the legislation of the Republic of Kazakhstan;

8) apply to the court for adjudging the taxpayer as bankrupt in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

9) conduct training, retraining and advanced training of officials of tax authorities;

10) conduct educational and publishing activities in the manner established by the legislation of the Republic of Kazakhstan to improve the tax culture of taxpayers of the Republic of Kazakhstan;

11) certify decisions taken in accordance with this Code by an electronic digital signature of the tax authority's information system;

12) use biometric identification tools in the information systems of tax authorities in tax administration;

13) carry out activities aimed at improving the tax culture and strengthening tax discipline

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2. The tax authority shall:

1) respect the rights of the taxpayer (tax agent);

2) protect the interests of the state;

3) provide the taxpayer (tax agent) with information on current taxes and payments to the budget, on changes in the tax legislation of the Republic of Kazakhstan;

4) within its competence provide explanations and commentary to the taxpayer (tax agent) on the occurrence, fulfillment and termination of his tax liability within the limits of the information and documents submitted by him.

For a participant in horizontal monitoring, the explanations and comments stipulated by the first part of this subparagraph, as well as preliminary clarification with respect to planned transactions (operations) shall be provided by the authorized body;

5) ensure the safety of information confirming the fact of payment of taxes and payments to the budget during the limitation period;

6) consider a complaint from a taxpayer (tax agent) against the actions (inaction) of officials of tax authorities, as well as against notification of tax audit results;

7) take measures stipulated by the Code of the Republic of Kazakhstan on Administrative Infractions upon the fact of administrative infractions established in the course of tax supervision, or refer records on such fact to the relevant authority according to jurisdiction;

8) refer to the law enforcement agency with jurisdiction the records on facts of evasion of taxes and payments to the budget and (or) deliberate bankruptcy identified during tax control, indicating signs of a criminal offense, for the adoption of a procedural decision in accordance with the laws of the Republic of Kazakhstan;

9) provide, in accordance with the laws of the Republic of Kazakhstan, access to the information system of the tax authority to the authorized state body that performs financial monitoring and takes other measures to combat the legalization (laundering) of income, the

authorized body for the return of assets and the national security agencies of the Republic of Kazakhstan;

10) apply methods to ensure the fulfillment of tax obligations and collect tax arrears from the taxpayer (tax agent) in a compulsory manner.

3. The tax authority shall post on the authorized body's Internet resource, in the manner and cases determined by this Code, information about the taxpayer (tax agent):

1) having tax arrears;

2) an individual for whom the tax authority has calculated the amounts of tax liabilities for property tax, land tax;

3) included in the register of inactive taxpayers;

4) for whom the issuance of electronic invoices has been suspended;

5) whose registration has been recognized as invalid on the basis of an effective court ruling;

6) included in the register of foreign companies -VAT payers, operating through an Internet platform in the territory of the Republic of Kazakhstan;

7) whose absence at the location has been established by a tax inspection report;

8) de-registered as a sole proprietor or a private practitioner, and who has been denied such de-registration;

9) who has submitted liquidation tax reporting in connection with the liquidation or termination of activities;

10) who has submitted tax reporting on income and property and on assets and liabilities;

11) contained in the taxpayer's passport;

12) included in the database of individuals and structural units of legal entities that received and expended funds and (or) other assets, received from foreign states, international and foreign organizations, foreign nationals, stateless persons;

13) applying (has applied) a special tax regime based on a simplified declaration, indicating the dates of commencement and (or) termination of such a regime.

4. The tax authority is obliged to publish quarterly information in the media on:

1) sole proprietors, private practitioners, legal entities and structural divisions of a legal entity with tax arrears in the amount exceeding the maximum amount of tax arrears;

2) foreign companies operating through an Internet platform in the territory of the Republic of Kazakhstan and that have not executed the notification of registration with the tax authority.

The list of information subject to publication in media, as well as the procedure and terms for their publication, are established respectively:

1) in the procedure of enforced collection by the tax authority of the tax arrears of the taxpayer (tax agent), provided for in Article 183 of this Code;

2) in the procedure of conditional registration of a VAT payer, provided for in Article 102 of this Code.

5. The tax authority has other rights and performs other duties established by the laws of the Republic of Kazakhstan.

Article 44. Material support, legal and social safety of a tax authority official

1. A tax official shall be protected by law while performing his official duties.

2. Failure to comply with the legal requirements of a tax official, insult, threat, violence or encroachment on his life, health, property or his family members in connection with his official duties, other actions that prevent him from performing his official duties, shall entail liability established by the laws of the Republic of Kazakhstan.

3. In the event of moderate bodily harm in connection with the performance of official duties, a tax official shall be paid a one-time compensation in the amount of five minimum wages from the budget.

4. In the event of severe bodily harm in connection with the performance of official duties , which precludes further possibility of engaging in professional activities, a tax official shall be paid a one-time compensation in the amount of five years' salary from the budget, as well as the difference between the amounts of his official salary and pension (for life).

5. In the event of a tax official’s death in the performance of his official duties, the family of the deceased or his dependents (heirs):

1) shall be paid a one-time benefit in the amount of ten years' salary for the last position held by the deceased from budget funds;

2) a state social benefit is assigned in the event of the loss of a breadwinner in the amounts and in the manner established by the legislation of the Republic of Kazakhstan on social protection.

6. Harm caused to the life and health, and damage caused to the property of a tax official, as well as to his family members and his close relatives in connection with the performance of his official duties, shall be compensated in accordance with the legislation of the Republic of Kazakhstan.

Article 45. Tax secret

1. Tax secret - any information about the taxpayer (tax agent) received by the tax authority, unless otherwise established by this article.

2. The following information on the taxpayer (tax agent) - a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, a sole proprietor, a private practitioner - shall not constitute a tax secret:

1) on the amount of taxes and payments to the budget paid (transferred) by the taxpayer (tax agent), charged to the taxpayer (tax agent);

2) on the amount to be refunded to the taxpayer from the budget of the VAT excess amount, attributed as offset, over the amount of charged VAT;

3) on the tax debt amount;

4) on the following registration data:

identification number;

surname, first name and patronymic of the manager;

title;

date of entering information on such taxpayer in the taxpayer database or registration;

date and grounds for exclusion of information on such taxpayer from the taxpayer database and deregistration;

type of activity;

date of start and end of suspension of the deadline for filing tax returns;

residency;

registration number of the cash register with the tax authority;

place of use of the cash register;

applicable taxation procedure;

5) on the number of employees reflected in the tax reporting;

6) on the tax burden coefficient calculated as established by the authorized body, including the tax burden coefficient used for analytical purposes, which is determined as the ratio of the total amount of taxes and payments to the budget calculated by the taxpayer for the tax period to the amount of taxable income excluding expenses on remuneration and depreciation;

7) on liability measures applied for breaching the tax legislation of the Republic of Kazakhstan;

8) on tax benefits;

9) subject to posting on the Internet resource of the authorized body in cases stipulated by this Code;

10) not constituting confidential information under the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy.

3. The following information on a taxpayer (tax agent) - an individual shall not constitute a tax secret:

1) the tax debt amount;

2) the following registration data:

surname, first name and patronymic of an individual;

identification number;

date of entering data on such taxpayer in the taxpayer database;

date and grounds for exclusion of data on such taxpayer from the taxpayer database;

residency;

3) liability measures applied for breaching the tax legislation of the Republic of Kazakhstan;

4) subject to publication in accordance with the Law of the Republic of Kazakhstan On Combating Corruption;

5) on tax benefits;

6) subject to posting on the Internet resource of the authorized body in cases stipulated by this Code;

7) not constituting confidential information under the legislation of the Republic of Kazakhstan on the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan.

4. Information on a taxpayer (tax agent) applying tax benefits, including for the purposes of forming and filing an analytical report on tax expenses, as provided by the Budget Code of the Republic of Kazakhstan, shall not be a tax secret either.

5. Information on a taxpayer (tax agent) that is a tax secret, as well as documents containing such information, may not be submitted by the tax authority to another person without the consent of the taxpayer (tax agent), except for the cases provided for in paragraphs 4 and 6 of this article.

6. The tax authority shall submit information on a taxpayer (tax agent) that is a tax secret without obtaining the consent of the taxpayer (tax agent):

1) to law enforcement bodies and the State Security Service of the Republic of Kazakhstan within their competence established by the legislation of the Republic of Kazakhstan.

The information is provided on the basis of a reasoned request sanctioned by the investigating judge or prosecutor. Sanction is not required when such information is requested by the investigating judge or prosecutor.

The request is sent on paper or as an electronic document;

2) to the court and judges on their application (order, demand, instruction, request) sent during the administration of justice in cases when the taxpayer is a party to the case under consideration;

3) to the bailiff within his competence established by the legislation of the Republic of Kazakhstan, on cases of enforcement proceedings pending before him on the basis of a resolution certified by the seal of a private bailiff or territorial department;

4) to the central authorized state planning body, the authorized body implementing financial monitoring and taking other measures to combat legalization (laundering) of income , the authorized body for asset recovery, the authorized body for external state audit and financial supervision, the authorized body for internal state audit and the national security body of the Republic of Kazakhstan in cases stipulated by the laws of the Republic of Kazakhstan.

The authorized state bodies specified in the first part of this subparagraph shall approve the list of officials who have access to such information;

5) to the authorized state bodies, the National Bank to perform the tasks and exercise the functions assigned to them by the laws of the Republic of Kazakhstan.

The list of information constituting a tax secret and the procedure for its submission shall be established by the rules of interaction approved by a joint act with the authorized body;

6) to banking organizations, payment organizations, local executive bodies, local self-government bodies, the State Corporation to perform the tasks and exercise the functions assigned to them by the laws of the Republic of Kazakhstan.

The list of information constituting a tax secret and the procedure for submitting it shall be established by the rules of interaction approved by a joint act of the authorized body and the authorized state body exercising management in the relevant area, or the National Bank, within the limits of competence;

7) to a specialist involved in conducting a tax audit and other forms of control (hereinafter referred to as a specialist);

8) to tax or law enforcement agencies of other states, international organizations in accordance with international treaties ratified by the Republic of Kazakhstan;

9) to members of the appeals commission for appeals considered within the competence;

10) members of the Advisory Council for the consideration of issues related to horizontal monitoring (hereinafter referred to as the Advisory Council), on issues considered within their competence;

11) members of the Methodological Council on taxation issues on appeals considered within their competence;

12) the structural subdivision of the authorized body that reviews complaints about notifications of tax audit results, on appeals considered within their competence;

13) taxpayers who have submitted a claim for a refund of the excess VAT amount, in terms of violations identified by their suppliers according to the analytical report “Supplier Pyramid” within a thematic tax audit.

7. Information for the purposes of implementing the provisions of this article shall be submitted through the integration of information systems in accordance with the Law of the Republic of Kazakhstan On Informatization. In the absence of integration, information may be submitted on paper or in another electronic form.

In the case of exchanging information through the integration of information systems, the establishment of a separate procedure for submitting information is not required.

8. The provisions of paragraph 6 of this article shall not apply to information on the taxpayer received by the tax authority in accordance with the Law of the Republic of Kazakhstan “On amnesty for citizens of the Republic of Kazakhstan, oralmans and persons holding a residence permit in the Republic of Kazakhstan, in connection with the legalization of property by them.”

9. Tax secrets shall not be disclosed by persons who have access to tax secrets, either during the period of performance of their duties or after completion of their performance.

10. The loss of documents containing information constituting a tax secret, or disclosure of such information, shall entail liability established by the laws of the Republic of Kazakhstan.

11. The following shall not constitute disclosure of tax secrets:

1) transfer by the tax authority for storage of a backup copy of the electronic information resource to a single platform for the backup storage of electronic information resources in accordance with the Law of the Republic of Kazakhstan On Informatization.

In this case, the use of such data transferred for storage is carried out only by the tax authority;

2) transfer of information received in the manner and on the terms stipulated by the legislation of the Republic of Kazakhstan on regulation of trade activities, as well as special protective, anti-dumping and compensatory measures in relation to third countries:

to the competent authority of a third country and (or) a union of third countries when conducting special protective, anti-dumping and compensatory investigations in relation to goods originating from the Republic of Kazakhstan;

to the competent authority of a member state of the EAEU and (or) the Eurasian Economic Commission (hereinafter referred to as the EEC) in the event of conducting a compensatory investigation in relation to goods originating from the Republic of Kazakhstan;

to the EEC for the purposes of investigations in accordance with the legislation of the Republic of Kazakhstan on special protective, anti-dumping and compensatory measures in relation to third countries;

3) transfer by the tax authority to banking organizations of information on the taxpayer (tax agent), necessary for the fulfillment:

by the taxpayer (tax agent) of his tax obligations to pay taxes and payments to the budget, as well as social obligations;

by banking organizations of the duties provided for by this Code;

4) transfer by the authorized body in the field of information technology to the operator of the information and communication infrastructure of the electronic government of information obtained for the formation of a risk assessment system, for the purpose of state control and supervision, as well as for the implementation of data analytics in accordance with the requirements for data management;

5) transfer of information to the information systems of information technology entities necessary for the accounting and processing of state electronic information resources. Such information shall be used only by the tax authority;

6) transfer by the tax authority to the National Chamber of Entrepreneurs of the Republic of Kazakhstan (hereinafter - NCE) of the information specified in paragraph 16 of Article 56 of this Code;

7) transfer by the tax authority to the Internet platform operator of information on the calculated amounts of taxes and social payments for individuals applying a special tax regime for the self-employed and using the Internet platform in their activities.

Paragraph 2. Interaction of the tax authority with the taxpayer (tax agent)

Article 46. General provisions for interaction between the tax authority and the taxpayer (tax agent)

1. For the purpose of effective interaction with the taxpayer (tax agent), the tax authority has the right to organize measures to:

1) create conditions for the taxpayer (tax agent) to fulfill the tax obligation;

2) ensure timely fulfillment of the tax obligation by the taxpayer (tax agent).

2. The tax authority:

1) provides the taxpayer (tax agent) free of charge with tax reporting forms, tax applications and (or) software required for submitting tax reporting and tax applications in the form of an electronic document, including a web application;

2) posts annually, no later than December 31 of the year preceding the year of tax reporting, the structure of the electronic format of tax reporting and the requirements of format and logical control on the authorized body's Internet resource;

3) provides a non-resident taxpayer, tax agent with certificates on the amounts of income received by the non-resident from sources in the Republic of Kazakhstan and withheld (paid) taxes;

4) provides the taxpayer (tax agent) via a web application with statements from the personal account on the status of settlements with the budget on all or individual types of taxes, payments to the budget, social payments, penalties, fines and information on the absence (presence) of arrears on them.

The form of the personal account statements on the status of settlements with the budget on all or individual types of taxes, payments to the budget, social payments, penalties and fines is determined in the order of maintaining the personal account;

5) posts on the authorized body's Internet resource the information on the administrative-territorial units of the Republic of Kazakhstan that have no public telecommunications networks on their territory.

3. For updates on tax obligations fulfillment the taxpayer (tax agent) shall:

1) submit to the tax authority at the location the phone numbers and email addresses in the event that the taxpayer (tax agent) is a legal entity - the head of a legal entity and (or) an employee making settlements with the budget (if any), and ensures their relevance;

2) register with the web application or other IT facility of the tax authority.

Article 47. Measures to create conditions for the tax obligations fulfillment by the taxpayer (tax agent)

The tax authority shall create conditions for the tax obligations fulfillment by the taxpayer (tax agent) by:

1) training newly registered taxpayers in the procedure for fulfilling tax obligations, including with the use of the tax authority's IT facilities;

2) ensuring the provision of public services by tax authorities, including acceptance of declarations by tax authority service groups:

persons with disabilities of the first or second group;

persons with diseases for which a period of temporary incapacity for work of more than two months may be established;

elderly persons over eighty who require outside care and assistance;

individuals living in remote districts that have no public telecommunications networks.

A tax authority service group is understood to be a visiting group consisting of tax authority officials who provide:

informational and explanatory support to taxpayers in fulfilling tax obligations, including the preparation and submission of declarations of individuals;

other state services of tax authorities in accordance with the regulation on the service group of the tax authority.

The standard regulation on the service group of the tax authority shall be approved by the authorized body.

The composition of the service group and the regulation on the service group of the tax authority shall be approved by the head of the tax authority on the basis of the standard regulation on the service group;

3) pre-filling of tax reporting forms based on the information available to the tax authority for submission of:

declarations for taxpayers applying a special tax regime based on a simplified declaration;

declarations on assets and liabilities, on income and assets of individuals;

declarations on VAT for newly registered VAT payers.

It is the responsibility of the taxpayer to verify the accuracy of the information reflected in the tax reporting pre-filled by the tax authority;

4) providing the taxpayer (tax agent) by telephone with clarification on issues related to the tax obligation fulfillment.

Article 48. Measures to secure timely fulfillment of tax obligations by the taxpayer (tax agent)

Measures to secure timely fulfillment of tax obligations by the taxpayer (tax agent) shall include:

1) notification of the taxpayer (tax agent) on the due date for fulfilling the tax obligation by video, audio and other technical means that do not contradict the legislation of the Republic of Kazakhstan;

2) sending information messages to the taxpayer (tax agent) through IT facilities on tax obligations issues.

Article 49. General provisions on providing documents and information by the tax authority and the taxpayer (tax agent)

1. Documents and (or) information shall be provided by the tax authority and the taxpayer (tax agent) in the manner specified in Articles 50 and 51 of this Code.

For the purposes of this paragraph, decisions of the tax authority shall also be considered documents.

2. The document and (or) information shall be provided in compliance with the requirements for the form and content established by the legislation of the Republic of Kazakhstan.

The provision of documents and (or) information electronically shall be in compliance with the requirements of the legislation of the Republic of Kazakhstan on electronic documents and electronic digital signatures.

3. Decisions of the tax authority shall be made in the following forms:

1) note;

2) notification;

3) conclusion;

4) recommendation;

5) requirement;

6) decision;

7) order;

8) instruction;

9) act;

10) resolution;

11) statement;

12) certification;

13) protocol;

14) order;

15) certificate;

16) residency certificate.

The tax authority's decision-making procedure, the deadlines for submission and execution shall be established in accordance with this Code.

4. Unless otherwise established by part two of this paragraph, the decision of the tax authority must necessarily contain the following information:

1) number and date;

2) title;

3) identification data of the tax authority;

4) identification data of the taxpayer (tax agent);

5) grounds for adoption;

6) conclusion of the tax authority with substantiation of arguments and disclosure of circumstances indicating the fact of violation of the tax legislation of the Republic of Kazakhstan;

7) the procedure and term for execution of such decision in cases stipulated by this Code;

8) consequences of violation of the procedure and term for execution stipulated by this Code.

The information specified in subparagraphs 6), 7) and 8) of part one of this paragraph may not be reflected in the decisions of the tax authority in the form of a certification, attestation, protocol, order, certificate and document confirming residency.

Decisions of the tax authority may contain additional information in cases stipulated by this Code.

The forms of the tax authority's decisions shall be approved by the authorized body, unless otherwise established by this Code.

Decisions of the tax authority taken with the use of the tax authority's automated information system may be certified by an electronic digital signature of such information system.

5. The provisions of this paragraph regarding the exchange of documents and information shall not apply to decisions of the tax authority on which this Code defines a special filing procedure or establishes a ban on their distribution.

Article 50. Procedure of providing a document to the tax authority by a taxpayer (tax agent)

1. The taxpayer's (tax agent's) document shall be submitted to the tax authority in one of the following ways:

1) on paper - in person (including through the State Corporation) or by post or other communications organization by registered mail with notification. Filing of tax reporting on VAT through the State Corporation and by post or other communications organization by registered mail with notification is not permitted;

2) as an electronic document - electronically (in electronic form enabling computer processing of information).

2. Depending on the submission method, the date of the document submission to the tax authority shall be the date of:

1) registration of the document by the tax authority or the State Corporation - in person;

2) the note of acceptance by the postal or other communications organization - through such an organization by registered mail with notification;

3) acceptance by the central node of the tax authority's information system of tax reporting - electronically (in electronic form, enabling computer processing of information);

4) sending via the e- government's web portal (hereinafter -the web portal) or another IT facility that enables the exchange of documents in accordance with the tax legislation of the Republic of Kazakhstan - electronically.

Signing and certification of tax forms is permitted with the use of one-time passwords in accordance with the legislation of the Republic of Kazakhstan.

Article 51. Procedure of providing a document by the tax authority to the taxpayer (tax agent)

1. A document shall be provided to a taxpayer (tax agent) by the tax authority official by handing it over in person against signature on paper or by sending it in another manner confirming the fact of sending and receipt.

2. A document shall be deemed delivered, unless otherwise provided by this Code, if it is sent in the following ways confirming the fact of sending and receipt:

1) by post or other communications organization by registered mail with notification - from the date of the taxpayer's (tax agent's) note in the notification of the postal or other communications organization.

In this case, the postal or other communications organization shall deliver the document on paper within ten working days from the date of the note on its receipt;

2) electronically - from the date of delivery of the electronic document to:

the web application, special mobile application and (or) tax mobile application;

the user account on the web portal with sending of a short text message to the subscriber mobile number registered on the web portal;

other IT facility of the tax authority.

This method applies to the taxpayer (tax agent) registered with the relevant IT facility;

3) through the State Corporation - from the date of receipt of the document on paper in person.

3. When a document sent to a taxpayer (tax agent) by registered mail with notification is returned by a postal or other communication organization, the delivery date of such document shall be the date of the tax inspection.

4. When a notification of the tax audit results or a notification of amounts charged during the liquidation period sent upon the tax audit results, completed on the basis of a tax inspection report is returned by a postal or other communication organization, the delivery date shall be the date of such return.

5. In the event of a refusal by the taxpayer (tax agent), an official of the tax authority shall draw up an act on refusal to receive the decision of the tax authority (to sign on the copy of the tax authority’s conclusion) (hereinafter referred to as the act on refusal).

The act on refusal shall be drawn up in the presence of of witnesses.

6. The following shall be indicated in the refusal act:

1) the place and date of drawing it;

2) the number and date of the tax authority’s conclusion, which the taxpayer (tax agent) refused to accept or sign;

3) surname, first name and patronymic, type and number of the identity document, identification number and residence address of each attesting witness;

4) the reasons for the refusal of the taxpayer (tax agent).

The refusal act shall be signed by the official of the tax authority who prepared it and by the attesting witnesses.

The tax authority official has the right to attach to the refusal act photographs and negatives, video recordings or other records taken during the performance of the action.

7. The provisions of this article shall also apply when the tax authority presents a decision to other persons in order to ensure compliance with this Code and other legislation of the Republic of Kazakhstan, compliance with which the tax authority monitors.

Paragraph 3. Interaction with authorized state bodies, local executive bodies and other persons

Article 52. Interaction of the tax authority with authorized state bodies, local executive bodies and the State Corporation

1. The tax authority shall interact with authorized state bodies, local executive bodies and the State Corporation in the implementation of tax administration.

Submission of information within the interaction framework is carried out by integrating information systems. Before the integration of information systems, information may be submitted on paper or in another electronic way.

2. Authorized state bodies, local executive bodies and the State Corporation are obliged to :

1) assist the tax authority in performing tasks related to tax administration;

2) ensure the integration of information systems with the tax authority's information system;

3) provide the tax authority with the information necessary for performing tasks and exercising the functions assigned to them within their competence, including information containing personal data, in accordance with the list, deadline, procedure and forms established in the interaction rules approved by a joint act of the authorized body and the relevant authorized state body.

The State Corporation shall submit information in accordance with the interaction rules approved by a joint act of the authorized body and the public services authority.

In the case of information exchange through the integration of information systems, the establishment of a separate procedure for submitting information is not required.

3. Akims of cities of district scale, settlements, villages, rural districts shall:

1) organize the collection of taxes on property, vehicles paid by individuals;

2) ensure the submission to individuals of notifications on the amount of the calculated property tax no later than ten working days following the day of calculation by the tax authority.

4. The state corporation and authorized state bodies that collect payments to the budget, record and (or) register taxable items and taxation-related items, are required to indicate the taxpayer’s identification number in the information provided.

5. The authorized body for regulation, control and supervision of the financial market and financial organizations, at the request of the tax authority, shall submit an opinion on insurance obligations in respect of the audited taxpayer on compliance with the requirements

established by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

The form of the opinion specified in this paragraph, the procedure and term for its submission shall be established in the rules of interaction approved by a joint act of the authorized body and the authorized body for regulation, control and supervision of the financial market and financial organizations.

6. The Ministry of Foreign Affairs of the Republic of Kazakhstan (hereinafter - the Ministry of Foreign Affairs) shall submit to the tax authority at the location of the diplomatic and equivalent mission of a foreign state, consular office of a foreign state accredited in the Republic of Kazakhstan (hereinafter -the diplomatic mission), the documents confirming accreditation and location, within ten working days from the date of accreditation of such diplomatic mission.

7. The environmental protection authority and its territorial units shall submit to the tax authorities at their location information on the actual extent of negative impact on the environment established during inspections of compliance with the environmental legislation of the Republic of Kazakhstan (state environmental control).

Information on the actual extent of negative impact on the environment shall be submitted with regard to the appeal of the inspections results in accordance with the laws of the Republic of Kazakhstan no later than ten working days from the date of enforcement of the judicial act or expiration of the terms for appealing the results of such inspections provided for by the laws of the Republic of Kazakhstan.

The form of the information specified in the first part of this paragraph and the procedure for submitting it shall be established in the interaction rules approved by a joint act of the authorized body and the environmental protection authority.

Article 53. Interaction of the tax authority with the National Bank

1. The tax authority interacts with the National Bank in the exercise of tax administration.

Submission of information within the interaction is carried out by integrating information systems. Before the integration of information systems, the information may be submitted on paper or in another electronic form.

2. The National Bank is obliged to:

1) assist the tax authority in performing the tasks related to the implementation of tax administration;

2) ensure the integration of information systems with the tax authority’s information system;

3) provide the tax authority with the information necessary for the performance of tasks and the exercise of the functions assigned to them within their competence, including information containing personal data, according to the list, deadline, procedure and forms

established in the interaction rules approved by a joint act of the authorized body and the National Bank (hereinafter -the rules of interaction of the authorized body and the National Bank).

In the case of exchanging information through the integration of information systems, the establishment of a separate procedure for submitting information is not required.

3. The National Bank and banking organizations submit to the tax authority a conclusion on the receipt of foreign exchange proceeds.

The form of the conclusion on the receipt of foreign exchange proceeds, the procedure and dates for submitting such a conclusion are established by the rules of interaction of the authorized body and the National Bank.

4. The National Bank:

1) provides the authorized body with information received from authorized banks on payments and (or) money transfers from the Republic of Kazakhstan and to the Republic of Kazakhstan of an individual (to an individual), a legal entity (to a legal entity), as well as a structural subdivision (to structural subdivision) of a legal entity on foreign exchange transactions in the amount of 50,000 US dollars in equivalent, carried out through authorized banks, on transactions (contracts), including non-commodity transactions;

2) submits to the tax authority information on transactions recognized as income of a non-resident from sources in the Republic of Kazakhstan, in accordance with subparagraph 39) of paragraph 1 of Article 679 of this Code;

3) submits to the authorized body information received from the AIFC committee for financial services regulation on currency transactions conducted by AIFC participants on the AIFC territory.

The information and data specified in the first part of this paragraph shall be provided in the manner, form and timeframes established by the rules of interaction between the authorized body and the National Bank.

Article 54. Interaction of the tax authority with financial and payment organizations, collection agencies

1. Financial and payment organizations, collection agencies are obliged to assist the tax authority in performing tasks related to tax administration.

Submission of information within the framework of interaction is carried out through the integration of information systems. Before the integration of information systems, information may be submitted on paper or in another electronic form.

In case of information exchange through the integration of information systems, the establishment of a separate procedure for the submission of information is not required.

2. Collection agencies are obliged to submit to the tax authority at their location no later than the 25th day of the month following the reporting quarter, the information on:

1) agreements containing the terms of transfer of the right (claim) to the collection agency ;

2) taxpayers exercising the rights of a creditor in relation to the right (claim) assigned to him under a bank loan agreement, within the framework of a trust management agreement concluded with the collection agency.

3. Custodians, the central depository, brokers and (or) dealers entitled to maintain client accounts as nominal holders of securities are required to submit to the tax authority:

1) information on the availability of accounts for recording of securities opened for non-resident individuals, non-resident legal entities, legal entities whose beneficial owners are non-residents, as well as on the balances and movement of securities in these accounts;

2) information on the availability of personal accounts for recording of securities opened for individuals and legal entities specified in the request of the authorized body of a foreign state sent in accordance with an international treaty of the Republic of Kazakhstan (hereinafter -the international treaty) on the exchange of information, also on the balances and movement of securities in these accounts and other information related to the agreement concluded by such persons with an individual or legal entity.

4. Custodians managing an investment portfolio are required to provide the tax authority with:

1) information on the availability of other assets, with the exception of securities owned by non-resident individuals, non-resident legal entities, and legal entities whose beneficial owners are non-residents;

2) information on the availability of other assets, with the exception of those specified in subparagraph 1) of this paragraph, owned by individuals and legal entities specified in the request of the authorized body of a foreign state sent in accordance with an international agreement on the exchange of information, also other information related to the agreement concluded by such persons with an individual or legal entity.

5. Insurance organizations in the life insurance sector are required to submit to the tax authority:

1) information on concluded endowment insurance contracts, the beneficiaries of which are non-resident individuals;

2) information on concluded endowment insurance contracts, the beneficiaries of which are individuals specified in the request of the foreign state's authorized body sent in accordance with the international agreement on the exchange of information, as well as other information related to these endowment insurance contracts.

6. Insurance (reinsurance) organizations and insurance brokers are required to submit to the tax authority information on the insurance contracts concluded by individuals.

7. The forms of information specified in paragraphs 1 –6 of this article, the procedure and deadlines for their submission shall be established by the authorized body in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations.

8. Brokers are required to submit to the tax authority the information on transactions with securities concluded on the basis of trading results, and commodity exchanges and (or) clearing centers of commodity exchanges - information on transactions of individuals with exchange commodities sold on the commodity exchange, through the integration of information systems.

The form of information specified in part one of this paragraph shall be established by the authorized body.

9. Payment organizations are required to submit to the tax authority information on the total amounts of payments and transfers over the calendar quarter made in favor of and in the context of foreign companies operating through an Internet platform on the territory of the Republic of Kazakhstan.

The forms of information stipulated in part one of this paragraph, the procedure and dates for their submission shall be established by the authorized body in coordination with the National Bank.

Article 55. Interaction of the tax authority with banking organizations

1. Banking organizations are obliged to assist the tax authority in performing tasks related to tax administration.

The exchange of information within the interaction framework is carried out via a telecommunications network, in cases of technical failure the information is sent on paper.

2. Banking organizations are obliged to:

1) notify the tax authority of the opening or closing of bank accounts by a legal entity, its structural units, sole proprietor, private practitioner, foreign national, stateless person or of a change in the individual identification code of a bank account in cases, stipulated by the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan," indicating the identification number of such persons no later than two business days, following the day of their opening, closing or change.

Notification is not required:

on bank accounts intended for storing pension assets of the unified accumulative pension fund and voluntary accumulative pension funds, assets of the social health insurance fund, assets of the State Social Insurance Fund (hereinafter referred to as the SSIF), assets securing the issuance of bonds of a special financial company, and assets of an investment fund;

on savings accounts of non-resident legal entities, foreign nationals and stateless persons, correspondent accounts of foreign correspondent banks;

on bank accounts intended for receiving benefits and social payments paid from the state budget and (or) the SSIF;

on current accounts intended for crediting money under the terms of a notary deposit;

on the current account of a private bailiff intended for storing collected amounts in favor of creditors, escrow accounts;

on bank accounts under an agreement on educational savings deposit concluded in accordance with the Law of the Republic of Kazakhstan On the State Educational Savings System;

2) provide to the tax authority in the manner, within the timeframes and in the form established by the authorized body in coordination with the National Bank:

in accordance with the international agreement on the exchange of information, information on the availability of bank accounts and their numbers, on the balances of money in these accounts, on the availability, type and value of other assets, including those placed in metal accounts or managed by non-resident individuals, non-resident legal entities, legal entities whose beneficial owners are non-residents;

information on the total payment amounts received to the account of an individual, sole proprietor applying a special tax regime and (or) who is a user of a special mobile application for conducting business activities, over a calendar month, with the exception of the amounts of payments, information on which is received in a special mobile application;

information on the total amounts of payments and transfers over a quarter, made in favor of and in the context of foreign companies operating through an Internet platform in the territory of the Republic of Kazakhstan;

3) provide, at the tax authority's request the information, indicated in the request of the authorized body of a foreign state sent in accordance with an international agreement on the information exchange, including:

information on the existence of bank accounts and their numbers, on the balances and movement of money in these accounts;

other information related to the concluded agreement between an individual or legal entity and a banking organization providing for the banking services, as well as information on the availability, type and value of other assets, including those placed in metal accounts or managed by individuals and legal entities;

4) refuse to execute a payment document for taxes and payments to the budget, social payments, with the exception of payments to the budget made by a foreign national and stateless person, in which:

identification numbers are missing;

identification numbers are indicated that do not correspond to the data in the number registers;

5) refuse to execute a payment document for payment of individuals' vehicle tax if the identification number of cars, trucks, buses indicated in the payment document does not match the data submitted by the authorized body for road traffic safety, except in the case of absence of the identification number of the vehicle in the data submitted by the said body;

6) notify the tax authority of the termination of recognition of income in the form of interest on the issued credit (loan) by suspending the accrual of such interest to a sole

proprietor or legal entity no later than March 31 of the year following the reporting tax period in which such recognition was terminated.

The form of notification on termination of recognition of income in the form of interest on the issued credit (loan) by suspending the accrual of such interest to a sole proprietor or legal entity shall be established by the authorized body;

7) execute on a priority basis the taxpayer's payment order on payment of taxes and payments to the budget from a bank account, provided that the client's funds in the bank accounts are sufficient to satisfy all claims made on the client;

8) execute the order on suspending debit transactions on the bank accounts of the taxpayer (tax agent) and execute the collection order of the tax authority (hereinafter -the collection order) in the order of priority established by the Civil Code of the Republic of Kazakhstan;

9) execute the collection order, provided that the client's funds in the bank accounts are sufficient to satisfy all claims made on the client, no later than one business day following the day of receipt of such order;

10) execute the collection order taking into account the requirements of the Social Code of the Republic of Kazakhstan;

11) withdraw money to repay tax arrears in the order of priority determined by the Civil Code of the Republic of Kazakhstan, in the absence or insufficiency of funds in bank accounts to satisfy all claims made on the client;

12) collect tax arrears from bank accounts in foreign currency on the basis of a collection order in national currency in the absence of funds in the taxpayer's (tax agent's) bank account in national currency;

13) transfer amounts of taxes, payments to the budget and social payments:

on the day of their initiation by the taxpayer, except in making a payment using a payment card;

no later than one business day from the date of debiting money from the taxpayer's bank account when making a payment using a payment card;

during the business day, but no later than the next business day from the date of depositing cash into cash desks or through electronic terminals of banking organizations;

14) allow, if there is an order, an official of the tax authorities to check the availability of funds and transactions carried out on the bank accounts of the sole proprietor or private practitioner, or legal entity being checked;

15) suspend, by the order to suspend debit transactions on bank accounts of the taxpayer (tax agent), all debit transactions on bank accounts, with the exception of correspondent accounts, in accordance with the procedure established by the laws of the Republic of Kazakhstan;

16) notify, within thirty calendar days from the date of termination in accordance with the civil legislation of the Republic of Kazakhstan of obligations under bank loan agreements issued to a borrower who is a sole proprietor or a legal entity, with the exception of

termination of an obligation through its execution, the tax authority at the borrower’s location of the amount of the terminated obligation;

17) provide, within ten working days from the date of receiving the tax authority's request , information on the existence of bank accounts and their numbers, on the balances and movement of funds in these accounts:

of the legal entity being audited and (or) its structural subdivision on matters related to taxation;

of an individual who has become obliged to submit a declaration of income and property in accordance with subparagraph 6) of paragraph 1 of Article 417 of this Code;

of an individual being audited, including a sole proprietor or a private practitioner, on matters related to taxation;

of a sole proprietor or a private practitioner, or a legal entity that is in the process of liquidation (termination of activity);

a sole proprietor or a private practitioner, a legal entity and (or) its structural subdivision, whose actual absence at the location is confirmed by a conducted tax audit, and who have not independently submitted tax reporting before the expiration of six months after the deadline for its submission established by this Code;

a sole proprietor who has ceased operations in a simplified manner, for a period of time not exceeding the limitation period;

a sole proprietor, legal entity, or structural subdivision of a legal entity who have tax arrears that have not been repaid within two months from the date of their occurrence, in the amount of more than 2,500 times of the monthly calculation index in effect on January 1 of the relevant financial year;

a sole proprietor and legal entity included in the register of inactive taxpayers;

a person, registered in accordance with the procedure, established by the law of the Republic of Kazakhstan as a candidate for the President of the Republic of Kazakhstan, a deputy of the Kurultai of the Republic of Kazakhstan and maslikhat, as well as a member of local government bodies, and his (her) spouse;

a person who is a candidate for a state position or for a position related to the performance of state or equivalent functions, and his/her spouse;

a person holding a public office during the period of his/her performance of his/her duties, and his/her spouse during the same period;

a person released on parole from serving a sentence;

a legal entity whose activities include the organization and conduct of gambling and (or) betting;

persons in respect of whom a comparative control of the issuance of electronic invoices is carried out.

Submit, within ten working days from the date of receiving the request from the tax authority, information on the presence of bank accounts and their numbers, on the balances of

money in these accounts of individuals who have an obligation to submit a declaration of assets and liabilities, a declaration of income and property, with the exception of persons specified in subparagraphs 8) and 9) of paragraph 1 of Article 417 of this Code.

The forms of information provided for in this subparagraph, with the exception of paragraph eight of part one of this subparagraph, shall be established by the authorized body in agreement with the National Bank. In this case, the information provided for in paragraph three of this subparagraph shall be submitted at the request of the tax authority, indicating the grounds and period of occurrence of the obligation to submit a declaration of assets and liabilities and a declaration of income and property;

18) submit to the tax authority, within ten working days from the date of receipt of the request, information on loans granted to an individual who has an obligation to submit declarations of assets and liabilities, income and property, indicating the repayment amounts, including remuneration.

The form of the information provided for in the first part of this subparagraph shall be established by the authorized body in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations;

19) refuse to open bank accounts, with the exception of correspondent accounts, as well as bank accounts intended for receiving benefits and social payments paid from the state budget and the State Social Insurance Fund, pensions paid from the state budget and (or) the unified accumulative pension fund, and (or) voluntary accumulative pension fund, alimony (money intended for the maintenance of minors and disabled adult children), as well as bank accounts under an agreement on educational savings deposit concluded in accordance with the Law of the Republic of Kazakhstan "On the State Educational Savings System, bank accounts intended for the transfer of payments and subsidies for the purpose of paying for rented housing in a private housing stock, lump-sum pension payments transferred from the unified accumulative pension fund for the purpose of improving housing conditions and (or) paying for treatment":

to a taxpayer included in the register of inactive taxpayers;

a taxpayer who has an open bank account with these banking organizations, to which a collection order or an order to suspend debit transactions on the bank accounts of the taxpayer (tax agent) has been issued by the tax authority;

a taxpayer who has tax arrears, arrears on social payments.

In this case, with the consent of the taxpayer who has tax arrears, arrears on social payments, the banking organizations have the right to open a bank account, provided that debit transactions are carried out on such a bank account after full repayment, including by transferring amounts by the taxpayer to repay such debt from the specified bank account.

The provisions of the first part of this subparagraph shall not apply:

when opening bank accounts by a parent bank in place of bank accounts transferred by a second-tier bank as part of transactions on the simultaneous transfer of assets and liabilities of

second-tier banks in accordance with the banking legislation of the Republic of Kazakhstan, and bank accounts opened by a successor bank in place of those transferred by a second-tier bank in the event of its merger as part of their reorganization;

when opening bank accounts by a taxpayer in respect of whom a court ruling has taken effect on recognizing it as bankrupt and liquidating it with the initiation of bankruptcy proceedings;

when paying by a taxpayer the amount of debt stipulated by paragraph four of the first part of this subparagraph on the day of applying to banking organizations to open a bank account;

20) submit, no later than the 25th day of the month following the reporting quarter, to the tax authority at the taxpayers' location the information on taxpayers:

carrying out collection activities under an agreement containing the terms of transfer of the right (claim);

exercising the rights of a creditor in relation to the right (claim) assigned to it under a bank loan agreement under a trust management agreement concluded with a collection agency

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The forms of information provided for in the first part of this subparagraph shall be established by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations;

21) submit to the tax authority information on the presence of bank accounts and their numbers for taxpayers engaged in electronic trade in commodities, on the balances and movement of funds in these accounts in the procedure and within the timeframes established by the authorized body in agreement with the National Bank;

22) submit to the tax authority for certain categories of taxpayers – sole proprietors or private practitioners, legal entities, information on the total amounts of payments over the calendar year received to the current account through the use of a payment terminal for services.

The categories of taxpayers on which the information provided for in the first part of this subparagraph is submitted, the form, procedure and timeframes for their submission shall be established by the authorized body in agreement with the National Bank;

23) submit to the tax authority information and (or) documents in accordance with the rules for the withdrawal of cash from bank accounts by business entities, approved by a joint act of the National Bank, the authorized body and the authorized body for regulation, control and supervision of the financial market and financial organizations;

24) provide information on the total amount of money received from other individuals to the bank account of an individual in which transactions with signs of receiving income from entrepreneurial activity have been identified.

Information on the total amount of money received from other individuals to the bank account of an individual shall be provided for the period in which transactions specified in part one of this subparagraph were identified.

The criteria for classifying transactions carried out on bank accounts of an individual as transactions with signs of receiving income from entrepreneurial activity, the list and procedure for submitting information specified in part one of this subparagraph shall be established by the authorized body in agreement with the National Bank;

25) provide a conclusion on the receipt of foreign exchange proceeds to the tax authority.

The form of the conclusion on the receipt of foreign exchange proceeds, the procedure and deadlines for submitting such a conclusion shall be established by the authorized body in agreement with the National Bank.

3. Banking organizations shall be entitled to:

1) resume debit transactions on bank accounts upon repayment by the taxpayer (tax agent) of the tax debt amount specified in the order to suspend debit transactions on bank accounts, until such order is cancelled by the tax authority;

2) return, upon closing the bank account of the taxpayer (tax agent) in accordance with the legislation of the Republic of Kazakhstan, the collection order, the order to suspend debit transactions on bank accounts to the relevant tax authority together with a notice of closure of the bank account of the taxpayer (tax agent).

When more than one bank account is indicated in the order to suspend debit transactions on bank accounts, banking organizations shall return such order to the relevant tax authority no later than one business day following the day of closure of the last of the bank accounts indicated in such order;

3) return to the tax authority without execution the collection orders issued to the bank accounts of the taxpayer (tax agent), provided that the collection order is fully executed by debiting money from one or several bank accounts of the taxpayer (tax agent) for the total amount specified in the collection order issued to other bank accounts opened by the taxpayer (tax agent) in the same banking organization on the same date, for the same amount and for the same type of debt.

4. The notification, reports and information specified in subparagraphs 1), 6), 16) and 17) of paragraph 2 of this article shall be submitted via the telecommunications network.

5. The tax authority shall submit to banking organizations the information about the taxpayer (tax agent) necessary for the fulfillment of:

1) by the taxpayer (tax agent) of its tax obligations to pay taxes, payments to the budget and social payments;

2) by banking organizations of the obligations stipulated by this article.

6. The tax authority shall have the right to conduct a tax audit of the fulfillment by banking organizations of the obligations established by:

this Code;

the Social Code of the Republic of Kazakhstan;

the Law of the Republic of Kazakhstan On Compulsory Social Medical Insurance;

other legislation of the Republic of Kazakhstan, enforcement of which is assigned to the tax authorities.

7. Information submitted by banking organizations in accordance with this Code shall be used by the tax authority solely for the purposes of tax administration.

Footnote. Article 55 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 56. Interaction of the tax authority with other entities

1. Through the integration of the information systems of the tax authority and the Ministry of Justice of the Republic of Kazakhstan the notary shall submit to the tax authority the following information on entities:

1) transactions and agreements on assets subject to state or other registration, as well as assets on which rights and (or) transactions are subject to state or other registration;

2) issued certificates of inheritance;

3) loan agreements;

4) other transactions and agreements not subject to state or other registration, as well as separately, on which the price exceeds 1000 times the monthly calculation index effective as of January 1 of the relevant financial year.

The list and forms of information provided for in part one of this paragraph and the procedure for submitting them shall be established by the authorized body in agreement with the Ministry of Justice of the Republic of Kazakhstan.

2. The Chamber of Appraisers shall annually submit, no later than February 25 of the year following the reporting year, to the tax authority at the location of the assessed taxable item the information on the appraisal reports signed for the reporting period, indicating the date of the report and its serial number, the subject and object of the appraisal indicating their identification numbers, and the determined market value.

The list and forms of information provided for in this paragraph and the procedure for their submission shall be established by the authorized body.

3. A legal entity created by the resolution of the Government of the Republic of Kazakhstan, which ensures, in accordance with the legislation of the Republic of Kazakhstan the accounting of pension contributions, social deductions and social payments, contributions and deductions for compulsory social health insurance, submits to the tax authority through the integration of information systems the available information on individuals.

The form of the information provided for in part one of this paragraph shall be established by the authorized body in agreement with the public services authority.

4. An organization that maintains the system of registers of securities holders shall, within ten business days from the date of receiving the request, submit to the tax authority information on persons who hold securities, also on transactions of persons with securities.

The form of the information specified in part one of this paragraph and the procedure for submitting it shall be established by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

5. Owners of the Internet platform shall, no later than the 5th day of the month following the reporting month, submit to the tax authority information on goods sold, services (works) rendered and (or) payments to individuals who are residents of the Republic of Kazakhstan.

The form of the information specified in part one of this paragraph and the procedure for submitting it shall be established by the authorized body.

6. Organizations providing water supply, water disposal, sewerage, gas supply, electricity supply, heat supply, waste collection (garbage disposal), elevator maintenance and (or) transportation services shall submit to the tax authority at their location no later than the 10th day of the month following the reporting quarter, in electronic form the information on the services provided to third parties.

The form of the information stipulated in part one of this paragraph and the procedure for submitting it shall be established by the authorized body.

7. Management companies of special economic and industrial zones, management companies engaged in asset management of investment funds and other funds, the autonomous cluster fund Astana Hub and entities of the quasi-public sector are required to submit to the authorized body the information necessary for tax administration.

The form of the information provided for in part one of this paragraph, the procedure and deadlines for its submission shall be established by the authorized body.

8. A person engaged in the forwarding, transportation, or delivery of goods in e-commerce shall submit information about the goods forwarded, transported, or delivered to the tax authority within ten working days from the date of receipt of the request.

The form of the information provided for in part one of this paragraph shall be established by the authorized body.

9. An entity and/or a structural subdivision of a legal entity:

1) notify the tax authority of the receipt of money and (or) other assets from foreign states , international and foreign organizations, foreign nationals, stateless persons in the sum, exceeding the amount established by the authorized body, if the activities of such taxpayer are aimed at:

providing legal assistance, including legal information, protection and representation of the interests of citizens and organizations, as well as consulting them;

studying and conducting public opinion polls, sociological surveys, with the exception of public opinion polls and sociological surveys conducted for commercial purposes, as well as disseminating and publishing their results;

collecting, analyzing and disseminating information, with the exception of cases when the said activity is carried out for commercial purposes;

2) shall submit to the tax authorities information on the receipt and expenditure of the money and (or) other assets specified in subparagraph 1) of this paragraph.

The information specified in subparagraph 2) of the first part of this paragraph shall be included in the database of individuals and structural units of legal entities that have received and expended funds and (or) other assets from foreign states, international and foreign organizations, foreign nationals and stateless persons (hereinafter referred to as the database), maintained by the tax authority.

The formation of the database provides for:

1) inclusion of persons and structural divisions of legal entities;

2) exclusion of persons and structural divisions of legal entities;

3) posting on the Internet resource of the authorized body the register of persons and structural divisions of legal entities included in the database.

The forms of notification and information provided for in part one of this paragraph, the procedure and deadlines for their submission, as well as the procedure for creating the database shall be established by the authorized body.

The requirements provided for in this paragraph shall not apply to:

1) state bodies;

2) persons holding responsible government positions, persons authorized to perform government functions, deputies of the Kurultai of the Republic of Kazakhstan and maslikhats, with the exception of maslikhat deputies, working on a part-time basis, military servants, law enforcement and special state bodies' officers in the performance of their official duties;

3) banking organizations, insurance organizations;

4) taxpayers subject to tax monitoring;

5) educational organizations;

6) money and (or) other assets received in connection with the activities of persons engaged in private practice, arbitrators, appraisers, auditors;

7) quasi-public sector entities;

8) diplomatic missions, as well as their employees;

9) money and (or) other assets intended for the development of national, technical and applied sports, support and stimulation of physical culture and sports, also intended for holding sports events, including international sports competitions, sports events;

10) money and (or) other assets received on the basis of international treaties ratified by the Republic of Kazakhstan;

11) money and (or) other assets received for the purpose of paying for treatment or undergoing health, preventive procedures;

12) money and (or) other assets received in the form of revenue from foreign trade contracts;

13) money and (or) other assets received for the organization and implementation of international transportation, provision of international postal services;

14) money and (or) other assets received under investment contracts concluded in accordance with the legislation of the Republic of Kazakhstan;

15) amounts of dividends, remuneration, winnings previously taxed with individual income tax at the source, if there are documents confirming withholding of such tax at the source of payment;

16) other cases established by the Government of the Republic of Kazakhstan.

The tax authority shall have the right to conduct a tax audit of the compliance of an individual and (or) structural unit of a legal entity with the requirements, established by this paragraph when receiving and expending money and (or) other assets from foreign states, international and foreign organizations, foreign nationals, and stateless persons in certain cases.

10. The digital mining pool shall, no later than the 25th day of the month following the reporting month, submit to the tax authority information on the digital assets distributed by it between persons engaged in digital mining activities.

The form of the information provided for in part one of this paragraph shall be established by the authorized body.

11. Digital asset exchanges, as well as other AIFC participants, no later than the 15th day of the second month following the reporting quarter, shall submit to the tax authority information on transactions conducted by residents of the Republic of Kazakhstan and non-residents on digital asset exchanges and remuneration paid to residents and non-residents for activities related to digital assets.

The form of the information provided for in part one of this paragraph and the procedure for submitting it shall be established by the authorized body.

12. Organizers of the gambling business, operating a bookmaker's office and (or) a totalizer, submit information to the tax authority by integrating hardware and software systems with the tax authority's information systems.

The list and form of information provided for in part one of this paragraph shall be established by the authorized body.

13. Professional participants in the securities market shall submit, within thirty working days from the date of receipt of the tax authority's request, information on transactions with securities, derivative financial instruments, and commodity exchanges and (or) commodity exchange clearing centers - information on transactions of individuals with exchange goods sold on the commodity exchange.

The forms of the request and information provided for in part one of this paragraph shall be established by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations and the authority in trading activities regulation.

14. A person (lessor) who provides temporary possession and use of commercial facilities, trading places in commercial facilities, including in commercial markets, shall compile and

submit to the tax authority at the location a register of property lease agreements no later than March 31 of the year following the reporting year.

The form of the register of property lease (rent) agreements, the procedure for its compilation and submission shall be established by the authorized body.

15. An AIFC participant licensed for the management of a loan crowdfunding platform shall submit to the authorized body information on concluded agreements on crowdfunding platforms, as well as remuneration paid to residents and non-residents annually no later than the 25th day of the second month following the reporting year.

The form of the information provided for in part one of this paragraph and the procedure for its submission shall be established by the authorized body.

16. A person who has information about violations in the use of a cash register machine and equipment (device) intended for accepting payments using payment cards has the right to report to the tax authority facts of violations known to him, confirmed by one of the following methods:

video recording of facts of non-issuance of cash register receipts;

photo recording of issued cash register receipts that do not correspond to the form approved by the authorized body;

bank receipts for transferring money via mobile transfers.

A person who reported the fact of a violation specified in part one of this paragraph, if it is confirmed, is subject to remuneration in the manner determined by the Government of the Republic of Kazakhstan.

The provisions of part two of this paragraph shall not apply to a person who has knowingly reported false information about the facts of committed offenses. In this case, a person who has knowingly reported false information shall be held liable under the laws of the Republic of Kazakhstan.

17. Upon request of the NCE the tax authority shall annually provide information on the name and identification number of taxpayers classified by the Entrepreneur Code of the Republic of Kazakhstan as business entities whose total annual income meets the criteria established by the Law of the Republic of Kazakhstan On the National Chamber of Entrepreneurs of the Republic of Kazakhstan.

18. Upon request of the tax authority the Internet platform operators shall provide the tax authority with information on individuals operating with the use of the Internet platform, as well as those who are executors in accordance with the Social Code of the Republic of Kazakhstan.

The rules of interaction and the form of information provided for in part one of this paragraph shall be established by the authorized body.

19. Credit bureaus are required to provide information from the credit report on the debt of individuals who have an obligation to submit declarations of assets and liabilities, income and property, to collection and (or) microfinance organizations.

The forms of information indicated in part one of this paragraph and the procedure for providing such information shall be established by the authorized body in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

The provision of part one of this paragraph shall not apply to information submitted to credit bureaus by banking organizations to form a credit history of an individual.

20. Stock exchanges shall provide to the tax authority information on transactions concluded based on the results of trades conducted through the integration of trading systems with the information system of the tax authority.

The form of information referred to in part one of this paragraph shall be established by the authorized body.

SECTION 2. TAX LIABILITY Chapter 4. TAX LIABILITY

Article 57. Tax liability

Tax liability is the obligation of a taxpayer (tax agent) to the state, arising under this Code .

Article 58. Taxable and (or) taxation-related item

1. Taxable items are property and actions, with the presence and (or) on the basis of which a taxpayer has a tax liability.

2. A taxation- related item is property, the use of which and (or) an action, the commission of which affects the occurrence of a tax liability for the taxpayer.

Article 59. Tax base

The tax base is the cost, physical or other properties of the taxable item, based on which the amounts of taxes and payments payable to the budget are determined.

Article 60. Tax rate

1. Tax rate – is the amount of tax liability for calculating tax and payment to the budget per measurement unit of the taxable object or tax base.

2. The tax rate is set as a percentage or an absolute amount.

Article 61. Tax period

Tax period – is a period of time established for specific types of taxes and payments to the budget, at the end of which the taxable object and tax base are determined, and the amounts of taxes and payments payable to the budget are calculated.

Chapter 5. FULFILLMENT OF THE TAX OBLIGATION

Article 62. Fulfillment of the tax obligation

1. The taxpayer shall fulfill the tax obligation independently, unless otherwise established by this Code.

2. In fulfillment of the tax obligation, the taxpayer shall perform the following actions:

1) register with the tax authority;

2) keep records of taxable items and (or) taxation related objects;

3) calculate the amounts of taxes and payments payable to the budget, based on the taxable items and (or) items related to taxation, the tax base and tax rates;

4) calculate advance and current payments of taxes and payments to the budget;

5) prepare and submit to the tax authorities the tax forms and other forms established by this Code;

6) pay the calculated and charged amounts of taxes and payments to the budget, advance and current payments of taxes and payments to the budget;

7) pay, in cases provided for by this Code, the charged amounts of penalties and fines.

3. In fulfillment of the tax obligation, the tax agent shall perform the following actions:

1) calculate the amounts of taxes withheld at the source of payment;

2) prepare and submit to the tax authorities tax reports and other forms established by this Code;

3) withhold and transfer the calculated and charged amounts of taxes withheld at the source of payment;

4) keep records of charged and paid income, withheld and transferred to the budget taxes, withheld at the source of payment, on each taxpayer;

5) pay, in cases provided for by this Code, the charged amounts of penalties and fines.

4. The tax obligation to pay taxes, payments to the budget, penalties and fines shall be fulfilled by the taxpayer (tax agent) in the manner and within the timeframes established by this Code, in the national currency, except for cases when the legislation of the Republic of Kazakhstan expressly provides for payment in kind or payment in foreign currency.

5. The tax obligation of the taxpayer to pay taxes, payments to the budget, penalties and fines, also of the tax agent to transfer (pay) the tax, shall be considered fulfilled:

1) in non-cash form from the date of:

receipt by the banking organization for execution of a payment order for the amount of the obligation;

payment execution, including by offset, by means of a payment instrument not provided for in the second paragraph of this subparagraph;

2) in cash - from the date of depositing the specified amounts in:

banking organizations;

authorized state body or local executive body.

6. Notwithstanding the provisions of paragraph 5 of this article, the taxpayer's tax obligation to pay the tax fulfilled by a tax agent by withholding the tax shall be deemed fulfilled from the date of tax withholding.

The taxpayer's tax obligation to pay the tax subject to withholding, fulfilled by a tax agent at its own expense without withholding it, shall be deemed fulfilled in accordance with paragraph 5 of this article.

7. When fulfilling the tax obligation to pay taxes and payments to the budget and social obligations by an authorized representative of the taxpayer, the money sender shall indicate the surname, first name and patronymic or title, as well as the taxpayer's identification number in the payment documents.

8. The tax liability on payment of taxes, payments to the budget, penalties and fines may be fulfilled by offsetting in accordance with this Code.

9. The day of payment of the tax, payment to the budget, social payment, penalties and fines shall be the day determined in accordance with paragraph 5 of this article.

10. Repayment of tax arrears shall be made in the following order:

1) the amount of arrears;

2) charged penalties;

3) the amount of fines.

Article 63. Fulfillment of tax obligations for calculation of taxes and payments to the budget

The tax authority and (or) authorized state bodies shall be responsible for calculating the amount of individual types of taxes and payments to the budget in cases stipulated by the Special Part of this Code.

Article 64. Deadlines for fulfilling tax obligations

1. The deadlines for fulfilling a tax obligation are established by this Code.

The period for fulfilling a tax obligation, the start of which is determined by reference to an event, legal action or date, begins on the day following the day on which such event, legal action, or date occurred.

2. A tax obligation may be fulfilled:

1) on paper - until the end of the working hours of the tax authority or State Corporation on the last day of the established deadline;

2) electronically - until midnight on the last day of the established deadline.

If the last day of the deadline falls on a non-working day, then the day of the end of the established deadline for fulfilling the tax obligation is considered to be the next working day following such day.

3. The taxpayer (tax agent) has the right to fulfill the tax obligation to pay taxes, payments to the budget, penalties and fines ahead of schedule.

4. The tax obligation to submit tax reports, unless otherwise established by this Code, shall be fulfilled by the taxpayer (tax agent) at the end of the tax period.

Article 65. Limitation periods on tax liabilities and claims

1. The limitation period on tax liabilities and claims shall be deemed to be the period of time during which:

1) the tax authority has the right to calculate, charge or revise the calculated, charged amount of taxes and payments to the budget;

2) the taxpayer (tax agent):

is obliged to submit tax reports;

has the right to make changes and additions to tax reports;

has the right to demand a credit and (or) refund of taxes and payments to the budget, penalties.

2. The limitation period shall be:

1) five years for the following categories of taxpayers:

classified by the Entrepreneur Code of the Republic of Kazakhstan as large business entities;

conducting activities in accordance with a subsoil use contract;

residents of the Republic of Kazakhstan who have obligations to comply with the requirements established by Chapter 33 of this Code;

payers of VAT in terms of the VAT amounts on imported goods paid by the offset method ;

2) three years for taxpayers not indicated in subparagraph 1) of this paragraph.

3. The limitation period, unless otherwise provided for in paragraphs 4–7 of this article, shall begin to run after the end of the relevant tax period.

4. The taxpayer has the right to calculate, and the tax authority has the right to calculate and charge the amount of taxes:

1) when applying investment tax preferences by the deduction method before recognizing the object of preferences - during the application of investment tax preferences and five years from the date of recognition of the object of preferences;

2) on which the application of tax preferences and benefits is provided in accordance with Section 17 of this Code, for the period of validity of the relevant agreement (agreement, contract) - during the period of validity of such agreement (agreement, contract) and five years:

from the date of expiry of such agreement (agreement, contract);

from the first of January of the year following the year of other termination of the agreement (agreement, contract).

5. For taxpayers operating under a subsoil use contract, the tax authority during the period of validity and five years after the expiration of the term of such contract, has the right to charge and (or) revise the calculated, charged amount of:

excess profit tax;

the share of the Republic of Kazakhstan in production sharing;

taxes and payments to the budget, the calculation method of which uses the internal rate of return indicator or the internal rate of return indicator or the R-factor (return rate).

6. The limitation period shall commence in the following cases:

1) application of subparagraph 2) of paragraph 2 of Article 129 of this Code on a tax liability and a claim for refund of the excess VAT amount for the period of construction of buildings and structures for industrial purposes, commissioned for the first time in the territory of the Republic of Kazakhstan - after the end of the tax period in which such buildings and structures were commissioned;

2) application of the refund procedure provided for in subparagraph 1) of paragraph 2 of Article 129 of this Code on a tax liability and a claim for the refund of the excess VAT amount over the period of geological exploration work and field development -after the end of the tax period in which the export of minerals extracted under the relevant subsoil use contract began, with the exception of common minerals, groundwater and therapeutic mud;

3) making an offset (or) refund of the confirmed excess VAT amount in the manner prescribed by Articles 122 and 126 of this Code, after the end of the tax period in which the accuracy of such amount was confirmed, including upon appealing the tax audit outcome in accordance with the legislation of the Republic of Kazakhstan.

7. Duration of the limitation period for the offset and (or) refund of an overpaid (erroneously paid) amount of tax, payment to the budget, penalties shall be determined in accordance with paragraph 5 of Article 122 of this Code.

8. The limitation period shall be extended:

1) by one calendar year in terms of charging and (or) revision of the calculated amount of taxes and payments to the budget - when the taxpayer (tax agent) submits additional tax reporting or tax reporting upon notification over the term on which the limitation period expires in less than one calendar year;

2) by three calendar years in terms of charging and (or) revision of the calculated amount of corporate income tax to the budget - when the taxpayer (tax agent) submits additional tax reporting in the part of carryover of losses over the period for which the limitation period expires in less than one calendar year;

3) until the execution of the decision made following consideration of a non-resident’s tax application for a refund of income tax from the budget on the basis of an international treaty ratified by the Republic of Kazakhstan;

4) until the execution of the decision taken following the mutual agreement procedure conducted in accordance with Article 232 of this Code;

5) until the execution of the notice of discrepancies identified in the desk audit, the notice of confirmation of the actual turnover of goods, performance of work and provision of services sent and delivered before expiry of the limitation period - in terms of the identified violations;

6) until the execution of the notice of payment of tax arrears and the notice of payment of tax arrears of an individual;

7) for five years after completion of arbitration proceedings initiated by the investor in international arbitration - in terms of charging and (or) revision by the tax authority of the

calculated, charged amounts of taxes and payments to the budget that were the subject of the proceedings, over the time from the beginning of the tax period appealed by the investor and until the final decision on such proceedings;

8) for three calendar years, starting from the year following the year in which the provision of collection services under a debt collection agreement established by the legislation of the Republic of Kazakhstan was completed – regarding the charging and (or) revision by the tax authority of the amount of taxes and payments to the budget calculated and charged by the taxpayer engaged in collection activities under the said agreement.

9. The limitation period for the accrual and (or) revision of the calculated, assessed amount of taxes and payments to the budget shall be suspended for the period:

1) from the date of commencement of the tax audit until the date of execution of the notification of the tax audit results;

2) from the date of filing a complaint against the actions (inaction) of the tax authority officials until the date of the decision of a higher tax authority and (or) the enforcement of a judicial act.

If the tax audit is completed after expiry of the limitation period for a tax period, which was less than thirty calendar days before the expiry on the date of the tax audit beginning, the suspension of the limitation period shall not apply to the said tax period. For the remaining tax periods covered by the same tax audit, the limitation period for the period under review shall be suspended from the tax period following the tax period in which the tax audit was initiated.

Paragraph 1. Fulfillment of tax liability in the transfer of assets into trust management

Article 66. General provisions on fulfillment of tax liability in the transfer of assets into trust management

1. For the purposes of this Code, a tax liability for the activity of transferring assets into trust management shall be understood to be a tax liability arising as a result of the establishment of assets trust management, in the process of its implementation and (or) termination.

The tax liability on corporate and individual income taxes on trust management activities shall be fulfilled:

1) by the founder of the trust management under assets trust management agreement, an act on the establishment of assets trust management or a beneficiary in other cases of the emergence of assets trust management (hereinafter in the text of this Code - the founder of the trust management) for:

a shareholding and (or) shares transferred into trust management;

assets transferred into trust management to the National Bank, with the exception of assets of the National Fund of the Republic of Kazakhstan;

assets transferred into trust management under the act on the establishment of trust management of assets;

income received by a legal entity, a sole proprietor from a second-tier bank under trust transactions;

preparation and submission of a declaration in accordance with the Constitutional Law of the Republic of Kazakhstan On Elections in the Republic of Kazakhstan, the Penal Execution Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan On Combating Corruption, if the trust management founder is an individual who has been assigned such an obligation.

For the purposes of this Code, the act on the establishment of trust management of assets shall be understood to mean a document that serves as the basis for the emergence of trust management of assets, under which the trustees are a non-resident individual or a non-resident legal entity that does not do business in the Republic of Kazakhstan;

2) by a trust manager - in other cases of occurrence of trust management of assets. In this case, the tax liability on income received by an individual, except for a sole proprietor, and by a non-resident legal entity operating in the Republic of Kazakhstan without forming a permanent establishment, from trust operations carried out by a second-tier bank that is a tax agent, shall be fulfilled by such second-tier bank in the form of fulfilling the duties of a tax agent.

The trust manager fulfills tax obligations arising from the date of:

state registration of the right of trust management of assets- if, under the legislation of the Republic of Kazakhstan, such right is subject to state registration;

conclusion of assets trust management agreement or a document confirming the occurrence of another case of trust management of assets- if, in accordance with the legislation of the Republic of Kazakhstan, the right of trust management is not subject to state registration.

2. The tax liability arising for VAT on trust management activities shall be fulfilled by the trust manager in the procedure set in Section 7 and Articles 99–101 of this Code.

3. The tax liability arising for taxes not specified in paragraphs 1 and 2 of this Article and payments to the budget shall be fulfilled by the person recognized as the payer of such tax or payment to the budget in accordance with this Code, unless otherwise established by Article 67 of this Code.

4. A trust manager - a resident individual, must register with the tax authority as an individual entrepreneur as established by Article 97 of this Code, except if assets received for trust management are participatory interest and shares.

5. The provisions of this paragraph shall not apply to tax liabilities arising as a result of the establishment, implementation and (or) termination by the management company of trust management of the assets of an investment fund in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds.

Article 67. The specifics of fulfilling a tax liability in transfer of state institutions' assets into trust management

1. When state institutions transfer assets into trust management, the tax liabilities on property tax, land tax and vehicle tax are subject to fulfillment by the trustee, unless otherwise established by the assets trust management agreement or the act on the establishment of assets trust management, with the exception of electrical networks under the right of economic management or operational management of state legal entities transferred into trust management or gratuitous use to energy transmission organizations to whose electrical networks they are directly connected, in accordance with Article 13-1 of the Law of the Republic of Kazakhstan On Electric Power Industry.

2. The trustee shall fulfill tax obligations, unless otherwise provided by the assets trust management agreement or the act on the establishment of the assets trust management, on the calculation and payment of taxes, drawing up and filing tax reports from the date of:

state registration of the right of trust management - if, under the legislation of the Republic of Kazakhstan, state registration of such right is required;

conclusion of the assets trust management agreement or the act on the establishment of the assets trust management - if, under the legislation of the Republic of Kazakhstan, state registration of the right of trust management is not required.

3. The trust manager:

fulfills tax obligations, unless otherwise established by the assets trust management agreement or the act on the establishment of the assets trust management, on the calculation and payment of taxes, drawing up and filing of tax reports on his own behalf, at the rates and in the manner established by the Special Part of this Code for persons including such a trust manager;

is obliged, for the purpose of fulfilling the tax obligation when transferring assets to trust management, to maintain separate tax records in accordance with Article 210 of this Code.

4. If in the transfer by state institutions of the assets into trust management the assets of the state institution are not accounted for by the trust manager as part of fixed assets, investments in real estate in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, then the deed of acceptance and transfer of such assets must state the book value of such property as of the date of its compilation.

Article 68. General provisions on the accounting of income, expenses and assets arising as a result of trust management of assets on corporate and individual income taxes

1. For the purposes of this Code, income, expenses and assets from trust management of assets shall be understood as those arising in the course of performance of duties of trust management of assets by a trust manager in his/her/its own name and in the interests of the founder of trust management, respectively:

income to be received (received);

expenses payable (incurred), the reimbursement of which is provided for by the assets trust agreement, the act on the establishment of the assets trust management or in other cases of emergence of the assets trust management, including remuneration;

assets acquired and (or) received by the trustee through the performance of duties in the assets trust management on his own behalf and in the interests of the founder of the trust.

2. For the purposes of fulfilling a tax liability on corporate and individual income taxes for the activity under a trust management agreement, a trust manager is required to keep separate accounting in accordance with Articles 201 and 211 of this Code.

3. The transfer of assets to the trust manager by the trust management founder shall not mean a sale of such assets for this founder nor is it recognized as the trust manager's income.

4. The trust manager's return or partial return of assets or part of the assets to the trust management founder, including upon termination of the assets trust management agreement, the act on the establishment of the assets trust management or in other cases of the emergence of the property trust management shall not mean a sale of such property for this manager nor is it recognized as income (loss) of the trust management founder.

The transfer by the trust manager (national company in the field of hydrocarbons or uranium) of property to a new subsoil user in cases established by the legislation of the Republic of Kazakhstan on subsoil and subsoil use shall not mean a sale of such property for this manager.

5. The positive difference between income and expenses from the trust management over the taxable period, determined on the basis of the trustee's performance report envisaged by the civil legislation of the Republic of Kazakhstan, is the net income from the trust management of the trust management founder.

6. In cases when, under paragraph 1 of Article 66 of this Code, the fulfillment of tax obligations on corporate and individual income taxes on trust management activity is performed by a trust manager, the trust management founder shall not have the right to recognize as deduction the remuneration amount provided for by the assets trust management agreement or in another case of the emergence of trust management of assets and paid to the trust manager.

Article 69. Specifics of tax accounting of a trust manager fulfilling tax obligations on corporate and individual income taxes

1. In the event that a tax obligation on corporate and individual income taxes on trust management activity under Article 66 of this Code is fulfilled by a trust manager, the income, expenses and assets from trust management of assets are for income tax purposes, the income expenses and assets of the trust manager.

Remuneration provided for by a trust management agreement or in other cases of the occurrence of trust management of assets is included in the trust manager's total annual income, accounted separately from the proceeds from the trust management of assets.

When determining a taxable item for trust management activity, the trust manager deducts the remuneration amount included in his total annual income that is accounted separately from the proceeds from the trust management of assets.

2. The trust manager shall compile and submit a single declaration on corporate income tax for the whole activity, including activities pursued in the interests of the trust management founder, and attachments to the declaration for activities under trust management separately for each agreement on trust management of assets or another case of occurrence of trust management of assets and other activities.

3. A trust manager-legal entity shall fulfill its obligations on corporate income tax in the procedure determined by this Code, with regard to the following:

the corporate income tax rate on activities on trust management of assets specified in paragraph 1 of Article 357 of this Code is applied;

the provisions of Chapter 34 and Section 17 of this Code for activities on trust management of assets are not applied;

special tax regimes to activities on trust management of assets are not applied.

4. A trust manager- an individual in cases when the trust management founder is a legal entity:

fulfills the tax obligation to calculate individual income tax on the activities of the trust management of assets at the rate indicated in Article 357 of this Code, without applying the provisions of Article 400 of this Code;

does not have the right to apply special tax regimes to the activities of trust management of assets;

fulfills other obligations on individual income tax in accordance with the procedure defined by the Special Part of this Code for persons, including the trustee.

5. A trust manager - an individual in cases when the trust management founder is an individual resident:

fulfills the tax obligation to calculate individual income tax on the activity of trust management of assets without applying the provisions of Article 400 of this Code;

is not entitled to apply a special tax regime to the trust management activity;

fulfills other tax obligations on individual income tax as established by the Special Part of this Code for persons, which includes the trust manager.

6. A trust manager - an individual, in cases when the founder of the trust management is an individual non-resident, shall fulfill tax obligations on individual income tax in the manner determined by this Code, with regard to the following features:

the rate specified in subparagraph 1) of part one of paragraph 1 of Article 682 of this Code for activities related to the trust management of assets is applied;

the provisions of Article 400 of this Code are not applied;

special tax regimes are not applied.

Article 70. Specifics of tax accounting for corporate and individual income taxes in case of trust management of assets in the form of participatory interests and shares

1. For tax accounting purposes: income in the form of dividends on participatory interests and shares held in trust, reduced by the amount of expenses incurred by the trust manager, reimbursed (reimbursable) on the basis of assets trust agreement, an act on the establishment of assets trust management or other cases of the occurrence of asset trust management and the trust manager's performance report, shall be deemed the income of the trust management founder;

assets from trust management of participatory interests and shares are assets of the trust management founder.

Remuneration envisaged by the asset trust management agreement, the act on the establishment of the assets trust management or another case of emergence of the assets trust management, subject to payment to the trust manager, is the expense of the trust management founder.

The income of the trust manager from the trust management of participatory interests and shares shall include:

remuneration envisaged by the act on the establishment of trust management of assets;

the amount of expenses incurred by the trust manager, the reimbursement of which is envisaged by the assets trust agreement, the act on the establishment of trust management of assets or another case of the emergence of trust management of assets and the trust manager's performance report.

Expenses related to trust management of participatory interests and shares incurred by a trust manager, the reimbursement of which is envisaged by a trust management agreement, an act on the establishment of trust management of assets or in other cases of the emergence of trust management of assets and the trust manager's performance report are, for tax accounting purposes expenses of such a trust manager.

Such expenses reduce the income of the trust management founder in the form of dividends on the participatory interests and shares held in trust, and are not accounted as expenses or costs for the trust management founder.

2. The trust management founder shall fulfill the tax obligation on corporate and individual income taxes in the manner established by this Code.

3. The trust manager shall fulfill the tax obligation on corporate and individual income taxes on income, expenses and assets from the trust management of participatory interest and shares in the manner established by the Special Part of this Code for persons, which include such a manager.

Article 71. Specifics of tax accounting for corporate and individual income taxes under acts on the establishment of trust management of assets, except for participatory interest and shares

1. For tax accounting purposes:

income on property held in trust, except for participatory interest and shares, reduced by the amount of expenses incurred by the non-resident trust manager, reimbursed (to be reimbursed) on the basis of the act on the establishment of the trust management of assets and the trust manager's performance report, is the income of the trust management founder;

the assets from the trust management of such assets belong to the trust management founder;

remuneration provided by the act on the establishment of the trust management of assets to be paid to the trust manager is the expense of the trust management founder.

The income of a trust manager from trust management of assets, except for participatory interest and shares, shall include:

remuneration provided for by the act on the establishment of the trust management of assets;

the amount of expenses incurred by the trust manager, reimbursement of which is envisaged by a trust management of assets agreement and the trust manager's performance report.

Expenses from the trust management of assets, except for the participatory interest and shares, incurred by the trust manager, the reimbursement of which is provided for by the act on establishment of the trust management of assets and the trust manager's performance report, are the expenses of such a trust manager.

Such expenses reduce the income of the trust management founder on the assets under trust management and are not accounted as expenses of the trust management founder.

2. The trust management founder fulfills a tax obligation on corporate and individual income taxes on income from trust management and assets from trust management in accordance with the procedure established in this Code for persons, including such a founder.

3. A trust manager fulfills tax obligations on corporate and individual income taxes on income, expenses and assets from trust management in accordance with the procedure established in this Code for persons, including such a trust manager.

Paragraph 2. Fulfillment of the tax liability of a deceased individual and an individual declared missing

Article 72. Fulfillment of the tax liability of an individual declared missing

1. The tax liability of an individual recognized by the court as missing, in the event of:

1) absence of ownership of property that is a taxable item and (or) a taxation-related item, is subject to suspension;

2) the presence of ownership of property that is a taxable item and (or) a taxation-related item, is fulfilled by the person who is entrusted with guardianship over the property of an individual recognized by the court as missing (hereinafter referred to as the property guardian).

The tax liability of an individual recognized by the court as missing shall be suspended or fulfilled by the property guardian from the date of entry into force of the judicial act recognizing him as missing until the date of:

1) acceptance of the inheritance or recognition of the property of such person as ownerless ;

2) cancellation of the judicial act recognizing him as missing.

2. The property guardian fulfills the tax obligation to pay the tax from the property of an individual recognized by the court as missing.

3. If the property of an individual recognized as missing is insufficient to repay his tax debt, the outstanding portion of the tax debt is written off in accordance with the decision to write off the tax debt.

The decision to write off the tax debt is taken by the tax authority on the basis of a final and binding judicial act on insufficiency of the property.

4. If the judicial act on recognizing a person as missing is cancelled, the previously written off tax debt is resumed by the tax authority regardless of the limitation period in accordance with the resolution to cancel the decision to write off the tax debt and is subject to collection.

The resolution to cancel the decision to write off the tax debt is taken by the tax authority on the basis of a final and binding judicial act on cancellation of the decision to recognize a person as missing.

Article 73. Repayment of tax debt of a deceased individual, sole proprietor or private practitioner

1. The tax debt of a deceased individual, formed on the day of his death or on the date of entry into force of the court decision declaring him dead, unless otherwise provided by this article, shall be repaid by the heir (heirs) within the limits of the inherited property value and in proportion to the share in the inheritance on the date of its acceptance.

The tax debt formed on the day of death or on the date of entry into force of the court decision declaring a sole proprietor or a private practitioner deceased shall be repaid in the manner envisaged by this article.

2. If an orphan or a child without parental care is the heir of the deceased individual who was not registered as an individual entrepreneur and (or) a private practitioner, then such an heir is exempt from paying off the testator's tax debt, and the testator's tax debt is written off based on a decision to write off the tax debt.

The decision to write off the tax debt is made by the tax authority based on a document confirming the status of an orphan or a child without parental care, and data on registration with the tax authority and tax debt as of the date of death.

3. If the heir of the deceased individual entrepreneur and/or private practitioner is an orphan or a child without parental care, then the obligation to pay off the tax debt of the

testator shall be imposed on such heir only on the basis of the final and binding court ruling on the collection of tax debt.

The tax authority files a claim for the collection of tax debt in court on the basis of a document confirming the status of the orphan or the child without parental care, and data on registration with the tax authority and tax debt as of the date of death.

If the claim for the collection of tax debt is denied, the tax debt of the testator is written off in accordance with the decision to write off the tax debt.

The decision to write off the tax debt is made by the tax authority on the basis of the final and binding court ruling on denying the claim for the collection of tax debt.

4. If the property of the deceased individual is insufficient to repay the tax debt, the outstanding portion of the tax debt is written off in accordance with the decision to write off the tax debt.

The decision to write off the tax debt is made by the tax authority on the basis of effective court ruling on insufficiency of the property.

5. In the absence of heirs or refusal of all heirs from the inheritance and the transfer of property to municipal ownership, the tax debt of the deceased individual is written off in accordance with the decision to write off the tax debt.

The decision to write off the tax debt is made by the tax authority on the basis of effective court ruling recognizing the property of the deceased individual as ownerless.

6. Upon cancellation of a judicial act declaring an individual deceased, the previously written-off tax debt of such individual, regardless of the limitation period, is resumed by the tax authority in accordance with the resolution to cancel the decision to write off the tax debt and is subject to recovery.

The resolution to cancel the decision to write off tax arrears is made by the tax authority on the basis of enforced judicial act on the cancellation of a judicial act declaring an individual deceased.

Paragraph 3. Fulfillment of certain tax obligations in case of liquidation, reorganization and termination of activity

Article 74. General provisions for the fulfillment of tax obligations at liquidation, reorganization and termination of activity

1. For the purposes of this article, the following are recognized as entities terminating activities:

a resident legal entity in liquidation;

a structural subdivision of a non-resident legal entity terminating activities in the Republic of Kazakhstan;

a permanent establishment of a non-resident legal entity terminating activities in the Republic of Kazakhstan;

a structural subdivision of a resident legal entity terminating activities;

a sole proprietor terminating activities;

a private practitioner terminating activities;

a legal entity being reorganized by separation, merger, division or incorporation;

a permanent establishment without opening a structural subdivision of a non-resident legal entity, transferring rights and obligations to a resident foreign legal entity.

2. Liquidation tax reporting shall be prepared for the types of taxes, payments to the budget and social payments on which the person terminating activities is the payer and (or) tax agent, from the beginning of the tax period in which the obligation to submit liquidation tax reporting arose until the date of submission of such reporting to the tax authority.

If the deadline for filing the next successive tax reporting for the tax period preceding the tax period in which the obligation to submit such next successive tax reporting arose occurs after filing of the liquidation tax reporting, such next successive tax reporting shall be filed no later than the date of filing of the liquidation tax reporting.

3. Payment of taxes, payments to the budget and social payments reflected in the next successive tax report submitted in accordance with part two of paragraph 2 of this article and liquidation tax reports shall be made no later than ten calendar days from the date of filing of the liquidation tax report to the tax authority.

4. Upon termination of activity related to monetary settlements, the person terminating the activity shall apply to the tax authority at the location for deregistration of the cash register (if any) in the procedure established by this Code.

5. An entity terminating activities, from the date of filing an application for termination of activities to the relevant registration authority shall be recognized by the tax authority as a taxpayer in the process of liquidation (termination of activities).

Information on such a taxpayer, within three working days following the date of applying specified in the first part of this paragraph, shall be entered on the list of taxpayers in the process of liquidation (termination of activities), subject to posting on the authorized body's Internet resource.

6. Due performance of the tax obligation by the person terminating the activity shall be verified by means of tax administration, including a tax audit, in accordance with this Code.

A tax audit shall not be conducted when terminating the activity in a simplified manner.

The procedures for fulfilling the tax obligation during liquidation, reorganization and termination of the activity by taxpayers (tax agents), including certain categories of taxpayers (tax agents), a simplified procedure for fulfilling the tax obligation during the termination of the activity, as well as conditions for classifying taxpayers as certain categories of taxpayers shall be determined by the authorized body.

7. The taxpayer shall be excluded from the list of taxpayers undergoing liquidation (termination of activities) by the tax authority within three business days following the day of:

1) receipt of information on exclusion from the registers of numbers;

2) deregistration of an individual entrepreneur or a private practitioner;

3) issuance of a decision to deny deregistration of an individual entrepreneur or a private practitioner;

4) the taxpayer's request to change the decision on liquidation (termination of activities).

Article 75. Fulfillment of tax obligations at liquidation

1. For the purposes of this article, the following are recognized as a taxpayer in liquidation:

a resident legal entity being liquidated;

a structural subdivision of a non-resident legal entity ceasing its activity in the Republic of Kazakhstan;

a permanent establishment of a non-resident legal entity ceasing its activity in the Republic of Kazakhstan;

a structural subdivision of a resident legal entity ceasing its activity.

2. The obligation to submit liquidation tax reports, as prescribed in paragraph 2 of Article 74 of this Code, arises within three business days from the date of approval of the interim liquidation balance sheet for the following persons:

a resident legal entity being liquidated;

a structural subdivision or permanent establishment of a non-resident legal entity terminating its activities in the Republic of Kazakhstan;

a structural subdivision of a resident legal entity terminating its activities in the event that such structural subdivision is recognized as an independent payer of taxes and payments to the budget.

Submission of liquidation tax reports, as prescribed in paragraph 2 of Article 74 of this Code, is the ground for tax administration, including a tax audit.

3. The tax debt of a liquidated taxpayer shall be repaid at the expense of such entities' money, including the money received from the sale of their assets, in the order of priority established by the laws of the Republic of Kazakhstan.

The tax debt of a structural division of a resident legal entity terminating its activity, structural divisions of a non-resident legal entity through a permanent establishment or structural division terminating its activity shall be repaid at the expense of the money of the legal entity that created them.

If the property of a liquidated taxpayer is insufficient to repay the tax debt in full, the remaining part of the tax debt shall be repaid by the founders (participants) of the liquidated taxpayer in cases established by the laws of the Republic of Kazakhstan.

4. Excessively (erroneously) paid amounts of taxes, payments to the budget and penalties, fines by a liquidated taxpayer, as well as excess paid and (or) excess collected amounts of customs duties, customs fees, taxes and penalties shall be subject to offset against the repayment of its debt in the manner and taking into account the conditions established by the legislation of the Republic of Kazakhstan, and the remaining part shall be returned to the taxpayer in liquidation.

In cases when the liquidated taxpayer is a legal entity with a structural subdivision, the amounts specified in the first part of this paragraph shall also be offset against repayment of the debt of the structural subdivision of such taxpayer.

If, on the date of deregistration of a VAT payer a liquidated taxpayer has an excess amount of VAT, offset over the amount of charged tax subject to refund, the said excess is subject to refund in the procedure established by this Code.

5. If a liquidated taxpayer incurs tax obligations on the calculation and payment of taxes and payments to the budget, or a social obligation during the period from the date of submission of liquidation tax reporting until the date of completion of tax administration, such person is obliged to fulfill the said obligations in full on the basis of a notification of the amounts charged during the liquidation period.

In this case, payment of taxes and payments to the budget, social payments reflected in additional tax reporting submitted in accordance with the first part of this paragraph, shall be made no later than ten calendar days from the date of filing such additional tax reporting to the tax authority.

6. If income of individuals and non-residents subject to taxation at source in the form of dividends arises during the period from the day following the day of completion of tax administration until the date of approval of the liquidation balance sheet, the legal entity in liquidation is obliged to submit to the tax authority at its location additional tax reports to the liquidation tax reports for such tax liability and to fulfill it in full.

7. The ground for submitting a liquidation balance sheet by a taxpayer in liquidation to the tax authority at the location is the simultaneous compliance with the following conditions:

1) absence of tax arrears, arrears in social payments, including on the tax administration results;

2) absence of over-paid (erroneously) amounts of taxes, payments to the budget, penalties and fines, excess of VAT, attributable to offset, over the amount of charged tax, as well as over-paid and (or) over-collected amounts of customs duties, customs fees, taxes and penalties, subject to refund in the manner and cases established by the legislation of the Republic of Kazakhstan.

8. The liquidation balance sheet submitted in accordance with paragraph 7 of this article by a taxpayer in liquidation shall be the ground for the tax authority to send to the registration authority information on the absence (presence) of debt, providing that the taxpayer in liquidation has no debt, with notification of such taxpayer.

9. A taxpayer in liquidation is obliged to apply to the registration authority to complete the procedure for terminating activities no later than three working days from the date of receipt of the tax authority's notification on sending information to the registration authority on the absence (presence) of debt, providing for the absence of debt.

Article 76. Fulfillment of tax obligations by a sole proprietor and private practitioner upon termination of activity

1. A sole proprietor or a private practitioner, no later than thirty calendar days from the date of the decision to terminate activities, shall simultaneously submit to the tax authority at the location:

1) an application for termination of activities;

2) liquidation tax reporting as required by paragraph 2 of Article 74 of this Code.

2. The tax debt of a sole proprietor or a private practitioner terminating their activities shall be repaid using the funds of such person, including those received from the sale of their assets, in the order of priority established by the laws of the Republic of Kazakhstan.

3. A sole proprietor or a private practitioner shall be deemed to have ceased their activities upon deregistration of such persons with the tax authority.

The grounds for deregistration of a sole proprietor or a private practitioner shall be the observance of the following conditions:

1) absence of tax arrears, arrears in social payments, including as a result of tax administration;

2) absence of overpaid (erroneously) amounts of taxes, payments to the budget, penalties and fines, as well as overpaid and (or) over collected amounts of customs duties, customs fees , taxes and penalties subject to refund in the manner and cases determined by the legislation of the Republic of Kazakhstan.

4. Non-compliance of a sole proprietor or a private practitioner with the conditions established by paragraph 3 of this Article based on the conducted tax administration results shall be the grounds for denying de-registration.

5. Information on deregistration and denied deregistration to a sole proprietor or a private practitioner shall be posted on the Internet resource of the authorized body.

6. The tax authority has the right to conduct tax administration of the activities of a sole proprietor or a private practitioner after the individual has terminated such activities in a simplified manner within the limitation period.

If the tax authority identifies discrepancies (breaches) in the activities specified in the first part of this paragraph, the individual shall:

1) calculate tax liabilities for taxes, payments to the budget and social obligations in accordance with the legislation of the Republic of Kazakhstan in effect at the time of such activities;

2) fulfill tax obligations and social obligations in accordance with the legislation of the Republic of Kazakhstan.

Article 77. Fulfillment of the tax obligation at legal entity reorganization

1. Fulfillment of the tax obligation of a legal entity under reorganization, with the exception of the submission of liquidation tax reports during reorganization by separation and spin-off, is assigned to its legal successor.

The legal successor, as well as its participation share in the repayment of the tax debt of the legal entity that is being reorganized shall be established in accordance with the civil legislation of the Republic of Kazakhstan.

2. Reorganization of a legal entity shall not be the ground for changing the deadlines for fulfilling the tax obligation on paying taxes and payments to the budget by the legal successor .

3. Excessively (erroneously) paid amounts of taxes, payments to the budget and penalties, fines, excess VAT by a legal entity undergoing reorganization, as well as excess amounts of customs duties, customs fees, taxes and penalties paid and (or) collected in excess shall be subject, in the manner and with regard to the conditions established by the legislation of the Republic of Kazakhstan, to offset against the debt of such person and (or) its structural subdivision, and the remaining part shall be returned to the legal successor of the legal entity undergoing reorganization in proportion to the share in the property received by it during the reorganization.

4. A legal entity reorganized by merger or incorporation shall simultaneously submit to the tax authority at its location within three working days from the date of approval of the transfer act:

1) the liquidation tax reporting provided for in paragraph 2 of Article 74 of this Code;

2) the deed of transfer.

5. Within three business days of the decision to reorganize by:

1) separation, the legal entity shall submit to the tax authority at its location the liquidation tax report provided for in paragraph 2 of Article 74 of this Code and a tax application for a tax audit;

2) spin-off, submit to the tax authority at its location a tax application for a tax audit.

6. The ground for submitting a separation balance sheet by a legal entity reorganized by separation or spin-off to the tax authority at its location shall be the simultaneous compliance of such legal entity, based on the tax audit results, with the following conditions:

1) absence of tax arrears, arrears in social payments;

2) absence of over-paid (erroneously) amounts of taxes, payments to the budget, penalties and fines, as well as over-paid and (or) over-collected amounts of customs duties, customs fees, taxes and penalties subject to refund in the manner and cases established by the legislation of the Republic of Kazakhstan.

7. The separation balance sheet submitted in accordance with paragraph 6 of this article by a legal entity reorganized by separation and spin-off shall be the basis for the tax authority to send information to the registration authority on the absence (presence) of debt, providing the absence of debt for the legal entity being reorganized, with notification of such legal entity about it.

8. The tax authority, after receiving information from the registers of numbers on the reorganization of a legal entity, shall transfer the balance on the personal accounts of such legal entity to the relevant tax authority.

Article 78. Specifics of fulfilling a tax obligation when a permanent establishment transfers rights and obligations related to the presence of effective management location (location of the actual management body) in the Republic of Kazakhstan without opening a structural subdivision of a non-resident legal entity

1. For the purposes of this article:

a permanent establishment of a non-resident is understood to be a permanent establishment without opening a structural division of a non-resident legal entity;

a non-resident legal entity is understood to be a non-resident legal entity operating through a permanent establishment without opening a structural division;

a resident foreign legal entity - is understood to be a legal entity established under the legislation of a foreign state, whose place of effective management (location of the actual management body) is in the Republic of Kazakhstan and to which the rights and obligations of a permanent establishment of a non-resident are transferred.

2. In the event that a non-resident legal entity decides to transfer the place of effective management (location of the actual management body) from a foreign state to the Republic of Kazakhstan, the permanent establishment of such entity is obliged to transfer its rights and obligations to the said non-resident legal entity in accordance with the transfer act.

In this case, the non-resident legal entity, within three working days after the date of such entity’s tax application for registration, is obliged to notify the tax authority at the location of the non-resident's permanent establishment about the transfer of rights and obligations by such permanent establishment to the foreign resident legal entity.

3. A permanent establishment of a non-resident within fifteen calendar days from the date of registration of a non-resident legal entity as a taxpayer – a resident foreign legal entity is required to submit to the tax authority:

1) a tax application for termination of activity through a permanent establishment;

2) liquidation tax reporting;

3) a transfer act.

4. Fulfillment of the tax obligation of a permanent establishment of a non-resident that has transferred rights and obligations to a resident foreign legal entity is assigned to the resident foreign legal entity.

5. The transfer of rights and obligations by a permanent establishment of a non–resident to a foreign resident legal entity is not a reason for changing the deadlines for fulfilling a tax obligation to pay taxes and payments to the budget by the legal successor.

6. The amounts of taxes, payments to the budget and penalties, fines excessively (erroneously) paid by a permanent establishment of a non-resident, as well as the amounts of customs duties, customs fees, taxes and penalties excessively paid and (or) excessively

collected, shall be offset against debt repayment in accordance with the procedure and with regard to the conditions established by the legislation of the Republic of Kazakhstan.

7. Termination of activity through a permanent establishment shall be recognized as the removal of such a permanent establishment from the registration records of a non-resident legal entity.

After receiving the documents of the non-resident permanent establishment specified in paragraph 3 of this article the tax authority shall transfer the balance on the personal account to the tax authority at the location of the resident foreign legal entity.

Article 79. Grounds for termination of tax liability

1. The tax liability of a legal entity shall terminate after:

1) liquidation of such entity;

2) reorganization of such entity by way of (in relation to the incorporated legal entity), merger and separation.

2. The tax liability of a sole proprietor, a private practitioner, shall terminate after such persons cease their activities in the procedure established by the legislation of the Republic of Kazakhstan.

3. The tax liability of an individual shall terminate in the event of his death or declaration of death on the basis of an enforced judicial act, subject to the provisions of Article 73 of this Code.

Paragraph 4. Ensuring tax obligations fulfillment

Article 80. Preliminary measures related to ensuring the tax obligations fulfillment

Before applying methods to ensure the fulfillment of a tax obligation in cases provided for by this Code, the tax authority shall take preliminary measures to ensure fulfillment of the tax obligation by issuing:

1) notifications from the tax authority;

2) informational- warning notifications from the tax authority;

3) notifications from the tax authority of a binding nature.

Article 81. Notices of Tax Authority

1. The tax authority shall notify the taxpayer (tax agent):

1) of the existence of tax arrears in an amount not exceeding the maximum amount of tax arrears.

For the purposes of this subparagraph, a taxpayer (tax agent) shall mean a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, a sole proprietor, a private practice owner;

2) of settlements with a taxpayer who has failed to fulfill the notification of confirming the actual turnover in the sale of goods, performance of work and provision of services;

3) of settlements with a taxpayer whose notification of confirming the actual turnover in the sale of goods, performance of work and provision of services has been recognized as unfulfilled.

2. A notice of existing tax arrears shall be submitted by the tax authority to the taxpayer (tax agent) no later than five business days from the date of occurrence of the tax arrears in an amount not exceeding the maximum amount of tax arrears.

3. The notices specified in subparagraphs 2) and 3) of paragraph 1 of this article shall be submitted to the taxpayer's counterparty who is the recipient of goods, works, services on electronic invoice reflected in the notice provided for in subparagraph 5) of paragraph 1 of Article 82 of this Code, within one business day following the day of suspension of issuance of electronic invoices to the taxpayer.

Such notices shall contain information about the specified electronic invoices.

Article 82. Tax authority's informational-warning notices

1. Informational-warning notices of the tax authority include:

1) notice of the amount of calculated property tax.

Notice of the amount of calculated property tax shall contain information on the amount of calculated tax and the deadline for fulfilling the tax obligation.

Notice of the amount of calculated property tax is submitted to the taxpayer (tax agent) no later than ten working days from the date of calculation of the property tax by the tax authority, indicating the amount of calculated tax and the deadline for fulfilling the tax obligation;

2) notice of the amount of taxes and (or) fees calculated by the tax authority.

Notice of the amount of taxes and (or) fees calculated by the tax authority contains information on the amount of taxes and fees calculated and the deadline for fulfilling the tax obligation, except for property tax.

Notice of the amount of taxes and (or) fees calculated by the tax authority is submitted to the taxpayer (tax agent) no later than ten working days from the date of calculation by the tax authority on the basis of information from authorized state bodies, within the competence, and indicate the amount of the calculated tax and (or) fees and the deadline for fulfilling the tax obligation;

3) notice of the charged payment amount for negative impact on the environment.

Notice of the charged payment amount for negative impact on the environment contains information on the amount of the charged payment and the deadline for fulfilling the tax obligation.

Notice of the charged payment amount for negative impact on the environment is submitted to the taxpayer (tax agent) no later than ten working days from the date of receipt of information on the charged payment amount from the authorized environmental protection body and its territorial units on the actual volumes of negative impact on the environment;

4) notice of discrepancies identified in a desk audit.

Notice of discrepancies identified in a desk audit contains a description of the discrepancies identified and the period in which these discrepancies were identified, so that the taxpayer (tax agent) could independently eliminate them or provide an explanation.

Notice of discrepancies identified in a desk audit is submitted to the taxpayer (tax agent) within thirty working days following the date of the desk audit completion;

5) notice of confirmation of the actual completion of turnover on the sale of goods, performance of work and provision of services.

Notification of confirmation of the actual completion of turnover on the sale of goods, performance of work and provision of services contains a description of transactions on the sale of goods, performance of work and provision of services, for which the tax authority has doubts about their actual completion, and the period in which they were completed, for the taxpayer (tax agent) to independently eliminate them or to provide an explanation confirming the actual completion of such turnover.

Notice of confirmation of the actual completion of turnover on the sale of goods, performance of work and provision of services is submitted to the taxpayer (tax agent) within thirty working days following the day of identification of transactions on the sale of goods, performance of work and provision of services, the actual completion of which is questioned by the tax authority;

6) notice of registration with the tax authority.

The notice of registration with the tax authority contains description of the signs of violating the tax registration requirements and the period of occurrence of such signs for independent registration of the taxpayer (tax agent) or an explanation.

The notification of registration with the tax authority is submitted to the taxpayer (tax agent) based on the results of monitoring the compliance with tax registration requirements;

7) notice of the excess VAT amount confirmed for refund in a simplified manner.

Notice of the excess VAT amount confirmed for refund in a simplified manner contains information on the excess VAT amount confirmed for refund and notifies of the need to file a tax application for refund of the excess VAT amount.

Notice of the excess VAT amount confirmed for refund in a simplified manner is submitted to the taxpayer (tax agent) within two business days following the day of submission of the claim for refund of the excess VAT amount;

8) notice of receipt of an application for importation of commodities and payment of indirect taxes.

A notice of receipt of an application for importation of commodities and payment of indirect taxes shall be submitted to a taxpayer of the Republic of Kazakhstan who has exported goods to the EAEU member states, in the event of receipt of applications for importation of commodities and payment of indirect taxes in electronic form from the tax authorities of the EAEU member states whose taxpayers imported the goods.

A notice of receipt of an application for importation of goods and payment of indirect taxes shall be submitted within ten working days from the date of receipt of such application.

2. The period for executing notifications of an informational and warning nature shall be thirty working days following the day of delivery, unless otherwise established by this clause.

The period for executing a notification on confirmation of the actual turnover of goods, performance of work and provision of services shall be ten working days following the day of delivery.

Notifications on the amount of excess VAT confirmed for refund in a simplified manner and on receipt of an application for import of goods and payment of indirect taxes do not have an execution deadline.

2. The execution deadline for the information- warning notices is thirty working days following the day of delivery, unless otherwise specified in this paragraph.

The deadline for execution of the notice confirming the actual completion of turnover for the sale of goods, performance of works and provision of services is ten working days following the day of delivery.

Notifications on the amount of excess VAT, confirmed for refund in a simplified manner, and on receipt of an application for the importation of goods and payment of indirect taxes do not have an execution deadline.

Article 83. Binding notifications from the tax authority

1. Binding notifications of the tax authority include:

1) notification of the tax audit results.

Notification of the tax audit results shall be submitted to the taxpayer (tax agent) no later than five working days from the date of delivery of the tax audit report if violations are identified leading to the charging of taxes and payments to the budget, reduction of losses, non-confirmation of the refund of excess amounts of VAT and (or) corporate (individual) income tax withheld at the source from non-residents' income;

2) notification of the results of reviewing the taxpayer's (tax agent's) complaint against the notification of tax audit results.

Notification of the results of reviewing the taxpayer's (tax agent's) complaint against the notification of tax audit results shall be submitted to the taxpayer (tax agent) no later than five working days from the date of the decision on the results of reviewing of the complaint in the event of cancellation of the contested notification of tax audit results in part;

3) notification of the elimination of violations of the tax legislation of the Republic of Kazakhstan.

A notification of the elimination of violations of the tax legislation of the Republic of Kazakhstan shall be submitted to the taxpayer (tax agent) no later than five working days from the date of detection of violations of the tax legislation of the Republic of Kazakhstan if the tax authority identifies facts of non-compliance by the taxpayer (tax agent) with the requirements established by this Code;

4) notification of amounts charged during the liquidation period.

Notification of amounts charged during the liquidation period contains information on the amount of charged taxes, payments to the budget and social payments during the liquidation period and the deadline for fulfilling the tax obligation.

Notification of amounts charged during the liquidation period is submitted to the taxpayer (tax agent) in liquidation no later than five working days from the date of delivery of the liquidation tax audit report if, during the period from the date of submission of the liquidation tax reporting until the date of completion of tax administration, obligations to calculate and pay taxes, payments to the budget and social payments arise;

5) notification of confirmation of the location (absence) of the taxpayer.

A notification of confirmation of the location (absence) of the taxpayer shall be submitted to the taxpayer (tax agent) within one business day following the day of the tax inspection report, if at the time of the tax inspection the taxpayer (tax agent) is absent at the location indicated in the registration data;

6) notification of tax arrears repayment.

A notification of tax arrears repayment shall be submitted to the taxpayer (tax agent) no later than five working days following the day of generation of tax arrears by a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, a sole proprietor, a private practice owner, in an amount exceeding the maximum amount of tax arrears;

7) notification of confirmation of accounts receivable.

A notification of confirmation of accounts receivable is submitted to the debtor of the taxpayer (tax agent) if the taxpayer (tax agent) fails to pay off the tax debt after enforcement measures from the funds in his bank accounts, no later than ten working days before enforcement proceedings are applied;

8) notification of tax arrears repayment of individuals.

A notification of tax arrears repayment of individuals is submitted to the taxpayer when an individual incurs tax arrears on tax obligations unrelated to the conduct of business activity and private practice.

A notification of repayment of tax arrears of individuals is submitted to the taxpayer no later than twenty working days from the date of the tax arrears generation.

2. The deadline for execution of binding notices is thirty working days following the date of delivery, unless otherwise specified in this paragraph.

The deadline for execution of the notification of:

1) repayment of tax arrears is ten working days following the date of delivery;

2) the confirmation of accounts receivable is twenty working days following the date of delivery;

3) confirmation of the taxpayer's location (absence) is twenty working days following the date of delivery.

Article 84. Securing the tax obligation fulfillment

1. In cases specified by this Code, the tax authority shall apply means of securing fulfillment of the tax obligation (hereinafter referred to as securing means)

2. Securing means are measures of a property and (or) restrictive nature that stimulate the proper fulfillment of the tax obligation by the taxpayer (tax agent).

3. The securing means shall be:

1) charging of penalties;

2) suspension of debit transactions;

3) restrictions on disposal of property;

4) suspension of issuance of electronic invoices;

5) restriction of access to Internet resources and (or) Internet platform of a foreign company operating through an Internet platform in the territory of the Republic of Kazakhstan (hereinafter referred to as restriction of access to Internet resources and (or) Internet platform).

4. The securing means referred to in subparagraphs 2) and 3) of paragraph 3 of this article shall be subject to cancellation:

1) from the date of entry into force of the judicial act on recognizing the taxpayer as bankrupt in the part of the amounts included in the register of creditors' claims;

2) from the date of approval by the court of the agreement on approval of the rehabilitation procedure plan in the part of amounts included in the register of creditors' claims;

3) from the date of entry into force of the judicial act on approval of the debt restructuring agreement in the part of amounts included in such agreement;

4) from the date of adoption by the authorized body for regulation, control and supervision of the financial market and financial organizations of the decision to revoke the license of a branch of a non-resident bank of the Republic of Kazakhstan, a branch of a non-resident insurance (reinsurance) organization of the Republic of Kazakhstan to conduct banking operations;

5) from the date of entry into force of the judicial act on the forced liquidation of a second-tier bank, an insurance (reinsurance) organization;

6) in the cases stipulated in paragraph 7 of Article 86 and paragraph 5 of Article 87 of this Code.

5. Application of the securing means specified in subparagraphs 1), 2) and 4) of paragraph 3 of this article shall be suspended:

1) in the event of a complaint to the authorized body about the notification of the tax audit results:

until the authorized body makes a decision based on the complaint reviewing results;

for fifteen working days from the date of the decision to leave the complaint unsatisfied upon the complaint reviewing results;

2) in the event of a complaint against the notification of the tax audit results to the court - until the entry into force of the judicial act based on the complaint reviewing results.

Article 85. Penalties

1. Penalties are charged regardless of the use of other security means, enforced collection and other sanctions for violation of the tax legislation of the Republic of Kazakhstan.

2. Penalties are charged to a banking organization for:

1) failure to comply with the order of writing off amounts from bank accounts;

2) failure to transfer (credit) them to the budget;

3) untimely transfer to the budget of:

the amounts written off from bank accounts of taxpayers (tax agents);

cash paid in the cash departments of a banking organization towards the payment of taxes and payments into the budget, including advance and (or) current payments on them, penalties, fines;

charged bank fees.

3. Penalties shall not be charged:

1) to a creditor of a second-tier bank undergoing forced liquidation or a branch of a non-resident bank of the Republic of Kazakhstan terminating its activities if the only reason for the occurrence of tax arrears was the liquidation or termination of the debtor's activities - from the date of the decision by the authorized body for regulation, control and supervision of the financial market and financial organizations to revoke the license;

2) on excess profit tax for the period preceding five tax periods before the calendar year in which the violation of the tax legislation of the Republic of Kazakhstan was revealed;

3) when calculating or revising by the tax authority the calculated amounts of property and vehicle taxes from individuals after the deadline for paying these taxes for the relevant tax period;

4) in the case of compulsory issue of declared shares- from the date of filing a lawsuit with the court for compulsory issue of declared shares until the end of their placement;

5) if an individual is declared missing - from the effective date of the court ruling declaring him/her missing;

6) when initiating proceedings in accordance with the Law of the Republic of Kazakhstan On Restoration of Solvency and Bankruptcy of Citizens of the Republic of Kazakhstan or On Rehabilitation and Bankruptcy in a case concerning application of the solvency restoring procedure or judicial bankruptcy, or bankruptcy, or rehabilitation - from the date of the issuance of the relevant judicial act by the court in respect of the amount included in the register of creditors' claims;

7) when applying the debt restructuring procedure - from the date of the issuance of the judicial act on the application of such procedure in respect of the amount included in the debt restructuring agreement;

8) during the time of the introduced state of emergency and (or) declared emergency situation in accordance with the legislation of the Republic of Kazakhstan;

9) on the amount of calculated (charged) taxes and payments to the budget that arose due to the violation by the horizontal monitoring participant of the tax legislation of the Republic of Kazakhstan as a result of fulfilling the tax obligations in accordance with the received preliminary explanation, with the exception of the establishment of previously unknown circumstances.

For the purposes of the first part of this subparagraph, previously unknown circumstances shall mean the circumstances affecting the position of the authorized body, reflected in the preliminary explanation provided at the request of a horizontal monitoring participant, which were not previously brought to the authorized body's notice:

1) in the said request;

2) in the written explanations of the taxpayer (tax agent) submitted to the authorized body or its officials as part of the consideration of such request.

4. The charging of penalties shall be resumed in the following cases:

1) a judicial act on refusal to recognize the taxpayer as bankrupt or to apply to him/her a rehabilitation procedure or a procedure for restoring solvency or judicial bankruptcy - from the date of the issuance of a judicial act on the initiation of the relevant proceedings;

2) failure of the taxpayer to enter into an agreement on debt restructuring or issuance of a judicial act on denied approval of such an agreement - from the date of the adoption of a judicial act on the application of the debt restructuring procedure;

3) upon cancellation of the judicial act on recognizing an individual as missing - from the date of the entry into force of the judicial act on recognizing an individual as missing.

Article 86. Suspension of debit transactions

1. Debit transactions shall be suspended by the tax authority's issuing of an order to suspend debit transactions on the bank accounts and/or cash accounts of the taxpayer (tax agent).

2. Debit transactions on bank accounts (except for correspondent accounts) shall be suspended in the following cases:

1) non-repayment by a taxpayer (tax agent) of tax arrears in an amount exceeding the maximum amount of tax arrears;

2) non-compliance with the notification of registration with the tax authority;

3) denied access to the tax officials for conducting a tax audit and inspection of taxable objects and (or) objects related to taxation, except in cases of violation by them of the procedure established by this Code for conducting a tax audit;

4) failure to comply with the notification of discrepancies identified by the in-house audit;

5) failure to comply with the notification of confirming accounts receivable;

6) failure to comply with the notification confirming the actual completion of turnover on the sale of goods, performance of works and provision of services.

3. Debit transactions on the cash accounts of the taxpayer (tax agent) shall be suspended in case of non-repayment by a taxpayer (tax agent) of tax arrears in the amount exceeding the maximum amount of tax arrears.

4. The suspension of debit transactions applies to all debit transactions of the taxpayer (tax agent), unless otherwise specified in part two of this paragraph.

The suspension of debit transactions does not apply to:

1) transactions involving the payment and depositing of cash in banking organizations for subsequent transfer towards the payment of:

taxes and payments to the budget stipulated by this Code;

customs duties stipulated by the legislation of the Republic of Kazakhstan;

social payments;

penalties charged for their late payment;

fines payable to the budget;

2) seizure of money under enforcement documents on compensation for damage caused to life and health, collection of alimony, wages, pensions, benefits, payment of severance pay and payment of wages to persons employed under an employment contract, payment of remuneration under a copyright agreement, transfer of social payments, collection to the state, also on repayment of tax arrears, arrears in social payments;

3) operations on issuance of cash by a banking organization to clients, when an order to suspend cash transactions is issued in respect of the banking organization.

5. An order to suspend expenditure transactions:

1) on bank accounts shall take effect on the date of receipt by the banking organization and shall be subject to unconditional execution;

2) on cash, shall be subject to unconditional execution by the taxpayer (tax agent) by transferring incoming cash to the budget no later than one business day following the date of their receipt.

6. The form of the order to suspend debit transactions on bank accounts shall be established by the authorized body in agreement with the National Bank.

7. The order to suspend debit transactions shall be cancelled by the tax authority that issued such order no later than one business day following the day on which the reasons for the suspension of debit transactions are eliminated.

Article 87. Restriction on disposal of the taxpayer's (tax agent's) property

1. The tax authority shall restrict the disposal of the taxpayer's (tax agent's) property in the following cases:

1) the taxpayer's (tax agent's) failure to pay off the tax debt in the amount exceeding the maximum amount of tax debt - within the amount of tax debt;

2) the taxpayer's (tax agent's) appeal against notification of the tax audit results, with the exception of a horizontal monitoring participant - within the contested amount reflected in the notifications of the tax audit results.

An inventory of the property restricted in disposal shall be made in the presence of the taxpayer (tax agent).

In the event of the taxpayer's (tax agent's) absence at the location indicated in the registration data, confirmed by the tax inspection report, an inventory of the property restricted in disposal shall be made without the participation of the taxpayer (tax agent).

2. The following shall not be subject to restrictions on disposal:

life support facilities;

electrical, thermal and other types of energy;

food items or raw materials with a shelf life and/or expiration date of less than one year.

3. The property of the taxpayer (tax agent) with limited disposal, transferred (received) on financial lease or provided as collateral before the termination of the lease and (or) collateral agreement, is not subject to seizure. The only residence is subject to seizure only on the basis of an effective court ruling.

4. The taxpayer (tax agent) is prohibited from changing the terms of the agreement (extending the term of the agreement, subleasing and/or re-pledging) from the date of the tax authority's restriction on the disposal of property until its cancellation.

5. The tax authority shall lift the restriction on the disposal of property in the following cases:

1) the taxpayer (tax agent) has paid off the amounts of tax debt by payment;

2) the notification of the results of a tax audit has been cancelled in full by a decision of the authorized body or by a judicial act that has entered into force;

3) the registration authority has applied for state registration of property transferred (received) into state ownership;

4) the authorized state property management body has made a decision on accepting it into state ownership.

5. The tax authority shall lift the restriction on the disposal of property in the following cases:

1) repayment by the taxpayer (tax agent) of tax arrears through payment;

2) notification of the tax audit results has been cancelled in full by the authorized body's decision or by a judicial act that has entered into legal force;

3) the registration authority has applied for state registration of property transferred (received) into state ownership;

4) the decision of the authorized body for the state property management to accept it into state ownership.

6. The decision to restrict the disposal of property of the taxpayer (tax agent), the inventory report of the property restricted in disposal, the decision to cancel the restriction on the disposal of property shall be sent to the registration authority and submitted to the taxpayer (tax agent).

Article 88. Suspension of electronic invoices issuance

1. The issuance of electronic invoices shall be suspended by the tax authority within one business day following the day of:

1) failure to execute or the issuance of a decision by the tax authority to recognize as unexecuted a notification confirming the actual turnover of goods, works and services;

2) failure to execute a notification confirming the location of the taxpayer (tax agent);

3) expiration of the deadline for filing tax returns on VAT by a VAT payer who has not independently filed such tax returns during the previous six months;

4) suspension by the VAT payer of the filing of tax returns on such tax until the date of resumption of filing of such tax returns;

5) entry into force of a court ruling recognizing the registration of an individual entrepreneur or legal entity as invalid;

6) entry into force of a judicial act on recognizing the re-registration of a legal entity as invalid;

7) entry into force of a judicial act on recognizing an individual who is the first director of a legal entity or an individual entrepreneur as incapacitated or partially incapacitated;

8) entry into force of a judicial act on recognizing an individual who is the first director of a legal entity or an individual entrepreneur as missing;

9) receipt of information from the register of numbers on the death or recognition of an individual who is the first director of a legal entity or a sole proprietor as deceased;

10) entry into force of a judicial act by which an individual who is the first director or sole founder (participant) of a legal entity or a sole proprietor is found guilty of committing a criminal offence in connection with the activities of this legal entity or a sole proprietor under Articles 216, 238 or 245 of the Penal Code of the Republic of Kazakhstan;

11) issuance of a resolution on the search for an individual who is the first director of a legal entity or a sole proprietor;

12) receipt of information that the purpose of stay is unrelated to the performance of labor activity in the Republic of Kazakhstan or that the permitted period of stay in the territory of the Republic of Kazakhstan of an individual - a foreign national or a stateless person, who is the chief executive or sole founder (participant) of a legal entity or a sole proprietor, has expired;

13) inclusion of an individual entrepreneur in the register of inactive taxpayers;

14) inclusion in the register of inactive taxpayers of a taxpayer whose first director or sole founder (participant) is the first director or the sole founder (participant) of a legal entity – a VAT payer;

15) failure of the taxpayer to comply with the notification of alleged discrepancies based on the in-house audit results.

2. The suspension of electronic invoices issuance shall be cancelled by the tax authority within one business day following the date of:

1) elimination of the reasons for such suspension in the cases specified in subparagraphs 1) – 4) and 12) – 14) of paragraph 1 of this article;

2) termination of compliance with the conditions stipulated in subparagraphs 7) – 12) of paragraph 1 of this article.

3. Decisions on suspension and cancellation of suspension of electronic invoices issuance shall be made by the tax authority in the electronic invoice information system within one business day following the day on which the ground for the decision arose.

Decisions on suspension and cancellation of suspension of electronic invoices issuance shall be submitted to the taxpayer within one business day following the day of adoption.

4. Information on taxpayers for whom the issuance of electronic invoices has been suspended shall be posted on the authorized body's Internet resource within one business day following the date of the decision to suspend the electronic invoices issuance.

This information is subject to exclusion from the authorized body's Internet resource within one business day from the date of cancellation of the decision to suspend the electronic invoices issuance.

Article 89. Restriction of access to Internet resources and (or) Internet platform

1. Access to Internet resources and (or) an Internet platform is restricted on the decision by the tax authority to restrict access to Internet resources and (or) an Internet platform.

2. The decision to restrict access to Internet resources and (or) an Internet platform shall be made by the tax authority in cases of failure by a foreign company operating through an Internet platform in the territory of the Republic of Kazakhstan to:

1) notify of registration with the tax authority within one business day following the day of expiration of the deadline for the execution of the said notification;

2) notify of discrepancies identified in the in-house audit, within one business day following the day of expiration of the deadline for the execution of the said notification.

3. The tax authority shall submit a decision to the mass media authority to restrict access to Internet resources and (or) an Internet platform within three working days following the day on which such decision was made.

4. The mass media authority shall take measures to restrict such access within three working days following the day of receipt of the decision to restrict access to Internet resources and (or) an Internet platform.

5. Restriction of access to Internet resources and (or) an Internet platform shall be cancelled when the foreign company operating through an Internet platform in the territory of the Republic of Kazakhstan eliminates the reasons that led to such restriction.

6. The tax authority shall:

1) make a decision to lift the restriction of access to Internet resources and (or) the Internet platform within one business day following the day on which the reasons for such restriction are eliminated;

2) submit the decision to lift the restriction of access to Internet resources and (or) the Internet platform to the mass media authority within three business days following the day on which such decision was made.

7. The mass media authority, within three business days following the day on which the decision to lift the restriction of access to Internet resources and (or) the Internet platform is received, shall take steps to lift such restriction.

SECTION 3. TAX ADMINISTRATION Chapter 6. TAX ADMINISTRATION

Article 90. Concept and types of tax administration

1. Tax administration is a set of measures of the tax authority and other authorized state bodies aimed at ensuring compliance with the tax legislation of the Republic of Kazakhstan and other legislation of the Republic of Kazakhstan, control over compliance with which is assigned to tax authorities, and at creating conditions for paying taxes and payments to the budget. Tax administration is carried out, among other things, using a tax risk management system.

2. Tax administration is based on the principles of creating service procedures and applying preventive measures to minimize tax risk before applying control measures to minimize tax risk and enforced collection of tax debt.

For the purposes of this Code, service procedures shall mean notice and (or) notification of the taxpayer (tax agent), including through IT facilities, about the onset of deadlines for submitting tax forms, paying taxes and payments to the budget, tax registration and (or) the need to fulfill other tax obligations.

3. Tax administration includes:

1) tax registration;

2) use of cash registers;

3) acceptance of tax forms;

4) accounting for the fulfillment of tax obligations, the obligation to transfer social payments, fines and penalties;

5) changing of the deadlines for fulfilling tax obligations;

6) application of security methods;

7) desk audit;

8) control over the electronic invoices issuance;

9) tax monitoring;

10) tax control;

11) other forms of control;

12) enforced tax arrears collection.

4. Within their competence the customs authorities shall exercise tax control, apply enforcement and compulsory collection methods of taxes payable in connection with the movement of goods across the customs border of the EAEU, in accordance with this Code,

the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

Article 91. Tax administration during the introduction of a state of emergency and emergency situation

1. During introduction of a state of emergency or declaration of an emergency situation in accordance with the legislation of the Republic of Kazakhstan, the tax administration is carried out with the specifics provided for in this article.

2. Penalties shall not be charged during the time of the introduced state of emergency and (or) declared emergency situation, also during the period of deferral (installment plan) in payment of taxes and (or) fees granted to a taxpayer whose place of residence is in the area where a state of emergency has been introduced or an emergency situation has been declared, and (or) to a person affected by the circumstances that served as the reason for their introduction.

3. The tax authority shall revoke orders to suspend debit transactions in respect of the taxpayers affected by the circumstances that led to the introduction of a state of emergency or declaration of an emergency situation, no later than one business day following the day of receipt of a list of such taxpayers from local executive bodies.

4. The following shall be suspended:

1) enforcement measures, as well as the deadlines for the execution of notifications provided for in Articles 82 and 83 of this Code;

2) submission of tax reports;

3) the period of a tax audit.

The suspension of actions referred to in part one of this paragraph shall apply to a taxpayer (tax agent):

1) whose location is in an area where a state of emergency has been introduced or an emergency situation has been declared, for the duration of their validity;

2) affected by the circumstances that led to introduction of a state of emergency or the declaration of an emergency situation, for a period not exceeding one month from the date of the end of their validity.

5. The basis for suspending the actions referred to in part one of paragraph 4 of this article shall be the list of taxpayers indicated in part two of paragraph 4 of this article submitted by the local executive body.

Information on the suspension (or) resumption of the submission of tax reports, the running of the period for conducting a tax audit shall be published on the authorized body's Internet resource no later than the date of submission by the local executive body of the list of taxpayers specified in part two of paragraph 4 of this article.

6. The tax authority shall suspend the limitation period for accrual and (or) revision of the calculated, assessed amount of taxes and payments to the budget in respect of taxpayers and for the periods indicated in the second part of paragraph 4 of this article.

Article 92. Pilot projects on tax administration improvement

1. For tax administration improvement purposes the tax authorities shall have the right to implement a pilot project envisaging a different procedure for tax administration and fulfillment of tax obligations by taxpayers, including the assignment of tax agent functions.

When implementing a pilot project, the tax authority shall interact with other authorized state bodies and organizations.

The rules for implementing the pilot project shall be established by the authorized body.

The rules for implementing the pilot project must contain:

1) the goals and objectives of the pilot project;

2) implementation procedure of the pilot project;

3) duration of the pilot project;

4) the categories of taxpayers (tax agents) to whom the pilot project will apply;

5) the territory (area) of distribution of the pilot project.

The rules for implementing the pilot project are subject to execution by tax authorities, pilot project participants, authorized state bodies and organizations.

During the implementation of the pilot project, the pilot project participants shall fulfill obligations similar to the tax obligations established by this Code, in accordance with the procedure defined by the rules for implementing the pilot project.

2. The pilot project shall be implemented on the basis of analysis of the legislation of the Republic of Kazakhstan with the corresponding rationale for the need to improve tax administration and fulfillment of tax obligations by taxpayers. The analysis is subject to publication on the authorized body's Internet resource.

3. The decision to implement a pilot project is made subject to the simultaneous observance of the following conditions:

1) reasonableness, which is understood as the fact that the upgrading and improvement of tax administration are carried out in order to facilitate the tax obligations fulfillment, suppress illegal economic activity and tax evasion schemes, and protect the rights and legitimate interests of bona fide taxpayers;

2) openness, which is understood as availability of information on the pilot project being introduced, the clarity of the reasons for its introduction, taking into account the restrictions established by the tax legislation of the Republic of Kazakhstan regarding tax secrecy;

3) feasibility, which is understood as the possibility of taxpayers to fulfill the terms of the pilot project being introduced;

4) proportionality and rationality, which are understood as the correspondence of the level of impact of the pilot project to the degree of risk of adverse events.

4. The starting date of the pilot project and the categories of taxpayers to whom the pilot project will apply must be published in the media at least thirty calendar days before the start.

5. A taxpayer's participation in the pilot project shall be voluntary in cases where the rules for the pilot projects implementation:

1) establish for the taxpayer the need for additional expenses related to the implementation of such a pilot project, namely, the independent purchase of material and technical resources, software and related products (except for computer hardware), additional hiring of employees confirmed by the existence of employment contracts;

2) apply to tax obligations fulfilled by the taxpayer for tax periods preceding the date of implementation of pilot projects;

3) are related to issues of tax registration, acceptance of tax reporting forms.

Voluntary participation of a taxpayer in the above pilot projects and compliance with their implementation rules shall not exempt such taxpayer from the tax obligations stipulated by this Code, taking into account the condition stipulated by part six of paragraph 1 of this article .

The following shall not apply to taxpayers participating in pilot projects on a voluntary basis for violating the rules for their implementation if the violation is related to technical and (or) methodological errors in the piloted information system of the authorized body and (or) errors made by the taxpayer when processing transactions within the framework of the pilot project:

suspension of expenditure transactions on the taxpayer's bank accounts;

administrative penalties and administrative and legal measures of influence stipulated by the Code of the Republic of Kazakhstan on Administrative Infractions.

6. A pilot project participant, including the rights and obligations stipulated by this Code:

1) has the right to:

receive information about the pilot project from tax authorities, with the exception of confidential information;

send requests and receive clarifications on issues arising during the implementation of the pilot project;

receive clarifications on eliminating violations on fulfilling the tax obligation established within the framework of the pilot project;

independently eliminate the causes and conditions of violations identified within the framework of the implemented pilot project on issues of fulfilling the tax obligation;

2) is obliged to:

submit information and documents, as well as written explanations, on paper and (or) electronic media;

provide access to the automated accounting system;

provide access to property that is a taxable object of and (or) an object related to taxation, regardless of its location, for conducting an inventory of the property, including for compliance with the information specified in the documents, in cases stipulated by the rules for the implementation of the pilot project.

7. The tax authority, including the rights and obligations stipulated by this Code:

1) has the right to:

request and receive on paper and (or) in the form of an electronic document information, records and written explanations on issues arising during the pilot project, in cases stipulated by the rules for implementing the pilot project;

restrict access to the tax authority's information system on the grounds and in cases stipulated by the rules for implementing the pilot project;

2) is obliged to:

publish in advance in the mass media information about the pilot project planned for implementation;

provide information about current pilot projects;

provide explanations on issues arising during the implementation of the pilot project;

provide explanations on eliminating violations on issues of fulfilling the tax obligation within the framework of the pilot project implementation.

8. On the pilot project results the tax authority shall prepare an analysis containing a decision on the implementation (termination) of improved tax administration and (or) fulfillment of tax obligations by taxpayers, including the assignment of tax agent functions.

In this case, the pilot project shall be analyzed for the benefit of implementation, including with regard to:

1) the level of tax obligations fulfillment by the taxpayer (tax agent);

2) reduction of administrative and financial costs for the taxpayer (tax agent) and the tax authority;

3) receipts of taxes and payments to the budget.

The analysis shall be published in the media at least thirty calendar days after the pilot project completion.

9. Tax authorities shall have the right to initiate no more than five pilot projects during a calendar year, with each pilot project lasting up to three years.

The provisions of this paragraph do not apply to pilot projects that provide for taxpayers' voluntary participation.

Article 93. Tax risk management system

1. The tax risk management system is a set of measures carried out by a tax authority in tax administration in order to identify tax risks and determine measures to minimize them.

Tax risk is the probability of non–compliance with the tax legislation of the Republic of Kazakhstan and other legislation of the Republic of Kazakhstan, the control over compliance with which is entrusted to the tax authorities.

2. Measures to minimize tax risk in tax administration are divided into preventive and control measures.

Preventive measures to minimize tax risk are carried out by informing taxpayers (tax agents) about the deadlines for submitting tax forms, paying taxes and payments to the budget , tax registration and (or) the need to fulfill other tax obligations.

Control measures to minimize tax risk are carried out through desk control, electronic invoice statement control, tax control and other forms of control.

The application of measures to minimize tax risk to a taxpayer (tax agent) is determined, among other things, using the automated information system of the tax authority.

The procedure for organizing tax risk management is determined by the authorized body.

3. Information obtained during tax risk management, as well as the procedure for organizing tax risk management, is confidential, access to which is limited by the legislation of the Republic of Kazakhstan.

Tax officials use the information received solely to perform the tasks and functions assigned to the tax authority, and are not entitled to distribute it either during the performance of their duties or after their completion.

It is prohibited to provide this information to other persons, including taxpayers.

Chapter 7. TAX REGISTRATION

Article 94. General provisions on tax registration

1. Tax registration of taxpayers, excluding foreign companies operating via an online platform within the territory of the Republic of Kazakhstan, is carried out by forming a taxpayer database.

Foreign companies operating via an online platform within the territory of the Republic of Kazakhstan are subject to conditional registration as value-added tax (VAT) payers, in accordance with Article 102 of this Code.

2. Formation of the taxpayer database includes:

1) in the registration of an individual, including a foreign national or stateless person, a resident legal entity, as well as a structural unit of such an individual, a structural unit of a non-resident legal entity;

2) registration of:

non-resident legal entities and diplomatic missions (hereinafter referred to as " non-resident legal entities" for the purposes of this chapter);

an individual entrepreneur;

person engaged in private practice;

VAT payers, excluding those subject to conditional registration;

taxpayers engaged in specific types of activities.

3. The taxpayer database is formed by adding and removing taxpayer information, making changes and/or additions to such information, and registering or deregistering of taxpayers.

These actions are performed by the tax authority based on data from registers of numbers of the authorized state bodies, resident banks, and tax applications or notifications submitted by taxpayers, as stipulated by the legislation of the Republic of Kazakhstan on permits and notifications.

4. Deregistration by the tax authority, unless otherwise provided by this chapter, is carried out on the following grounds:

1) death or declaration of death of an individual;

2) departure of an individual from the Republic of Kazakhstan for permanent residence and termination of citizenship, provided there are no outstanding tax obligations or taxable assets located in the Republic of Kazakhstan;

3) termination of the foreign national's or stateless person's activities in the Republic of Kazakhstan;

4) removal of resident legal entities or their subdivisions from the register of numbers, or deregistration of subdivisions of non-resident legal entities;

5) change in the place of effective management (actual governing body) in the Republic of Kazakhstan of a legal entity established under foreign law.

5. The tax authority deregisters taxpayers engaged in specific types of activities based on its decision in cases provided by this Code.

Information about such taxpayers deregistered by the tax authority and engaged in specific types of activities must be published on the official website of the authorized body within one working day following the decision.

6. The tax authority monitors compliance with the requirements of this chapter through monitoring procedures.

7. The procedure for tax registration of taxpayers is determined by the authorized body.

Paragraph 1. Specifics of registration of a non–resident legal entity

Article 95. Specifics of registration and changes in registration information of a non–resident legal entity

1. Registration of a non–resident legal entity, with the exception of foreign companies operating via an online platform in the territory of the Republic of Kazakhstan, is carried out by the tax authority on the basis of a tax statement from a non-resident legal entity, information from authorized state bodies, local executive bodies or resident banks.

2. The following non–resident legal entities are required to register on the basis of a tax statement:

1) a non–resident legal entity operating through a permanent establishment without opening a structural unit – within thirty calendar days from the date of commencement of activities in the Republic of Kazakhstan through a permanent establishment;

2) a non–resident legal entity, the place of effective management (location of the actual management body) of which is located in the Republic of Kazakhstan, within thirty calendar days from the date of the decision to recognize the Republic of Kazakhstan as the place of effective management (location of the actual management body);

3) a non–resident legal entity that is a tax agent who is charged with the duty and responsibility to calculate, withhold and transfer income tax at the source of payment to the

budget, and who is acquiring (selling) property in the Republic of Kazakhstan, prior to the acquisition (sale) of property;

4) an insurance organization (insurance broker) or an affiliated agent, whose activities in accordance with this Code are considered as a permanent establishment of a non-resident, with the exception of activities carried out through employees or other personnel hired by a non-resident for such purposes, for a period of more than one hundred and eighty-three calendar days within any consecutive twelve-month period from the date of commencement of business activities within the framework of one project or related projects, – within thirty calendar days from the date of commencement of the activity defined in accordance with paragraph 2 of Article 231 of this Code;

5) a non–resident legal entity – a participant in a joint activity agreement concluded with a resident whose activity leads to the formation of a permanent establishment – within thirty calendar days from the date of commencement of the activity determined in accordance with paragraph 2 of Article 231 of this Code;

6) a non–resident legal entity opening a current account with resident banks - before opening a current account with resident banks;

7) a non–resident legal entity that is a tax agent paying income, which has the duty and responsibility to calculate, withhold and transfer income tax at the source of payment to the budget, or receives income in the form of value gains specified in paragraph 1 of this Article from a person who is not a tax agent and acquires (sells) shares, participation shares specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 687 of this Code, – prior to the acquisition of shares and participation interests specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 687 of this Code;

8) a non–resident legal entity acquiring securities or shares in the event of non-fulfillment of the conditions established by subparagraph 9) of Article 681 of this Code;

9) diplomatic representation office.

In the case provided for in subparagraph 7) of part one of this paragraph, registration is also carried out on the basis of information from authorized state and local executive bodies responsible for state regulation within their competence in the field of subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, on the acquisition by a non–resident legal entity of shares, participation interests specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 687 of this Code.

When registering a non–resident legal entity, with the exception of registration for the purpose of opening a current account with a resident bank, the tax authority issues a registration certificate.

3. Changes and (or) additions are made to the registration information of a non–resident legal entity:

1) the structural subdivision of a non–resident legal entity – based on:

information from the register of numbers;

a tax application for registration as a legal entity established in accordance with the legislation of a foreign state, the place of effective management (location of the actual management body) of which is located in the Republic of Kazakhstan;

2) a non–resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without opening a structural unit, - on the basis of a tax application for registration of such a legal entity;

3) a non–resident legal entity that is a tax agent who is charged with the duty and responsibility to calculate, withhold and transfer income tax at the source of payment to the budget, when changing the location of the entity having the right to use the subsoil in the Republic of Kazakhstan, specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 687 of this Code, – on the basis of:

a tax application for registration of such a legal entity;

information of authorized state and local executive bodies carrying out state regulation within their competence in the field of subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, on the acquisition by a non–resident legal entity of shares and participation interests specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 687 of this Code;

4) a non–resident legal entity acquiring securities or shares of participation, - based on information from the register of numbers about such a resident;

5) diplomatic representation office – on the basis of the tax statement of such entities;

6) a non–resident legal entity operating through a dependent agent, which is considered as a permanent establishment of a non–resident legal entity in accordance with subparagraph 3) of paragraph 1 of Article 226 of this Code, – on the basis of a tax statement from such a non–resident legal entity operating through a dependent agent;

7) a non–resident legal entity that has a current account with a resident bank, - based on a notification from the resident bank.

4. When submitting a tax application to a tax authority for registration or de–registration, a non-resident legal entity shall simultaneously submit the documents provided for in the tax registration procedure.

Copies of documents submitted for the purposes specified in part one of this paragraph must be notarized.

Article 96. Specifics of deregistration of a non–resident legal entity

1. The tax authorities shall deregister a non–resident legal entity based on a tax application in the following cases:

1) termination of a non-resident's activity through a permanent establishment;

2) termination of the rights to property, shares and (or) participation interests of a non-resident in the event that such non-resident does not have another taxable object in the Republic of Kazakhstan;

3) termination of the activity of a non-resident through a dependent agent in the Republic of Kazakhstan, which is considered as a permanent establishment of such non-resident;

4) termination of the activity of the diplomatic representative office;

5) closing an account to such a non–resident legal entity registered as a taxpayer for the purpose of opening a current account with a resident bank, provided that such a non-resident does not have a current account with resident banks, as well as no information about opening a current account within six months from the date of receipt of the resident bank's notification .

2. The tax authority shall deregister a non–resident legal entity on the basis of a tax application, with the exception of:

1) a diplomatic representative office – on the basis of information from the authorized state body in the field of foreign policy activities on the termination of the activities of such entities;

2) a non–resident legal entity operating through a dependent agent, which is considered as a permanent establishment of a non–resident legal entity in accordance with subparagraph 3) of paragraph 1 of Article 226 of this Code, – on the basis of a tax statement from a dependent agent;

3) a non–resident legal entity that has a current account with a resident bank, - based on a notification from the resident bank about the closure of the current account to a non–resident.

Paragraph 2. Specifics of registration of an individual entrepreneur and a person engaged in private practice

Article 97. Specifics of registration and modification of registration information of an individual entrepreneur and a person engaged in private practice

1. Registration of an individual entrepreneur and a person engaged in private practice is carried out on the basis of a notice of commencement of activity.

2. An individual who is prohibited by the laws of the Republic of Kazakhstan from carrying out individual entrepreneurship is not subject to registration as an individual entrepreneur.

3. Registration information is changed by the tax authority on the basis of a notification on the commencement of activity of an individual entrepreneur or a person engaged in private practice, submitted no later than ten working days from the date of the change in registration data, including data on participants (members) of a joint venture.

Article 98. Specifics of de-registration of an individual entrepreneur and a person engaged in private practice

1. Deregistration of an individual entrepreneur or a person engaged in private practice is carried out by the tax authority in accordance with the procedure specified in paragraph 3 of Chapter 5 of this Code and (or) in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

Deregistration specified in part one of this paragraph is carried out by the tax authority, provided that there are no outstanding tax obligations, except in cases provided for by the Entrepreneurial Code of the Republic of Kazakhstan.

2. An individual has the right to receive from the tax authority, on paper or through the objects of informatization of the tax authority, a confirmation of deregistration (refusal to deregister) of an individual entrepreneur or a person engaged in private practice.

Paragraph 3. Registration of the value added tax payer

Article 99. General provisions on registration of a value added tax payer

1. Registration of a value added tax payer (hereinafter referred to as tax for the purposes of this paragraph) is carried out in the form of:

1) voluntary registration of a tax payer;

2) mandatory registration of a tax payer;

3) conditional registration of a tax payer.

2. Mandatory and voluntary registration of a tax payer is carried out in the taxpayer database.

3. The following is not subject to registration of a tax payer:

1) government agency;

2) the structural subdivision of the resident legal entity;

3) a person engaged in private practice;

4) a taxpayer applying a special tax regime;

5) an individual.

4. For the purposes of registration of a tax payer:

1) turnover is defined as the sum of the turnover specified in subparagraphs 1) and 2) of paragraph 1 of Article 449 of this Code, with the cumulative total from the date established by Article 101 of this Code;

2) the maximum turnover threshold is a turnover equal to 10,000 times the monthly calculation index effective on January 1 of the corresponding financial year.

5. Registration of a tax payer is carried out on the basis of a tax application submitted to the tax authority at the taxpayer's location, from the date of submission of such application.

6. After registration of a tax payer, the head and (or) the person responsible for settlements with the budget must familiarize themselves with the electronic invoice information system and the procedure for issuing electronic invoices at the tax authorities.

When registering and/or changing the registration data of a legal entity, as well as changing the head, biometric identification of the head is performed in the electronic invoice information system.

7. In cases where the re-registration of a legal entity is declared invalid by a judicial act that has entered into legal force at the request of state bodies, the specified legal entity shall

not be recognized as a tax payer in the period from the date of such re-registration until the relevant change is made to the register of numbers.

8. The provisions of this article, with the exception of subparagraph 3) of paragraph 1 of this Article, shall not apply to a foreign company operating through an online platform in the territory of the Republic of Kazakhstan (hereinafter, for the purposes of this paragraph, a foreign company) subject to conditional registration.

Conditional registration of a tax payer of a foreign company is carried out in accordance with Article 102 of this Code.

Article 100. Voluntary registration of a tax payer

Taxpayers who are not specified in paragraph 3 of Articles 99 and 102 of this Code have the right to voluntarily register as a tax payer before reaching the maximum turnover threshold.

Article 101. Mandatory registration of a tax payer

1. Taxpayers whose turnover exceeds the maximum turnover threshold during a calendar year, as well as in the cases provided for in this article, are subject to mandatory registration as a tax payer.

2. Turnover is determined:

1) from the date of state (accounting) registration with the registration authority – by a newly created resident legal entity, a structural subdivision through which a non–resident carries out activities in the Republic of Kazakhstan;

2) from the date of registration of an individual entrepreneur – by an individual re-registered with the tax authorities as an individual entrepreneur;

3) from the date of transition to the generally established taxation procedure – by a taxpayer who applied a special tax regime;

4) from January 1 of the current calendar year – by other taxpayer.

3. A tax application is submitted when the maximum turnover threshold is exceeded, but not later than five working days from the date of exceeding the maximum turnover threshold.

4. In the case of a transaction exceeding the maximum turnover threshold, the taxpayer submits a tax statement prior to the transaction.

5. The trustee submits a tax statement:

1) in the event that the founder under the trust management agreement (or the beneficiary in other cases of trust management) is a tax payer, – in absentia no later than five working days from the date of conclusion of such agreement (other document);

2) in other cases, the mandatory registration of such a founder or beneficiary, as well as a trustee, is carried out in accordance with the provisions of this article.

6. Turnover exceeding the maximum turnover threshold and committed in the period prior to the date of registration of the tax payer shall be recognized as taxable turnover for the period of non-registration for bringing to liability established by the laws of the Republic of Kazakhstan.

Article 102. Conditional registration of a tax payer

1. Conditional registration of a tax payer is carried out in accordance with the procedure determined by the authorized body (hereinafter referred to as the procedure for conditional registration) by forming a register of foreign companies – tax payers.

The tax authority includes information about a foreign company in the register of foreign tax–paying companies according to the list determined by the procedure for conditional registration.

Information about foreign tax–paying companies included in the register of foreign tax–paying companies is posted on the authorized body's Internet resource in accordance with the procedure for conditional registration.

2. For conditional registration of a tax payer, a foreign company submits to the tax authority a confirmation letter on registration of a tax payer (hereinafter referred to as the confirmation letter) indicating the data to be included in the register of foreign tax–paying companies.

3. A confirmation letter is submitted by a foreign company to the tax authority no later than one month from the date of the first payment by the buyer of the goods and (or) services.

A foreign company is obliged to notify the tax authority of changes and/or additions to the data to be included in the register of foreign tax–paying companies no later than ten working days following the date of the changes and/or additions to the data.

4. A foreign company is recognized as a tax payer from the date of the first payment by the buyer of goods and (or) services.

Article 103. De-registration of a tax payer

1. A tax payer is deregistered in cases of:

1) transition from a generally established taxation procedure to a special tax regime;

2) termination of the activity or liquidation of the taxpayer.

When switching from a generally established taxation procedure to a special tax regime, the taxpayer simultaneously submits a tax liquidation report to the tax authority with a notification of the applicable tax regime provided for by the legislation of the Republic of Kazakhstan on permits and notifications.

2. Deregistration of a tax payer is carried out in the following cases:

1) termination of activity or liquidation of a tax payer, with the exception of termination of activity or liquidation due to bankruptcy, - from the date of submission of an application (tax statement) for termination of activity to the relevant registration authority;

2) termination of activity or liquidation of a tax payer due to bankruptcy, – from the date of de-registration of an individual entrepreneur or exclusion of a legal entity from the registers of numbers;

3) termination of the activity or liquidation of a tax payer due to the recognition of the registration of an individual entrepreneur or a legal entity as invalid by a judicial act that has entered into force, – from the date of registration of the tax payer;

4) reorganization of legal entities through mergers and acquisitions, – from the date of submission of the liquidation tax report and the transfer act;

5) reorganization of a legal entity by way of separation, – from the date of submission of the liquidation tax report and the separation act;

6) death of an individual registered as an individual entrepreneur, – from the date of exclusion from the taxpayer database;

7) the transition from the generally established taxation procedure to a special tax regime, – from the date of the beginning of the application of the special tax regime.

3. The provisions of this article shall not apply to tax payers subject to conditional registration of a tax payer.

Paragraph 4. Registration of a taxpayer engaged in certain types of activities

Article 104. Registration of a taxpayer engaged in certain types of activities

1. Taxpayers engaged in the following types of activities are subject to registration of a taxpayer engaged in certain types of activities:

1) production of gasoline (except aviation), diesel fuel, gasoline, benzanol, nefras, mixtures of light hydrocarbons, and ecological fuels;

2) wholesale and (or) retail sale of gasoline (except aviation), diesel fuel, gasoline, benzanol, nefras, mixtures of light hydrocarbons, ecological fuels;

3) production of ethyl alcohol and (or) alcoholic products;

4) wholesale and (or) retail sale of alcoholic beverages;

5) production and (or) wholesale of tobacco products; 6) gambling business;

7) production, assembly (assembly) of excisable goods provided for in subparagraph 6) of part one of Article 536 of this Code, except for the import of excisable goods for which payment has been made in accordance with the customs legislation of the Republic of Kazakhstan, also in the presence of an agreement on industrial assembly;

8) electronic trading of goods.

2. Registration of a taxpayer engaged in certain types of activities is carried out with the tax authorities at the location of the taxable objects and (or) objects related to taxation used in the implementation of certain types of activities.

For the purposes of subparagraphs 1) – 5) of paragraph 1 of this Article, objects related to taxation are understood to mean the production facility of a producer of petroleum products, a base of petroleum products, a tank, a filling station, volumes of oil and (or) gas condensate and the output of petroleum products specified in the contract for the processing of oil and (or) gas condensate or the appendix (specifications) to an agreement with a producer of petroleum products (for oil suppliers), stationary and (or) storage facilities that are used to carry out the types of activities specified in subparagraphs 1) – 5) of paragraph 1 of this article.

3. Registration of a taxpayer engaged in certain types of activities subject to licensing, subject to the availability of an appropriate license, is carried out for a period not exceeding the validity period of the license.

4. Registration of a taxpayer engaged in certain types of activities specified in subparagraphs 1), 2) and 5) (except for the production of tobacco products), 6) – 8) of paragraph 1 of this Article is carried out on the basis of a notification of the commencement or termination of activities in accordance with the procedure established by the legislation of the Republic of Kazakhstan on permits and notifications (hereinafter, for the purposes of this paragraph, notification of the commencement or termination of activities).

5. A notification of the commencement or termination of an activity with the documents established in accordance with the procedure for forming the taxpayer database determined by the authorized body shall be submitted to the tax authority no later than three working days prior to the commencement of a particular type of activity.

6. If a taxpayer has several objects of taxation and objects related to taxation used in carrying out the types of activities specified in subparagraphs 1) – 5) of paragraph 1 of this article, registration of each object of taxation and object related to taxation is carried out separately.

7. If a taxpayer has several gambling establishments, registration is carried out for each gambling establishment separately.

It is prohibited to use and locate taxable and tax-related objects on the territory of a gambling establishment that are not registered with the tax authorities.

Article 105. De-registration of a taxpayer engaged in certain types of activities

1. A taxpayer is subject to deregistration by the tax authority from the register of a taxpayer engaged in certain types of activities that are not subject to licensing, on the basis of a notification of the commencement or termination of activities in the following cases:

1) termination of the types of activities specified in paragraph 1 of Article 104 of this Code;

2) de-registration of all taxable and tax-related objects specified in the registration data.

2. Deregistration of a taxpayer from the register of a taxpayer engaged in certain types of activities subject to licensing is carried out by the tax authority on the basis of information from the state electronic register of permits and notifications of termination of the license.

3. Deregistration of a taxpayer from the register of a taxpayer engaged in certain types of activities is carried out on the basis of a decision of the tax authority in the following cases:

1) termination of the agreement of a taxpayer engaged in the types of activities specified in subparagraphs 1), 2) and 5) of paragraph 1 of Article 104 of this Code:

lease of a production facility of a producer of petroleum products;

lease of a base of petroleum products (tank), a gas station;

orders with the owner of the gas station, according to which the owner of the gas station (attorney), under the contract of assignment, carries out the retail sale of gasoline (except

aviation) and (or) diesel fuel on behalf of and at the instruction of the applicant (the principal)
;

oil refining of an oil supplier with a producer of petroleum products;

lease of a warehouse for the wholesale sale of tobacco products;

2) the absence of a taxpayer carrying out the type of activity specified in subparagraph 4) of paragraph 1 of Article 104 of this Code at the address indicated in the license;

3) failure to submit a declaration and (or) calculation of excise tax by a taxpayer engaged in the types of activities specified in the subparagraph 1), 2), 3), 5) and 7) of paragraph 1 of Article 104 of this Code, within a three-month period from the day following the day of the deadline established by this Code for their submission.

Paragraph 5. Monitoring of compliance with tax registration requirements

Article 106. Monitoring of compliance with tax registration requirements

Monitoring of compliance with the requirements of tax registration is the collection and analysis of information about the taxpayer's activities available to the tax authority and other information from authorized state bodies and banking organizations in order to monitor compliance with the requirements of this Code regarding compliance with the provisions on tax registration.

Article 107. Procedure for monitoring compliance with tax registration

1. If, based on the results of studying and analyzing information about a taxpayer, signs of violation of the requirements of this Code are established, the taxpayer shall be notified of registration with the tax authority (hereinafter, for the purposes of this article, the notification)
.

When submitting a notification to a foreign company operating through an online platform in the Republic of Kazakhstan, the tax authority, in any way not prohibited by the laws of the Republic of Kazakhstan, notifies the population of the Republic of Kazakhstan of the consequences of failure by such a company to comply with the notification.

2. The taxpayer in the case of:

1) consent with the notification shall fulfill the tax registration requirement specified in the notification;

2) disagreement with the notification shall provide an explanation justifying such disagreement (hereinafter, for the purposes of this article, an explanation).

3. The explanation is submitted in any form and must contain:

1) identification data of the taxpayer and the tax authority that sent the notification;

2) notification number and date;

3) justification of disagreement with the notification.

The taxpayer has the right to attach copies of documents confirming his justification.

When executing a notification by providing an explanation, the requirement of documents not related to the violations specified in the notification is not allowed.

4. The notification shall be deemed unfulfilled if the submitted explanation does not contain justification and/or justification is not supported by documents.

5. The tax authority, within twenty working days following the day of receipt of the explanation, in the case specified in paragraph 4 of this Article, shall make a decision to recognize the notification as unfulfilled.

The decision to declare the notification unfulfilled (hereinafter referred to as the decision for the purposes of this article) shall be submitted to the taxpayer within two working days following the date of such decision.

6. Upon notification deemed unfulfilled, a tax audit of the taxpayer is conducted, with the exception of a foreign company operating through an online platform in the Republic of Kazakhstan.

7. In case of non-fulfillment of the notification within the time period established by this Code, the tax authority:

1) by a taxpayer, with the exception of a foreign company operating through an online platform in the Republic of Kazakhstan, - shall make a decision to suspend spending operations on the taxpayer's bank accounts within one working day following the expiration date of the notification;

2) by a foreign company operating through an online platform in the Republic of Kazakhstan, - makes a decision to restrict access to Internet resources and (or) the online platform of such a company within one working day following the expiration date of the notice.

The security methods provided for in part one of this paragraph, unless otherwise established by the said part, shall be applied in the manner and within the time limits established by paragraph 4 of Chapter 5 of this Code.

Paragraph 6. Register of inactive taxpayers. Compulsory termination of the taxpayer's activity

Article 108. Register of inactive taxpayers

1. The tax authority shall keep a register of inactive taxpayers.

A taxpayer who has not independently submitted tax reports within twelve months after submitting the last tax report is included in the register of inactive taxpayers.

The provisions of this article apply to a resident legal entity, a non–resident legal entity operating in the Republic of Kazakhstan through a permanent establishment or structural subdivision, an individual entrepreneur, with the exception of taxpayers who have suspended the submission of tax reports in accordance with this Code.

2. The tax authority annually, no later than April 30, makes a decision on the inclusion of a taxpayer in the register of inactive taxpayers.

The register of inactive taxpayers is posted on the Internet resource of the authorized body no later than the date of making such a decision.

3. A taxpayer is excluded from the register of inactive taxpayers when submitting additional tax reports for a tax period for which tax reports are automatically recognized as having been submitted with zero indicators.

The decision of the tax authority on exclusion from the register of inactive taxpayers is made by the tax authority no later than three working days following the day of submission of additional tax reporting.

The updated register of inactive taxpayers is posted on the authorized body's Internet resource no later than the date of the tax authority's decision to exclude the taxpayer from the register of inactive taxpayers.

4. If a taxpayer is excluded from the registers of numbers or an individual entrepreneur is deregistered, such taxpayers are simultaneously excluded from the register of inactive taxpayers.

Article 109. Compulsory termination of a taxpayer's activity

1. A taxpayer who is included in the register of inactive taxpayers and simultaneously meets the following conditions during the limitation period is subject to compulsory termination of activity.

1) who did not submit tax reports on his own;

2) who did not carry out export-import operations;

3) who has not made payments and/or money transfers to bank accounts;

4) not registered as a value-added tax payer;

5) who is not the head and (or) founder of another legal entity, a participant in a joint venture;

6) did not suspend the submission of tax reports;

7) who, on the basis of the right of ownership, has not the objects that are subject to property taxes, vehicles, or land taxes, with the exception of objects subject to the specified taxes for individuals;

8) who has not arrears on social payments;

9) has no arrears in taxes and payments to the budget, customs payments and taxes in the amount of more than 6 times the monthly calculation index effective on January 1 of the corresponding financial year.

The provisions of part one of this paragraph shall not apply to the taxpayer:

1) subject to tax monitoring;

2) carrying out activities in accordance with the subsoil use contract;

3) having an unfulfilled or executed notification by submitting an explanation on the elimination of violations based on the results of desk control, tax audits – if there are such violations;

4) in respect of which measures (arrests, restrictions) have been applied by bailiffs and (or) other authorized bodies;

5) is or was a party to a currency agreement on export or import, under which the procedures of currency control for the purposes of repatriation of national and (or) foreign currency have not been completed;

6) who made payments and/or money transfers to bank accounts during the limitation period.

The period taken into account when the taxpayer is included in the register of inactive taxpayers is included in the period considered in case of compulsory termination of activity.

2. The termination of the taxpayer's activity in a compulsory manner is carried out by the tax authority on the basis of a judicial act that has entered into legal force in accordance with the requirements of the laws of the Republic of Kazakhstan.

A taxpayer whose activity has been forcibly terminated is deregistered by the tax authority in accordance with the procedure of tax registration on the basis of a judicial act that has entered into legal force.

Chapter 8. THE USE OF CASH REGISTERS

Article 110. General provisions on the use of a cash register machine

1. In the territory of the Republic of Kazakhstan, monetary settlements are carried out with the mandatory use of a cash register machine with the function of recording and (or) transmitting data, the models of which are included in the register of cash registers, unless otherwise established by this article.

2. The following is exempt from the use of a cash register machine:

1) an individual;

2) private bailiff, lawyer and professional mediator;

3) a person who provides services to the public for transportation in public urban transport with the issuance of tickets.

The form of public urban transport tickets is approved by the authorized state body implementing the state policy in the field of transport, in coordination with the authorized body;

4) The National Bank;

5) second-tier bank;

6) religious association;

7) the National postal operator, with the exception of monetary payments carried out in places where there is no public telecommunications network;

8) a person who performs calculations using a special mobile application.

3. A taxpayer whose business is located in places where there is no public telecommunications network, uses cash registers without data transmission when making monetary payments.

4. Vending machines and service payment terminals that carry out monetary settlements during trading operations or provide services using cash are subject to be equipped with a cash register machine with the function of recording and (or) transmitting data.

Article 111. Application of the cash register machine

1. When using a cash register, the following requirements apply:

1) the registration of the cash register machine with the tax authority is carried out before the start of activities related to monetary settlements;

2) a cash register receipt or a sales receipt is issued for the amount paid for the goods sold, work performed, or service rendered;

3) access of tax officials to the cash register is provided.

2. The use of a cash register machine provides for:

1) inclusion of the model of the cash register machine in the register of cash registers;

2) registration of the cash register machine with the tax authority;

3) compliance with the requirements for the contents of the cash register receipt;

4) changing the information in the registration card of the cash register machine;

5) de-registration of the cash register machine with the tax authority;

6) receiving and storing information from cash registers with the function of recording and (or) transmitting data on monetary settlements carried out during the sale of goods, performance of works, provision of services, as well as their transfer to tax authorities.

The procedure for using the cash register and the list of requirements for the contents of the cash register receipt are established by the authorized body.

3. Technically serviceable cash registers are subject to registration with the tax authorities at the place of use.

Registration, changing of information in the registration card of a cash register machine and de-registration of a cash register machine are carried out by the tax authority on one of the following grounds:

1) information of the fiscal data operator – on a cash register machine with the function of recording and (or) transmitting data;

2) a tax application for registration of a cash register machine with a tax authority - on a cash register machine without a data transfer function.

4. Deregistration of a cash register machine with the tax authority is carried out in the following cases:

1) termination of activities related to monetary settlements made during trading operations , performance of works, provision of services;

2) liquidation, reorganization and termination of the taxpayer's activity;

3) the impossibility of further use due to a technical malfunction of the cash register machine;

4) exclusion of the cash register machine from the register of cash registers;

5) replacement of a technically serviceable model of a cash register machine with a new model of a cash register machine;

6) theft, loss of a cash register machine in the presence of a copy of the theft statement in the internal affairs bodies and (or) a copy of the loss announcement published in periodicals distributed throughout the Republic of Kazakhstan.

5. The authorized body, in coordination with the authorized body in the field of informatization, shall establish:

1) qualification requirements for a potential fiscal data operator;

2) the procedure for inclusion in the list and exclusion from the list of the fiscal data operator;

3) list of fiscal data operators.

6. The authorized body, in coordination with the authorized body in the field of informatization and the National Bank, shall establish:

1) requirements for a three-component integrated system and its accounting;

2) the order of its installation and application.

Chapter 9. TAX FORMS

Article 112. Tax forms

1. In order to fulfill tax obligations, a taxpayer (tax agent) draws up and submits tax forms to the tax authority.

Tax forms include:

1) tax statement;

2) tax reporting.

In cases and in accordance with the procedure determined by the legislation of the Republic of Kazakhstan, the taxpayer (tax agent) submits to the tax authority a notification provided for by the legislation of the Republic of Kazakhstan on permits and notifications.

2. Tax forms are drawn up in Kazakh or Russian and are presented on paper or in the form of an electronic document.

Tax forms are stamped in cases established by the legislation of the Republic of Kazakhstan.

3. Tax forms are kept during the limitation period.

When a taxpayer (tax agent) or a legal entity - operator is reorganized, the obligation to keep tax forms for the reorganized entity is assigned to its legal successor.

Article 113. Tax statement

1. A tax statement is a document of a taxpayer (tax agent) submitted to a tax authority for the purpose of exercising his rights and fulfilling his duties in the cases established by this Code.

2. Tax application forms are approved by the authorized body.

Article 114. Tax reporting, types of tax reporting

1. Tax reporting is a document of a taxpayer (tax agent) that contains information about the taxpayer (tax agent), objects of taxation and (or) objects related to taxation, assets and liabilities, income and property, as well as the calculation of tax liabilities and social payments.

2. Tax reporting includes declarations, including statements on the import of goods and payment of indirect taxes, as well as calculations on types of taxes, payments to the budget, and social payments.

The declaration consists of the declaration itself and appendices, the calculation consists of the calculation itself and appendices.

3. Unless otherwise provided for in paragraph 5 of Article 422 of this Code, tax reporting, with the exception of statements on the import of goods and payment of indirect taxes, is divided into the following types:

1) initial – tax reporting submitted for the tax period in which the tax registration of the taxpayer (tax agent) was carried out, for the first time there was a tax obligation for certain types of taxes and payments to the budget, as well as a social obligation;

2) regular – tax reporting submitted for subsequent tax periods after submission of the initial tax reporting;

3) additional – tax statements submitted when amendments and (or) additions are made to previously submitted tax statements;

4) by notification – tax reporting submitted for the tax period for which the tax authority has sent a decision in the form of a notification.

Initial or additional tax reports may be submitted upon notification;

5) liquidation – tax reporting submitted upon termination of activity, liquidation or reorganization of a taxpayer (tax agent), as well as upon de-registration of a value-added tax payer.

4. No representation required:

1) of tax reporting – by individuals applying a special tax regime for the self-employed;

2) of tax reporting, with the exception of tax reporting providing for the reflection of payments that are not income and (or) related to income that is not subject to taxation, - in the absence of a taxable object and (or) an object related to taxation;

3) of appendices to declarations and (or) calculations – in the absence of data to be reflected in appendices to declarations and (or) calculations.

5. Representation of the following is prohibited:

1) tax reporting by an individual entrepreneur or a legal entity whose registration has been declared invalid on the basis of a judicial act that has entered into legal force;

2) additional tax reporting in terms of reflecting the amounts of transactions with a liquidated or discontinued taxpayer, resulting in a reduction in tax liabilities for corporate income tax and (or) value added tax.

Article 115. Basic provisions on submission of tax reports

1. Submission of tax reports provides for:

1) submission by a taxpayer (tax agent);

2) acceptance by the tax authority;

3) making changes and additions by the taxpayer (tax agent);

4) suspension or resumption of the submission by the taxpayer (tax agent).

2. After tax registration, the taxpayer (tax agent) indicates in the web application the tax reporting forms to be submitted.

In the event of a change in the types of activities that require the provision of other forms of tax reporting, the taxpayer (tax agent), before the deadline for submitting tax reports, indicates in the web application the tax reporting forms to be submitted.

A taxpayer (tax agent) has the right to recognize a structural subdivision of a legal entity as an independent payer of taxes and payments to the budget, with the exception of corporate income tax and value added tax.

In order to recognize a structural subdivision as an independent payer of taxes and payments to the budget, the taxpayer (tax agent) is obliged to notify the tax authority electronically and indicate in the web application the tax reporting forms to be submitted by such a structural subdivision.

3. Tax reports are submitted by the taxpayer (tax agent) on paper or in the form of an electronic document.

Tax reporting is submitted in the form of an electronic document through:

1) web application;

2) tax mobile application;

3) external information systems connected to the information system of the tax authority in accordance with the Law of the Republic of Kazakhstan "On Informatization".

The forms of tax reporting with explanations on their preparation and the procedure for their submission (hereinafter referred to as the procedure for submitting tax reports) are established by the authorized body.

Employees of the bodies carrying out operational investigative activities in accordance with the Law of the Republic of Kazakhstan "On operational investigative activities" submit tax reports in a special manner.

A special procedure for submitting tax reports is determined by the authorized body in conjunction with special government agencies, military intelligence agencies of the Ministry of Defense of the Republic of Kazakhstan, and law enforcement agencies.

4. A special part of this Code establishes the specifics of the preparation and submission of tax reports:

on special payments;

on taxes of subsurface users;

participants in the monitoring of major taxpayers;

when maintaining separate tax records;

when applying a special tax regime.

5. Tax reporting is subject to format-logical control of the completeness and correctness of tax reporting.

Format-logical control is an automated process of verifying data reflected in tax reports for compliance with specified parameters and logical rules for tax reporting, including identifying errors such as incorrect formats, missing values, amounts, or inconsistencies.

At the same time, the format-logical control of tax reporting submitted by the taxpayer (tax agent):

1) in electronic form, allowing computer processing of information, is carried out when filling out, receiving and (or) processing by the information system of the tax authority;

2) on paper, is carried out after being entered by an official of the tax authority into the information system of the tax authority in accordance with the procedure for submitting tax reports.

A prerequisite for the recognition of tax reports submitted is the assignment of the status " Document accepted" to such tax reports according to the results of format-logical control.

In the case of assignment of the status "Document is not accepted", based on the results of format-logical control of tax reports, submitted in the form provided for in subparagraph 2) of part three of this paragraph, such tax reporting is considered to be non-submitted.

6. Upon the expiration of the deadline for submitting the initial or regular tax reports established by this Code, the information system of the tax authority automatically generates the corresponding tax reporting with zero indicators for this tax period (hereinafter referred to as automatic tax reporting).

The provisions of this paragraph do not apply to the submission of tax reports by individuals for activities not related to the activities of an individual entrepreneur.

The information system of the tax authority does not accept tax reports for the same tax period for the same type of tax or payment to the budget as the generated automatic tax reports, with the exception of additional tax reports, as well as tax reports on paper, within the deadline for its submission established by this Code.

After the initial or regular tax reports on paper are entered into the tax authority's information system and the status "Document accepted" is assigned, the generated automatic tax reports for this tax period are canceled.

7. A taxpayer is obliged to submit additional tax reports to the automatic tax reporting for the tax period if there is a taxable object and (or) a tax-related object to be reflected in such reporting.

8. Tax reports are not subject to acceptance by the tax authority in the following cases:

1) tax reporting does not comply with the form established by the authorized body;

2) the mandatory identification data of the taxpayer (tax agent) and (or) the tax authority and (or) the date of compilation and (or) the type of tax reporting are not indicated or incorrectly indicated in the tax reporting;

3) the tax reporting is not signed and (or) in cases established by the legislation of the Republic of Kazakhstan, is not stamped;

4) the value added tax statements are compiled without registers of invoices for purchased and (or) sold goods, works and services during the tax period - in the case of paper invoices due to the lack of a communication network;

5) tax reporting on individual income tax and social tax is compiled without reflecting calculated taxes and social payments from personal income in the context of each individual.

9. Tax reports, with the exception of statements on the import of goods and payment of indirect taxes, are not subject to recall.

The withdrawal of an application for the importation of goods and payment of indirect taxes shall be carried out in accordance with the procedure established by Article 532 of this Code.

Article 116. Basic provisions related to submission of additional tax reporting and tax reporting on notification

1. Changes and (or) additions to information reflected in previously submitted tax reports are made by submitting additional tax reports and (or) tax reports upon notification.

The changes and (or) additions to the information provided for in part one of this paragraph are reflected as follows:

1) when changing the amounts reflected in the tax statements, the difference between the actual amount and the amount reflected in the tax statements is indicated in the corresponding line of the tax statements;

2) if there is a change in another value reflected in the tax report that is not related to the amount, the new value is indicated in the corresponding line of the tax report.

When submitting additional tax reports and (or) tax reports upon notification, the amounts of taxes, payments to the budget, and social payments are payable without bringing the taxpayer (tax agent) to responsibility established by the laws of the Republic of Kazakhstan.

2. After the submission of liquidation tax reports by a taxpayer (tax agent), it is allowed to submit tax reports on notification.

Liquidation tax reporting submitted by a taxpayer (tax agent) for an incomplete tax period is equivalent to regular tax reporting for the tax period in the following cases:

1) changes in the decision on termination of activity or liquidation, reorganization by separation after completion of the tax audit;

2) changes by an individual entrepreneur of the decision to terminate activities before de-registration;

3) refusal to de-register an individual entrepreneur.

3. It is not allowed to submit additional tax reports to tax reports:

1) for the tax period under review – during the period of conducting (taking into account the suspension) tax audits on taxes, payments to the budget, and social payments specified in the order;

2) for the tax period being appealed – during the period of the deadline for filing and considering a taxpayer's (tax agent's) complaint about notification of the results of a tax audit, taking into account the restored deadline for filing a complaint on the types of taxes, payments to the budget, and social payments specified in the complaint;

3) which specifies the requirement for a refund of value added tax;

4) for advance corporate income tax payments payable for the second, third and fourth quarters of the reporting tax period – no later than the last working day of the current tax period;

5) on assets and liabilities – by persons who have submitted a declaration of assets and liabilities in accordance with the requirements of the Constitutional Law of the Republic of Kazakhstan "On elections in the Republic of Kazakhstan".

Article 117. Basic provisions related to suspension and resumption of tax reporting

1. A taxpayer (tax agent) has the right to:

1) suspend the submission of tax reports;

2) resume the submission of tax reports before the expiration of the suspension period.

It is mandatory for a taxpayer to resume submitting tax reports upon resumption of business.

The total period of suspension of tax reporting should not exceed the limitation period.

In the period from the date of suspension to the date of resumption of the submission of tax reports to the value added tax payer, the issuance of electronic invoices is suspended.

If there are taxable objects, the submission of tax reports by the taxpayer (tax agent) is not suspended.

2. Information on the suspension (or) resumption of tax reporting shall be published on the authorized body's Internet resource no later than the date of the relevant decision made by the tax authority.

The publication of the information on the Internet resource of the authorized body on the suspension and (or) resumption of tax reporting is the basis for the failure to submit tax reports for the period specified in the tax statement or the appeal of the local executive body.

3. A refusal to suspend the submission of tax reports by a taxpayer (tax agent) is accepted in the following cases:

1) the presence of tax arrears, arrears on social payments;

2) if the taxpayer is included in the register of inactive taxpayers;

3) the presence of unfulfilled notifications from the tax authority.

4. The tax authority shall recognize the submission of tax reports as resumed in the following cases:

1) submission of tax reports by a taxpayer (tax agent) from the date of submission of tax reports;

2) the discovery of the fact of the resumption by the taxpayer (tax agent) of activity during the period of suspension or from the date of resumption of activity.

For the purposes of this article, the resumption of activity is recognized as the beginning of the activities by a taxpayer (tax agent) leading to a tax obligation to calculate, pay taxes, payments to the budget and social obligations.

Chapter 10. ACCOUNTING FOR FULFILLMENT OF TAX OBLIGATIONS AND SOCIAL OBLIGATIONS

Article 118. General provisions on accounting for fulfillment of tax obligations and social obligations

1. The tax authority shall maintain a personal account in accordance with this chapter and the procedure for maintaining a personal account. A personal account is maintained in the national currency, as well as in kind, when the tax legislation of the Republic of Kazakhstan explicitly provides for the fulfillment of a tax obligation to pay in kind.

2. Maintaining a personal account provides for:

1) accounting for calculated, accrued, and paid amounts of taxes and payments to the budget, social payments, penalties, and fines, including reconciliation of calculations for taxes , payments to the budget, and social payments, providing information on the absence (presence) of arrears, and extracts from the taxpayer's personal account on the status of settlements with the budget for all or certain types of taxes, payments to the budget, social payments, penalties, fines;

2) offsetting the excessively (erroneously) paid amount of taxes, payments to the budget, penalties and fines;

3) refund of the excessively (erroneously) paid amount of tax, payment to the budget, penalties and fines;

4) write-off of taxes, payments to the budget, penalties and fines;

5) formation of the settlement balance;

6) actions related to the personal account.

3. The provisions of this chapter shall apply to fines imposed for the commission of administrative offences, the proceedings on which fall within the competence of the tax authority in accordance with the Code of the Republic of Kazakhstan on administrative offences.

Article 119. Determination of calculated, accrued, and paid amounts of taxes, payments to the budget, and social payments

1. The calculated amount of tax, payment to the budget and social payment is the amount determined by:

1) a taxpayer (tax agent) in tax reporting;

2) the tax authority on the basis of information from the authorized state bodies when calculating the amounts of vehicle tax and personal property tax;

3) the tax authority when calculating the amounts of advance payments for corporate income tax for the 1st quarter of the reporting tax period;

4) the authorized state bodies on the grounds provided for by this Code.

2. The accrued amount of taxes, payments to the budget and social payments are:

1) the amount determined by the tax authority:

based on the results of the tax audit;

based on the results of consideration of the taxpayer's (tax agent's) complaint about the notification of the results of the tax audit;

based on information from authorized government agencies;

2) the amount determined by the authorized state bodies within the competence established by this Code.

3. The calculated and accrued amount of tax, payment to the budget and social payment is the result of calculating the amount of tax, payment to the budget and social payment, taking into account adjustments, benefits, deductions or reductions provided for by this Code.

4. The amount of tax paid or payment to the budget is:

1) the amount of tax paid by the taxpayer (tax agent), payment to the budget, including the amount offset against the payment of this tax, payment to the budget;

2) the amount collected by the tax authority or bailiff to pay off tax arrears.

The amount of tax or payment to the budget paid for a certain period of time is calculated minus the amount of tax or payment to the budget credited and returned to the taxpayer (tax agent) for such a period of time.

5. The amount of the social payment paid is:

1) the amount of the social payment paid by the taxpayer (tax agent);

2) the amount collected by the tax authority.

The amount of the social payment paid for a certain period of time is calculated minus the amount of the social payment returned to the taxpayer (tax agent) for such a period of time.

6. When conducting a tax and (or) customs inspection, penalties are accrued until the date of completion of such inspection.

After the accrued (calculated) amounts indicated in the notification of the results of the tax audit are reflected in the personal account, penalties to the taxpayer (tax agent) are accrued in the personal account from the date of completion of the tax and (or) customs audit, including the day of payment.

Paragraph 1. Offset and refund of taxes, payments to the budget, penalties and fines

Article 120. The concept of an overpaid amount of tax, payment to the budget or penalties, fine

1. An overpaid amount of tax, payment to the budget or penalties is a positive difference between the amounts paid to the budget and the calculated, accrued amounts for this type of tax, payment to the budget, penalties, as well as amounts offset against the payment of another tax, payment to the budget, penalties and refunded to the taxpayer, on the date of the offset and (or) a refund.

The provisions of part one of this paragraph shall not apply to the determination of overpaid amounts of taxes and payments to the budget provided for in paragraphs 2, 3 and 4 of this Article.

2. The overpaid amount of value–added tax is the positive difference between the amount of value-added tax paid (received) to the budget and the calculated and accrued amounts for the tax period, as well as the amounts offset against the payment of another tax, payment to the budget, penalties and refunded to the taxpayer, taking into account the calculations of value-added tax for previous tax periods.

3. Overpaid amounts of taxes or payments to the budget listed in this paragraph are recognized as:

1) upon confirmation by the relevant authorized state body through an electronic database and (or) on paper of the fact that the taxpayer has failed to perform actions (including as a result of his refusal to perform actions before submitting the relevant documents), for which the payment of payments is required, – the amount paid:

registration fee;

fees for issuing licenses for certain types of activities;

fees for the issuance of a permit for the use of the radio frequency spectrum;

a fee for issuing a document confirming the residency of a foreign national or stateless person, who is an investment resident of the AIFC;

state duty;

fees for forest use;

2) in the event of refusal to issue a document, confirming residency to a foreign national or stateless person, who is an investment resident of the AIFC – the amount of the fee paid for issuing the said document;

3) upon termination of the taxpayer's activity in the production of excisable goods subject to labeling with accounting and control stamps, and the return of previously received such stamps to the tax authority according to the act of acceptance and transfer - the amount of excise taxes paid for such goods;

4) upon recognition of the auction for granting the right of subsurface use as invalid due to violation of the rules of its conduct established by the legislation of the Republic of Kazakhstan on subsurface and subsurface use, which influenced the determination of the auction winner, – the amount of the subscription bonus paid;

5) the amount of income tax to be refunded to a non-resident taxpayer applying the provisions of an international treaty ratified by the Republic of Kazakhstan, - the amount of income tax paid or transferred.

4. An overpaid amount for the purposes of refund is recognized as:

1) the amount of an unlawfully imposed fine paid for violations in the field of taxation, legislation of the Republic of Kazakhstan on social protection, on compulsory social health insurance – upon cancellation of the fine or reduction of the fine amount;

2) overpaid fine amount – when paying a fine for the purpose of executing an administrative penalty order;

3) termination of the foreign national's or stateless person's activities in the Republic of Kazakhstan;

4) the amount of the state fee paid:

at the end of the case by an amicable agreement of the parties, an agreement on the settlement of a dispute (conflict) by way of mediation or an agreement on the settlement of a dispute by way of a participatory procedure:

in the courts of the first and appellate instances – in full;

in the court of cassation instance – in the amount of 50 percent of the amount paid when filing a cassation appeal for a cassation review of the judicial act;

5) the amount of the state fee paid in full upon:

transfer of the case to arbitration;

the return of a claim or other statement (complaint) or the refusal to accept it, as well as the refusal of notaries or authorized persons to perform notarial actions;

termination of the proceedings or abandonment of the claim without consideration, if the case is not subject to consideration in court, as well as if the plaintiff has not complied with the procedure for preliminary dispute resolution established for this category of cases or the claim is filed by an incapacitated person;

the refusal of persons who have paid the state fee to perform a legally significant action or receive a document before contacting the body performing this legally significant action;

the return of the cassation appeal for the review of the judicial act in cassation;

the occurrence of other cases established by the laws of the Republic of Kazakhstan;

6) an overpaid amount of the state fee when depositing the amount against the payment of the state fee in a larger amount than is required under this Code, except in cases where the plaintiff reduces his claims when filing a claim and other applications (complaints) to the court.

Article 121. Overpaid and paid amounts of taxes, payments to the budget and penalties that are not subject to offset and (or) refund

1. An overpaid amount of tax, payment to the budget, or penalties is not subject to offset against the repayment of another taxpayer's tax debt, with the exception of offset between a legal entity and its structural subdivision.

2. The amount of the state fee paid is not subject to:

1) offsetting;

2) refund at:

the plaintiff's rejection of the claim;

the plaintiff's reduction of his claims;

cancellation of the court order.

3. The following is not subject to offset and refund, except for the cases provided for in paragraphs 3 and 4 of Article 120 of this Code:

1) the amount of the fee paid for the passage of motor vehicles through the territory of the Republic of Kazakhstan;

2) the amount of the consular fee paid;

3) the amount of the subscription bonus paid;

4) an overpaid amount of payment for the use of land plots for the provision of a subsoil plot by the state in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use on the basis of a license for exploration or extraction of solid minerals;

5) the amount of payment paid for the use of wildlife;

6) the amount of the fee paid for issuing a document, confirming the residency of a foreign national or stateless person, who is an investment resident of the AIFC;

7) an overpaid amount of excise taxes for excisable goods subject to labeling with accounting and control stamps;

8) the amount of the fee paid for forest use;

9) the amount of the registration fee paid;

10) the amount of the fee paid for the issuance of licenses for certain types of activities;

11) the amount of the state fee paid.

4. The overpaid amount of taxes, fees for the use of land, the use of water resources of surface water bodies, and the negative impact on the environment during the period of:

1) suspension of the submission of tax reports on such taxes and fees until the date of its submission;

2) conducting a tax audit before completion.

5. The excess of the amount of value-added tax attributed to the offset over the amount of the accrued tax resulting from the declaration is not subject to offset against the payment of value-added tax provided for by the decision to grant a deferral (installment plan) for the payment of taxes and (or) fees.

6. The overpaid amount of taxes, payments to the budget, and penalties upon expiration of the limitation period is not subject to offset and refund.

The overpaid amount of taxes, payments to the budget, and penalties for which the statute of limitations has expired is subject to write-off based on a decision of the tax authority.

7. The amount of value-added tax paid by a foreign company operating through an online platform in the territory of the Republic of Kazakhstan is non-refundable.

Article 122. Basic provisions of procedure for offsetting and refunding overpaid and (or) paid amounts of taxes, payments to the budget, penalties and fines

1. The offset of the amount of tax paid and (or) overpaid, payment to the budget (with the exception of taxes and payments to the budget that are not subject to offset) and penalties shall be carried out by the tax authority in the national currency:

1) without a taxpayer's tax statement;

2) on the basis of a taxpayer's tax statement.

2. The overpaid amount of tax, payment to the budget and penalties shall be offset without a taxpayer's tax statement in the following sequence on the account:

1) of payment of calculated, accrued amounts of taxes and payments to the budget, for which an overpaid amount has been formed and the due date for which has arrived;

2) of repayment of arrears:

by type of tax, payment to the budget, for which an overpaid amount was formed;

for other types of taxes and payments to the budget;

3) of repayment of penalties on taxes and payments to the budget in the sequence provided for in subparagraph 2) of this paragraph;

4) of repayment of the fine on taxes and payments to the budget in the sequence provided for in subparagraph 2) of the present paragraph.

3. The overpaid amount of tax, payment to the budget and penalties on the taxpayer's tax statement shall be offset against:

1) upcoming payments for the relevant type of tax and (or) payment to the budget specified in such an application, in the absence of tax arrears from the taxpayer and (or) the structural subdivision of such taxpayer;

2) repayment of tax arrears for the relevant type of tax and (or) payment to the budget specified in such statement:

the structural subdivision of such taxpayer;

a legal entity – if the taxpayer is a structural subdivision of such a legal entity.

4. The refund of the amount of tax paid and (or) overpaid, payment to the budget (with the exception of taxes and payments to the budget that are not refundable), penalties and fines shall be made by the tax authority on the basis of the taxpayer's tax statement, by transfer to the taxpayer's bank account specified in such statement.

For the purposes of this Code, the refund by the tax authority of an overpaid and (or) paid amount of tax, payment to the budget, penalties and fines, the amount of excess value-added tax is understood to mean the submission by the tax authority of a corresponding payment order in accordance with the Budget Code of the Republic of Kazakhstan.

The refund of taxes paid, including overpaid amounts, payments to the budget, penalties and fines is made by the tax authority in the absence of tax arrears from the taxpayer and his structural subdivision.

If there is a tax debt, the refund is made in accordance with subparagraph 2) of paragraph 3 of this Article after the offset of the amount of overpaid taxes, payments to the budget and penalties.

In the case specified in part two of this paragraph, the remainder of the amount of overpaid tax, payment to the budget, penalties and fines after the offset is subject to refund.

5. An excessively (erroneously) paid amount of taxes, payments to the budget, penalties, except for state duties, is subject to offset and (or) refund in the amount of the amounts paid during the reporting period.

the current year;

the previous calendar years within the limitation period, starting from the calendar year following the calendar year in which such amounts are paid.

The overpaid amount of the state fee is subject to refund upon submission of documents for refund within three years from the date of payment of such amount of the state fee to the budget.

6. The accrued amount of penalties in case of violation by the tax authority of the deadline for offsetting and (or) refunding the paid and (or) overpaid amounts of tax, payment to the budget on the taxpayer's tax application, is subject to transfer on the day of offsetting and (or) refunding the overpaid amount of tax, payment to the budget, penalties from receipts to the budget according to the corresponding budget classification code.

Article 123. Definition and basic provisions of the procedure for offsetting and refunding erroneously paid taxes, payments to the budget, and penalties

1. The amount of tax, payment to the budget, or penalty paid in error is the amount that is credited with any of the following errors:

1) in the payment document:

the taxpayer's or tax authority's identification number is incorrectly specified;

the textual purpose of the payment does not correspond to the payment destination code and/or the budget revenue classification code;

2) erroneous execution by a banking organization of a taxpayer's payment document;

3) the payment was made by a taxpayer who is not registered or is not a payer for this type of tax or payment to the budget, penalties.

2. When confirming the existence of one of the errors specified in this article, the tax authority:

1) offsets the amount mistakenly paid to the appropriate budget classification code and/or to the appropriate tax authority;

2) makes a refund to the taxpayer's bank account.

3. Upon confirmation of the fact of erroneous execution by a banking organization of a taxpayer's payment document, which led to a repeated transfer of the amount of tax, payment to the budget, and penalties for the same payment document, the tax authority, upon application by the banking organization, shall refund the amount mistakenly paid:

1) to the taxpayer's bank account – in case of debiting money from a bank account or making a non-cash payment via an electronic terminal of a banking organization;

2) to the bank account of a banking organization – in case of depositing money to a banking organization in cash or making a cash payment via the electronic terminal of the banking organization.

4. If the tax authority does not confirm the existence of errors indicated in the taxpayer's tax statement or the statement of a banking organization, the taxpayer or the banking organization shall be notified accordingly.

Article 124. Features of offsetting the tax liability for the share of the Republic of Kazakhstan in the division of products in kind

1. When maintaining a personal account in kind, an excessively transferred amount of minerals transferred by a subsurface user in kind is offset against the fulfillment of a tax obligation on the share of the Republic of Kazakhstan in the division of products in kind (hereinafter, for the purposes of this article, an excessively transferred amount of minerals), subject to the requirements of this article.

An excessively transferred volume of minerals is a positive difference between the transferred volume of minerals due to the fulfillment of a tax obligation in kind and the volume of minerals to be transferred due to the fulfillment of a tax obligation in kind as of the offset date.

2. The offsetting of the excessively transferred volume of minerals is carried out by the tax authority at the place of maintaining the personal account of the subsurface user according to the share of the Republic of Kazakhstan in the division of products based on the information of the personal account.

3. If there is an unpaid tax obligation of the subsurface user for the share of the Republic of Kazakhstan in the division of products in kind, the tax authority, without a tax application, shall offset the excessively transferred volume of minerals against the repayment of the unpaid tax obligation.

Paragraph 2. Refund of excess value added tax

Article 125. General provisions for the refund of excess value added tax

1. For the purposes of this paragraph, the excess of the value–added tax (hereinafter referred to as the tax for the purposes of this paragraph) is the excess of the amount of tax deductible over the amount of the accrued tax resulting from the cumulative declaration at the end of the reporting tax period.

2. The amount of excess tax is subject to refund to the following tax payers:

1) those who sell goods, perform works, and provide services that are taxed at a zero rate;

2) operating under a subsurface use contract (with the exception of contracts for exploration and (or) extraction of common minerals, groundwater and therapeutic mud) concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

3) those who purchase goods, works, and services in connection with the construction of industrial buildings and structures under a long-term contract, which are being put into operation for the first time in the territory of the Republic of Kazakhstan.

3. The amount of excess tax is non-refundable:

1) offset against invoices issued by a procurement organization in the field of the agro-industrial complex;

2) offset for goods, works, and services related to minerals transferred to fulfill a tax obligation in kind (including goods, works, and services related to the sale of such minerals);

3) the current situation for the tax periods for which the taxpayer has included an additional amount of tax in the offset.

4. The taxpayer has the right to demand a refund of the excess tax amount in the next tax return (hereinafter referred to as the refund request for the purposes of this paragraph) during the limitation period.

5. The grounds for refunding the amount of excess tax, confirmed for refund, are:

1) notification of the amount of excess tax, confirmed for refund in a simplified manner;

2) the act of tax audit, taking into account the results of the appeal;

3) conclusion to the tax audit report.

After the tax authority submits the documents specified in part one of this paragraph, the taxpayer submits a tax application to the tax authority at his location.

6. The time period during which the tax authority makes a refund of the amount of excess tax when the taxpayer submits a tax application is established in paragraph 4 of Article 127, paragraph 5 of Article 128 and paragraph 9 of Article 129 of this Code.

If the tax application is not submitted within the time period established by part one of this paragraph, the refund of the excess tax amount is made within ten working days following the day of submission of the tax application.

7. If there is a tax debt, the tax authority, without a tax statement, offsets the amount of the excess tax against the repayment of the existing tax debt of the taxpayer, including its structural divisions.

8. The refund of the confirmed amounts of excess tax (the remaining amount of excess tax after repayment of tax arrears) is made by the tax authority at the choice of the tax payer based on the tax statement of the tax payer through:

1) depositing to his bank account;

2) offsets for other types of taxes.

9. The amount of excess tax to be refunded must not exceed the amount of excess tax in the personal account as of the date when the tax authority draws up the payment document for the refund of the amount of excess tax.

10. The amount of penalties accrued in favor of the taxpayer in case of violation of the deadline for the refund of the excess tax amount is subject to transfer to the taxpayer's bank account on the day of the refund of the excess tax amount.

In case of insufficient funds in the cash control account provided for by the budget legislation of the Republic of Kazakhstan, penalties for the amount of late repayment of the excess tax amount are not accrued.

11. The amount of excess tax previously returned from the budget, but subsequently not confirmed for refund based on the results of tax control, is subject to payment by the taxpayer to the budget with penalties for each day from the date of return from the budget to the date of transfer to the budget.

The amount of penalties paid in connection with the late repayment of the excess tax, but subsequently not confirmed for refund based on the results of tax control, is also subject to payment by the taxpayer to the budget with penalties for each day from the date of refund from the budget to the date of transfer to the budget.

12. The tax authority when refunding the amount of excess tax:

1) conducts thematic tax audits;

2) applies tax risk management systems;

3) uses the results of the analytical report "Supplier Pyramid";

4) determines the amounts of excess tax to be refunded. The procedure for refunding the excess tax amount is determined by the authorized body.

Article 126. Procedure for refunding the amount of excess tax to tax payers engaged in the sale of goods, performance of works, provision of services taxed at a zero rate

1. Tax payers who sell goods, perform works, and provide services that are taxed at a zero rate are subject to refund:

1) in case of permanent sale – the amount of excess tax;

2) in case of non–permanent sale - a part of the amount of tax offset for goods, works, and services used for sales purposes, taxed at a zero rate.

2. Regular sale is the sale of goods, works, and services subject to a zero rate, subject to the following conditions:

1) the sale is carried out in three consecutive tax periods;

2) in which the taxable turnover, taxed at a zero rate, for the tax period is not less than 70 percent of the total taxable sales turnover.

At the same time, such sales are recognized as regular sales in each of the specified tax periods.

In international transportation, the amount of excess tax to be refunded is calculated by applying the specific weight of the physical volume of international transportation in the total volume of transportation to the amount of tax offset for the tax period for which the refund request is submitted.

3. The refund of the excess tax amount is made at the choice of the tax payer:

1) in a simplified manner in accordance with Article 127 of this Code;

2) based on the results of a thematic tax audit in accordance with Article 128 of this Code.

When choosing a simplified procedure for refunding part of the excess tax amount, the tax payer has the right to demand a refund of the remaining part of the excess tax amount based on the results of a thematic tax audit.

4. When refunding the amount of excess tax in a simplified manner, the tax authority shall provide the taxpayer with a notification of the amount of excess tax, confirmed for refund in a simplified manner.

5. When refunding the amount of excess tax based on the results of a thematic tax audit, the tax authority submits to the taxpayer:

1) a tax audit report indicating the amount of excess tax that has been confirmed for refund;

2) a conclusion to the tax audit report in the cases provided for by this Code.

Article 127. Simplified procedure for the refund of excess tax

1. The simplified procedure for refunding the amount of excess tax consists in refunding the amount of excess tax using a tax risk management system without conducting a tax audit.

2. Tax payers may apply a simplified procedure for refunding the excess amount:

1) those who are on tax monitoring, who have made sales turnover during the calendar year, and are taxed at a zero rate;

2) whose sales turnover, taxed at a zero rate, is at least 50 percent of the total taxable sales turnover for the tax period.

3. The amount of excess tax is subject to refund to the tax payers specified in paragraph 1 of this Article, provided that the following conditions are met at the same time:

1) the absence of an unfulfilled notification as of the date of submission of the refund request;

2) the amount of excess tax that has been confirmed for refund based on the results of a tax audit during the twelve months preceding the date of submission of the refund request.

4. The refund of the excess tax amount to the taxpayer in a simplified manner is made within fifteen working days following the day of submission of the refund request.

Article 128. Procedure for refunding the amount of excess tax based on the results of a thematic tax audit

1. The amount of excess tax that has not been returned in a simplified manner to a tax payer who sells goods, performs work, or provides services taxed at a zero rate is subject to refund based on the results of a thematic tax audit.

2. A thematic tax audit is conducted in accordance with Chapter 15 of this Code.

3. Based on the results of the thematic tax audit, the tax authority draws up a conclusion to the tax audit report upon receipt of a response to the tax authority's request for the results of the audit carried out against the buyer of processed products by the tax service of the EAEU member state.

The conclusion to the tax audit report is drawn up and handed over to the taxpayer no later than five working days from the date of receipt of the response to the request.

4. When refunding the amount of excess tax based on the results of a thematic tax audit, the tax authority shall draw up:

1) an act of tax audit to confirm the accuracy of the amount of excess tax submitted for refund, taking into account the results of its appeal (if appealed by the taxpayer);

2) a conclusion to the tax audit report in the cases provided for by this Code.

5. The amount of excess tax, confirmed for refund based on the results of a thematic tax audit, is subject to refund within fifty-five working days following the deadline for submitting the tax return with an indication of the refund request.

The amount of excess tax based on the conclusion to the tax audit report is subject to refund within ten working days following the day of delivery of the conclusion to the tax audit report.

Article 129. Procedure for refunding the amount of excess tax to certain categories of taxpayers

1. Certain categories of tax payers to whom the amount of excess tax is subject to refund include tax payers:

1) carrying out activities under a subsurface use contract (with the exception of contracts for exploration and (or) extraction of common minerals, groundwater and therapeutic mud) concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

2) purchasing goods, works, and services in connection with the construction of industrial buildings and structures under a long-term contract, which are being put into operation for the first time in the territory of the Republic of Kazakhstan.

2. The amount of excess tax is subject to refund in part of the amount of tax deducted for goods, works, services purchased:

1) during the period of geological exploration and field development;

2) in connection with the construction of industrial buildings and structures that are being put into operation for the first time in the territory of the Republic of Kazakhstan.

The provisions of subparagraph 2) of part one of this paragraph shall also apply to turnkey construction in accordance with the legislation of the Republic of Kazakhstan.

3. The period of exploration and development of a deposit is understood as the period of time between the date of conclusion of the relevant subsoil use contract in accordance with the procedure established by the legislation of the Republic of Kazakhstan and the date of commencement of export of minerals extracted under the relevant subsoil use contract, with the exception of common minerals, groundwater and therapeutic mud.

4. The construction period is the period of time between the start of construction and the date of commissioning of buildings and structures.

In order to refund the excess tax amount, the earliest of the following dates is considered the start of construction:

1) the date of conclusion of the construction contract (agreement);

2) the date of conclusion of the contract (agreement) for the implementation of project work

5. Industrial buildings include:

1) industrial buildings and warehouses;

2) buildings of transport, communications;

3) non-residential agricultural buildings.

Industrial facilities include facilities other than those intended for sports and recreation, administrative purposes, parking or parking of cars, as well as cultural and entertainment, hotel, and restaurant purposes.

The assignment of industrial buildings and structures to the buildings and structures specified in parts one and two of this paragraph is carried out in accordance with the classifier of fixed assets.

6. In order to confirm the accuracy of the amount of excess tax, the taxpayer has the right to submit a tax statement before the occurrence of the cases provided for in paragraph 7 of this Article.

7. The taxpayer submits a claim for a refund for the tax periods following the tax period.

1) on which the date of the beginning of the export of minerals extracted under the relevant subsurface use contract falls, with the exception of common minerals, groundwater and therapeutic mud, taking into account the limitation period, – to refund part of the amount of tax offset for goods, works, services acquired during the period of exploration and field development;

2) in which the act of completed construction and installation works carried out within the framework of the investment project is signed after the body carrying out the state architectural and construction control has accepted the notification of the start of construction and installation works, – to refund a part of the tax amount offset for goods, works, and services purchased after January 1, 2024 in connection with the construction of industrial buildings and structures that are being put into operation for the first time in the territory of the Republic of Kazakhstan as part of an investment project, the cost of which exceeds 150,000,000 times the monthly calculation index effective on January 1 of the corresponding fiscal year;

3) in which buildings and structures have been put into operation, taking into account the limitation period – a part of the amount of tax credited for goods, works, and services purchased in connection with the construction of industrial buildings and structures that are being put into operation for the first time in the territory of the Republic of Kazakhstan for projects not provided for in subparagraph 2) of the present paragraph.

8. On the basis of a tax statement and a refund request, a thematic tax audit is conducted in accordance with Chapter 15 of this Code.

9. The amount of excess tax is refunded.

1) within twenty tax periods in equal shares, starting from the tax period following the tax period in which the claim for refund is submitted in accordance with subparagraphs 1) and 3) of paragraph 7 of this Article, and no later than the 25th day of the second month of each tax

period based on the conclusion to the tax audit report. The conclusion to the tax audit report is drawn up and handed over to the tax payer no later than the 5th day of the second month of the quarter in which the request for refund is submitted;

2) within fifty-five working days after the expiration of the last date established by this Code for submitting a tax return to the tax authority, which specifies the requirement to refund the amount of excess tax in accordance with subparagraph 2) of paragraph 7 of this article.

10. The amount of excess tax previously refunded from the budget in accordance with subparagraph 2) of paragraph 9 of this Article, in case of non-completion of construction within the time period specified in the draft, is subject to payment by the taxpayer to the budget with penalties for each day from the date of return from the budget to the date of transfer to the budget.

Paragraph 3. Refund of value added tax on other grounds

Article 130. Refund of value-added tax paid on goods, works, and services purchased at the expense of the grant funds

1. The value added tax (hereinafter referred to as the tax for the purposes of this paragraph) paid on goods, works, and services purchased at the expense of the grant funds is subject to refund:

1) to the grantee - a state body that is a beneficiary in accordance with the international agreement on the grant to the Republic of Kazakhstan and appoints the contractor, unless otherwise provided by the said international agreement;

2) to the contractor – a person appointed by the grantee for the purpose of implementing the grant.

2. The tax refund paid to suppliers of goods, works, and services purchased at the expense of the grant funds shall be made by the tax authority within thirty working days from the date of submission of the tax application, if the following conditions are simultaneously met:

1) a grant that has been used to purchase goods, works, and services, is provided by states, governments, and international organizations;

2) the goods, works, and services were purchased solely for the purposes for which the grant was provided;

3) the sale of goods, the performance of works, and the provision of services are carried out in accordance with an agreement (contract) concluded with the grantee or with a contractor appointed by the grantee to fulfill the purposes of the grant.

3. The tax refund is made to grantees or contractors in accordance with the procedure specified in paragraph 1 of this chapter.

4. In order to refund the tax paid on goods, works, and services purchased at the expense of the grant, the grantee or contractor shall submit to the tax authority at the location a tax application with the following documents attached:

1) a copy of the grant agreement between the Republic of Kazakhstan and a foreign state, the government of a foreign state or an international organization included in the list approved by the Government of the Republic of Kazakhstan;

2) a copy of the agreement (contract) concluded by the grantee or contractor with the supplier of goods, works, services;

3) a copy of the document confirming the appointment of the contractor as such when applying for a tax application;

4) documents confirming the shipment and receipt of goods, works, and services;

5) an invoice issued by the supplier who is the payer of the tax, with the allocation of the amount of the specified tax;

6) waybill, bill of lading;

7) a document confirming receipt of the goods by the financially responsible person of the grantee or contractor;

8) acts of works and services performed and accepted by the grantee or contractor, executed in accordance with the established procedure;

9) documents confirming payment for goods, works, and services received, including payment of taxes.

The provisions of this article also apply to grantees or contractors who are not tax payers.

Article 131. Tax refund to diplomatic missions and their staff

1. The tax is subject to refund for purchased goods, work performed, services rendered in the territory of the Republic of Kazakhstan, provided that such refund is provided for by international treaties or documents confirming the principle of reciprocity in granting tax benefits:

1) diplomatic missions;

2) persons belonging to the diplomatic, administrative and technical staff of these missions, including members of their families living with them, consular officials, consular employees, including members of their families living with them (hereinafter referred to as staff for the purposes of this article).

The tax refund is carried out by the tax authority at the location of the diplomatic missions included in the list approved by the Ministry of Foreign Affairs.

2. In relation to some diplomatic missions, based on the principle of reciprocity, restrictions may be imposed on the amount and conditions of tax refund.

The list of diplomatic missions subject to tax refund restrictions is approved by the Ministry of Foreign Affairs in coordination with the authorized body.

3. Unless otherwise specified in paragraph 2 of this Article, tax refunds to representative offices shall be made in cases where the amount of goods purchased, works performed, services rendered, including tax, in each separate invoice and documents confirming payment is or exceeds 8 times the monthly calculation index effective on the date of issuance of the invoices.

The restrictions established by this paragraph do not apply to charges for communication services, electricity, water, gas and other utilities.

4. The tax authorities shall refund taxes on the basis of consolidated statements (registers) of the diplomatic mission for purchased goods, completed works, and services rendered for the reporting quarter (hereinafter for the purposes of this article – consolidated statements of the diplomatic mission), and copies of invoices and documents confirming the payment of tax (hereinafter for the purposes of this article – confirming documents).

In respect of family members of the staff of the diplomatic mission, copies of the accreditation documents issued by the Ministry of Foreign Affairs are additionally provided.

The summary statements of the diplomatic mission are compiled by the diplomatic missions on a quarterly basis, signed by the head or other authorized official of the diplomatic mission and stamped when compiled on paper.

The form of the summary statement of the diplomatic mission is established by the authorized body.

The summary statements of the diplomatic mission and supporting documents are submitted to the organization for work with diplomatic missions of the Ministry of Foreign Affairs during the month following the reporting quarter, except in cases when the family member(s) of the diplomatic mission staff complete their stay in the Republic of Kazakhstan.

5. After confirming the principle of reciprocity, the organization for work with diplomatic missions of the Ministry of Foreign Affairs submits to the tax authority at the location of the diplomatic missions with an accompanying document the summary statements of the diplomatic mission and supporting documents.

Diplomatic missions submit documents to the tax authorities in Kazakh and/or Russian.

If there are separate documents written in foreign languages, a translation into Kazakh and /or Russian, certified by the seal of the diplomatic mission, is provided.

6. The tax refund to the representative offices is carried out by the tax authority within thirty working days following the day of receipt of the consolidated statements of the diplomatic mission and supporting documents.

7. If violations are detected in the documents submitted by the diplomatic mission, including non-allocation of tax amounts in a separate line, the tax authority shall carry out a counter-tax audit of the supplier of goods, works, and services.

8. After checking the consolidated statements of the diplomatic mission, supporting documents and conducting a counter tax audit of the supplier of goods, works, and services, the tax authorities shall notify the organization for work with diplomatic missions of the Ministry of Foreign Affairs of the refund and (or) refusal to refund tax amounts.

If the refund of the tax amounts is refused, the tax authorities will inform about the violations and the documents they were committed in.

9. If the violations identified during the counter-tax audit are not eliminated within the refund period specified in paragraph 6 of this Article, the tax refund shall be made within the limits of the amounts for which violations have not been identified or eliminated.

If the violations are eliminated after the completion of the counter tax audit, the tax refund is made on the basis of the submitted additional summary statement of the diplomatic mission and supporting documents.

10. The amount of tax that has not been presented for refund for the quarter in which goods were purchased, works performed, or services rendered may be presented for refund by diplomatic missions on the basis of the summary statement of the diplomatic mission and supporting documents.

11. The tax refund is made by the tax authority to the relevant accounts of diplomatic missions and (or) staff of diplomatic missions opened in banking organizations of the Republic of Kazakhstan in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Chapter 11. CHANGING THE DEADLINES FOR FULFILLING A TAX OBLIGATION

Article 132. General provisions on changing the deadlines for fulfilling a tax obligation on payment

1. A change in the deadlines for fulfilling a tax obligation on payment is a postponement of the deadline for payment of taxes and (or) fees established by this Code to a later date or an extension of the deadlines for repayment of tax arrears.

2. The deadlines for fulfilling a tax obligation on payment are changed in the following forms:

1) deferrals (installments) for the payment of taxes and (or) fees;

2) changes in the deadline for payment of value-added tax on imported goods;

3) deferral of payment of the state duty.

3. A change in the deadlines for fulfilling a tax obligation on payment of taxes and (or) fees does not exempt a taxpayer from paying penalties for late payment, except in cases of:

1) deferrals to a taxpayer – producer of goods of his own production for value–added tax on imported goods used in the production of products for a period of up to one calendar year;

2) deferrals (installments) within the framework of the debt restructuring procedure provided for by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy.

Article 133. Deferral (installment payment) of taxes, fees and (or) penalties

1. Deferral of payment of taxes, fees and (or) penalties (hereinafter referred to as deferral for the purposes of this chapter) is a change in the deadline for payment of taxes, fees and (or) penalties to a taxpayer by setting a later deadline for a one–time payment in full of the

amounts due for a period not exceeding six months, except for a participant in horizontal monitoring who is granted a deferral by the authorized body for a period of no more than twelve months.

Installment payment of taxes, fees and (or) penalties (hereinafter referred to as installment payment for the purposes of this chapter) is a change in the deadline for the taxpayer to pay taxes, fees and (or) by setting a step–by–step period (month, quarter) for the payment of equal shares of the amounts of penalties due for a period not exceeding thirty-six months, with the exception of the participant of the horizontal monitoring, which is provided by the authorized body with installments for a period of no more than twelve months.

The procedure and conditions for granting deferrals (installments) are determined by the authorized body.

2. A deferral or installment payment of taxes and (or) fees may be granted to a taxpayer whose financial situation does not allow him to pay taxes and (or) fees within the prescribed period, however, there are sufficient grounds to believe that the possibility of their payment will arise during the period for which the deferral or installment payment is provided, if there is one of the following reasons:

1) causing damage to the taxpayer as a result of force majeure (emergencies of a social, natural, man-made, environmental nature, military actions and other circumstances of force majeure);

2) the production and (or) sale of goods, works or services by a taxpayer is seasonal in nature;

3) the property status of an individual who is not registered as an individual entrepreneur (excluding property that cannot be levied in accordance with the legislation of the Republic of Kazakhstan) excludes the possibility of a one-time tax payment;

4) the court's decision on the application of the debt restructuring procedure;

5) the main activity of the taxpayer belongs to the branch of the economy of strategic importance according to the laws of the Republic of Kazakhstan;

6) submission of additional tax reports by the taxpayer;

7) the taxpayer's consent to the amounts of accrued taxes and (or) fees indicated in the notification of the audit results. The provisions of this subparagraph do not apply to taxpayers whose period from the date of registration as a taxpayer to the date of filing an application for a deferral or installment plan is less than five years.

3. Deferral (installment payment) is applied to taxes, fees and (or) penalties calculated by the taxpayer according to the submitted tax statements, as well as accrued by the tax authority based on the results of tax audits, according to the data of authorized state bodies, with the exception of the following taxes:

1) taxes withheld at the source of payment;

2) excise taxes on goods imported from the territory of the EAEU member states;

3) value added tax on goods imported from the territory of the EAEU member states;

4) subscription bonus;

5) taxes received in accordance with the budget legislation of the Republic of Kazakhstan to the National Fund of the Republic of Kazakhstan.

Deferral (installment plan) is provided for the following fees for:

the use of land plots;

negative impact on the environment.

Deferral (installment payment) is granted for one or more taxes and/or fees, and may also be granted in respect of the entire amount of tax and/or fee to be paid, or part of it.

4. A deferral (installment plan) is provided:

1) to the participant of horizontal monitoring – without collateral of property and bank guarantee;

2) to another taxpayer:

without a pledge of property and a bank guarantee; secured by the property of the taxpayer and (or) a third party, and (or) under a bank guarantee.

5. A bank guarantee provided by a taxpayer to ensure the fulfillment of a tax obligation to pay taxes, fees and (or) penalties must comply with the following requirements:

1) issued in compliance with the requirements established by the legislation of the Republic of Kazakhstan;

2) is irrevocable;

3) the validity period of such guarantee expires not earlier than six months after the expiration of the deadline for payment of taxes, fees and (or) penalties established by the tax authority in case of a change in the deadlines for fulfilling the tax obligation;

4) the maximum amount of money payable under the bank guarantee agreement ensures that the guarantor fulfills in full the tax obligation to pay taxes, fees and (or) penalties.

The amount of the maximum amount of money payable under the bank guarantee agreement may be changed, taking into account the amounts of taxes paid and (or) fees secured by such a guarantee, upon written agreement of the tax authority that provided the installment plan.

6. The property provided as collateral must comply with the following conditions:

1) insured against loss or damage, liquid;

2) the market value of such property is not less than the amount of taxes, fees and (or) penalties, the payment of which is postponed, taking into account penalties for the period of validity of the decision taken by the tax authority to change the deadlines for fulfilling the tax obligation, as well as the costs of its implementation in case of early termination of the decision taken by the tax authority to change the deadlines of tax obligation, except for the case of payment by the taxpayer of the entire amount of taxes, fees and (or) penalties before the expiration of the prescribed period.

The following cannot be collateral items:

life support objects;

electrical, thermal and other types of energy;

seized property;

property subject to restrictions imposed by authorized state bodies, with the exception of restrictions imposed by the tax authority;

property encumbered by the rights of third parties;

the only housing of an individual, an individual entrepreneur, or a person engaged in private practice;

perishable raw materials and foodstuffs.

The property pledged to secure the payment of taxes, fees and (or) penalties is not subject to remortgaging.

The agreement on the pledge of property to secure the payment of taxes, fees and (or) penalties is concluded in accordance with the standard agreement on the pledge of property to secure the payment of taxes, fees and (or) penalties, approved by the authorized body.

7. The grounds for refusal to a taxpayer, with the exception of a participant in horizontal monitoring, to grant a deferral (installment plan) are:

1) non-compliance with the grounds and non-compliance with the requirements stipulated by the procedure for granting deferral (installments) determined by the authorized body;

2) the fact of early termination of the deferral (installment plan) granted to him earlier, in connection with violation of the deadline established by the tax authority for the payment of taxes, fees and (or) penalties, during the two years preceding the day of filing the application.

The reason for refusing to grant a deferral (installment plan) to a participant in horizontal monitoring is the fact of early termination of the deferral (installment plan) granted to him earlier, due to violation of the deadline set by the tax authority for the payment of taxes, fees and (or) penalties during the two years preceding the day of submission of the application to the authorized body.

8. The deferral (installment plan) is terminated:

1) upon expiration of the decision on granting a deferral (installment plan);

2) ahead of schedule:

if the taxpayer pays the entire amount of taxes, fees and (or) penalties before the expiration of the period specified in the decision to grant a deferral (installment plan);

according to a judicial act that has entered into legal force;

in case of violation of the deadline for payment of taxes, fees and (or) penalties stipulated by the decision to grant a deferral (installment plan) for more than five working days.

9. The tax authority in case of early termination of the deferral (installment plan), except for the case of payment by the taxpayer of the entire amount of taxes, fees and (or) penalties before the expiration of the established period:

1) notifies the taxpayer of the termination of the deferral (installment plan);

2) sends a demand to the second-tier bank (the guarantor) for payment of a monetary amount under the bank guarantee.

The obligation under the bank guarantee is subject to execution by the second-tier bank (the guarantor) within three working days from the date of receipt of the specified claim, except when such a claim is submitted to the guarantor upon expiration of its validity.

10. In case of non-fulfillment of the obligation to pay taxes, fees and (or) penalties after three working days from the date of receipt by the taxpayer of the notice of termination of the deferral (installment plan), the tax authority shall levy a penalty on the pledged property of the taxpayer and (or) a third party.

The sale of property pledged by a taxpayer and (or) a third person is carried out in accordance with the procedure for the sale of property pledged by a taxpayer and (or) a third person, as well as the limited property of a taxpayer (tax agent), determined by the authorized body.

Article 134. Changing the deadline for payment of value added tax on imported goods, with the exception of goods imported from the territory of the EAEU member states

1. The deadline for payment of value–added tax on imported goods, with the exception of goods imported from the territory of the EAEU member states, the production of which is absent in the territory of the Republic of Kazakhstan or does not cover the needs of the Republic of Kazakhstan, is subject to the use of such goods by the taxpayer in the production of products.

2. Goods are recognized as imported for the purposes of production in accordance with the procedure established by the customs legislation of the Republic of Kazakhstan.

The list of goods imported into the territory of the Republic of Kazakhstan, specified in part one of this paragraph, intended for processing, as well as taxpayers of the Republic of Kazakhstan importing such goods, is approved by the authorized body for state planning in coordination with the authorized body.

3. The procedure and deadlines for changing the deadline for payment of value–added tax on imported goods, with the exception of goods imported from the territory of the EAEU member states, are determined by the authorized body.

Article 135. Postponement of payment of the state duty

1. Deferral of payment of state duty is a change by a judicial act on deferral of payment of state duty of the deadline for payment of state duty in courts based on the property status of an individual or the financial situation of a legal entity, with the exception of a large business entity.

A copy of the judicial act on the postponement of the payment of the state fee for the payment of the state fee must be sent to the tax authorities at the place of consideration of the case.

2. A deferral of payment of the state fee shall be granted for a period not exceeding one year from the date of the issuance of a judicial act on deferral of payment of the state fee, if the property status of an individual or the financial situation of a legal entity does not allow paying the state fee when filing a claim, however, there are sufficient grounds to believe that

the possibility of its payment will arise during the period for which such a deferral is granted, if there are any of the following grounds:

1) causing damage as a result of a natural disaster, technological disaster;

2) late payment of wages to an individual;

3) registration as an unemployed person;

4) the presence of a serious illness of an individual and being treated for more than three months;

5) non-payment of money to the legal entity for the delivered goods, the performed works, the rendered services;

6) seasonal nature of production and (or) sale of goods, performance of works or provision of services by a legal entity;

7) provision of targeted social assistance.

In this case, an individual or a legal entity has the right to pay the amount of the state duty partially and (or) ahead of schedule before the end of the deferral period for the payment of the state duty.

Chapter 12. DESK CONTROL

Article 136. Desk control

1. Desk control is an event carried out by a tax authority based on the study and analysis of tax forms, as well as other documents and information about the activities of a taxpayer (tax agent).

2. The purpose of desk control is to provide the taxpayer (tax agent) with the right to independently fulfill tax obligations for calculating taxes and payments to the budget.

Article 137. Procedure and results of the desk control

1. Desk control is carried out by comparing the data contained in the:

1) information available from the tax authorities, including tax forms;

2) information from other authorized state bodies on taxable objects and (or) objects related to taxation;

3) information about the activities of the taxpayer (tax agent) obtained from various sources of information.

2. Desk control is carried out by the tax authority for the relevant tax period after the expiration of the deadline for submitting tax reports established by this Code.

Desk control for the tax period is carried out during the limitation period for such period.

3. If discrepancies are identified based on the results of desk control, a taxpayer (tax agent), with the exception of a participant in horizontal monitoring, shall be notified of the discrepancies identified based on the results of desk control (hereinafter, for the purposes of this article, the notification).

4. The execution of the notification is recognized as:

1) in case of agreement with the discrepancies indicated in the notification, - the elimination by the taxpayer (tax agent) of the identified violations of the tax legislation of the Republic of Kazakhstan by:

submitting tax reports on the notification for the tax period to which the identified discrepancies relate;

payment of the amount of value-added tax to the budget, previously returned from the budget at the request of the taxpayer (tax agent) for the refund of value-added tax, as well as penalties for each day from the date of transfer to the taxpayer (tax agent) of such amounts until the day of payment;

data reflection in a special mobile application and (or) payment of taxes and social payments – for taxpayers applying a special tax regime for the self-employed;

the commission, in order to switch to the appropriate tax regime, of the actions provided for in Article 716 of this Code;

2) in case of disagreement with the discrepancies indicated in the notification, the taxpayer (tax agent) submits to the tax authority that submitted the notification an explanation of the reasons for the discrepancies that do not entail violations of the tax legislation of the Republic of Kazakhstan (hereinafter, for the purposes of this article, an explanation), except for the cases provided for in part one of paragraph 6 of this Article.

In case of agreement with the discrepancies indicated in the notification regarding the execution, the taxpayer (tax agent) shall eliminate the identified discrepancies in part and provide an explanation of the absence of discrepancies in the remaining part.

5. The taxpayer's (tax agent's) explanation must contain:

1) identification data of the taxpayer (tax agent) and the tax authority that submitted the notification;

2) the number and date of the notification for which the explanation is submitted;

3) the reasons for disagreement with the discrepancies indicated in the notification;

4) date, signature;

5) a list of documents confirming the validity of the disagreement with the notification (if any).

The tax authorities are prohibited from requesting documents for the execution of the notification.

6. It is prohibited to provide an explanation of the notification when attributing expenses to deductions in calculating corporate income tax and offsetting the amount of value-added tax on purchased goods, works, and services:

1) on the basis of an invoice and (or) other document, the action(s) on the extract of which have been recognized as having entered into force by a judicial act or a decision of the criminal prosecution authority to terminate a pre-trial investigation on non-rehabilitating grounds committed by a private business entity without actual performance of work, rendering of services, or shipping of goods;

2) for transactions declared invalid on the basis of a judicial act that has entered into legal force;

3) for transactions performed without the actual performance of work, provision of services, shipment of goods with a taxpayer, the head and (or) founder (participant) of which is not involved in the registration (re-registration) and (or) implementation of financial and economic activities of such a legal entity, established by a judicial act that has entered into legal force;

4) for transactions (operations) with legal entities and (or) individual entrepreneurs whose registration (re-registration) has been declared invalid on the basis of a judicial act that has entered into legal force.

The effect of part one of this paragraph does not apply to transactions (operations) for which the court has established the actual acquisition (receipt) by a taxpayer (tax agent) of goods, works, and services.

7. The term of execution of the notification is suspended upon filing a complaint with the court to confirm the actual acquisition (receipt) of goods, works, and services in the cases specified in subparagraphs 3) and 4) of paragraph 6 of this Article.

A copy of the judicial act on the acceptance of the complaint is submitted by the taxpayer (tax agent) to the tax authority that submitted the notification.

In this case, the suspension is valid for the period from the date of the issuance of the judicial act specified in part two of this paragraph until its entry into force.

8. During the period of the tax audit, the taxpayer (tax agent) is not notified for the period under review, while the results of the desk control are subject to use during the tax audit.

9. If the notification is not executed:

1) access to the Internet resources and (or) the online platform of a foreign company operating through an online platform in the territory of the Republic of Kazakhstan is limited;

2) spending operations on bank accounts of a taxpayer (tax agent) not specified in subparagraph 1) of this paragraph shall be suspended within one working day following the expiration date of the notice;

3) the issuance of the taxpayer's electronic invoices is suspended within one working day following the expiration date of the notification.

The security methods provided for in part one of this paragraph, unless otherwise established by the said part, shall be applied in the manner and within the time limits established by paragraph 4 of Chapter 5 of this Code.

10. In order to confirm the accuracy of the reasons set out in the explanation, or in case of non-fulfillment of the notification within the time period established by this Code, the tax authority has the right to conduct a tax audit on discrepancies identified by the results of desk control.

Chapter 13. ELECTRONIC INVOICE STATEMENT CONTROL

Article 138. Control of electronic invoice statements

1. Control over the issuance of electronic invoices is carried out by the tax authority in order to prevent the issuance of high-risk electronic invoices.

2. Electronic invoice statement control is carried out in the form of:

1) automated control of electronic invoice statements (hereinafter referred to as automated control);

2) comparative control of electronic invoice statements (hereinafter referred to as comparative control).

Paragraph 1. Automated control

Article 139. General provisions of automated control

1. Automated control is an automated process of assigning a registration number in the information system of a tax authority to an electronic invoice issued by a taxpayer classified as a separate category of taxpayers.

When assigning a registration number to an electronic invoice, the data of the value-added tax payer's tax account in the information system of the automated control operator (hereinafter referred to as the tax account for the purposes of this paragraph) is taken into account.

The categories of taxpayers subject to automated control are approved by the authorized body.

2. For the purposes of this paragraph, the operator of automated control is a legal entity designated by an authorized body that maintains a tax account by:

1) accounting of the balance amount of value added tax (hereinafter referred to as the tax for the purposes of this paragraph);

2) ensuring the safety of the money of the tax payer transferred to ensure issuance of electronic invoices;

3) ensuring that the taxpayer's money used to issue an electronic invoice is transferred to the budget;

4) refund of the money of the tax payer that was not used for issuing an electronic invoice .

3. The rules for conducting automated control shall be established by the authorized body and shall contain:

1) the procedure for maintaining a tax account;

2) the accounting procedure for the balance amount of tax;

3) the procedure for replenishment of the tax account by the taxpayer;

4) the procedure for transferring to the budget the money of the tax payer used for issuing an electronic invoice;

5) the procedure and time limits for submitting and reviewing a tax payer's request for a refund;

6) the procedure for refunding money to the tax payer;

7) the period of automated control.

Article 140. Procedure for conducting automated control

1. During the automated control, the tax is calculated in the information system of the tax authority.

The tax is calculated using the following formula:

Б=НДС1+НДС2+НДС3+НДС4-НДС5-НДС6,

where:

Б – the balance amount of the tax;

НДС1 is the total amount of tax indicated in the electronic invoices received by the tax payer;

НДС2 is the total amount of tax paid upon import in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

НДС3 is the total amount of tax paid on the purchase of works and services from a non–resident;

НДС4 is the total amount of tax deductible for goods purchased, created, or built by the taxpayer prior to the date of tax registration;

НДС5 is the total amount of tax indicated in the electronic invoices issued by the tax payer;

НДС6 is the total amount of tax accrued upon de–registration for turnover tax in the form of the remaining goods.

The results of the tax calculation are reflected in the information system of the tax authority and the tax invoice.

2. Based on the results of the tax calculation, if the amount of tax indicated in the electronic invoice does not exceed the balance amount of the tax, then such an electronic invoice is automatically assigned a registration number.

An electronic invoice that has not been assigned a registration number is considered not issued.

The taxpayer has the right to replenish the tax account with his own money in order to increase the balance amount of the tax.

3. Unused money for issuing an electronic invoice must be refunded to the tax payer's bank account upon his request for a refund within one working day.

The money not declared for refund is used to ensure the issuance of electronic invoices for the next tax period.

4. The funds used for issuing an electronic invoice based on the results of the reporting tax period are credited to the tax bill.

Paragraph 2. Comparative control

Article 141. Comparative control

1. Comparative control is an event carried out by a tax authority by comparing electronic invoices issued by a taxpayer with the data of:

1) electronic invoices issued by its suppliers;

2) tax reporting;

3) information from other authorized state bodies on the taxpayer's activities, including on taxable objects and (or) objects related to taxation;

4) information of second-tier banks on bank accounts.

Comparative control is carried out by the tax authority in order to establish the actual turnover in the sale of goods, the provision of works and services.

2. Comparative control is carried out according to electronic invoices issued within the limitation period.

Article 142. Conducting comparative control

1. Based on the results of the conducted comparative control, if transactions involving the sale of goods, performance of works and provision of services are identified for which the tax authority has doubts about their actual commission, the taxpayer who has completed the turnover for such sale shall be notified of the confirmation of the actual completion of the turnover for the sale of goods, performance of works and provision of services (hereinafter referred to as for the purposes of this article – notification).

2. The notification is executed by the taxpayer in the following cases:

1) consent to the absence of the fact of turnover on electronic invoices specified in the notification by revoking such electronic invoices and providing an explanation of their revocation;

2) disagreement with the absence of the fact of turnover on the electronic invoices specified in the notification, by providing an explanation with justification confirming the actual turnover, with the obligatory attachment of copies of documents on transactions (transactions) and (or) on the origin of goods, as well as any other documents confirming the actual performance of work, provision of services (hereafter referred to as the explanation for the purposes of this article).

3. The explanation is submitted in any form and must contain:

1) identification data of the taxpayer and the tax authority that submitted the notification;

2) notification number and date;

3) justification of the disagreement in accordance with subparagraph 2) of paragraph 2 of this article.

The taxpayer has the right to attach copies of documents confirming his arguments to the explanation.

It is not allowed for the tax authority to claim documents that are not related to the violations specified in the notification.

4. The notification shall be deemed unfulfilled if the submitted explanation does not confirm the origin of the goods, the actual performance of work, or the provision of services on electronic invoices specified in the notification.

5. The tax authority shall, within ten working days following the day of receipt of the explanation, make a decision to declare the notification unfulfilled.

The decision to declare the notification unfulfilled (hereinafter referred to as the decision for the purposes of this article) shall be submitted to the taxpayer within two working days following the day of its issuance.

6. The tax authority shall suspend the issuance of electronic invoices within one working day following the day of the decision.

7. If a taxpayer fails to execute a notification, the tax authority shall do the following within one working day following the expiration date of such notification:

1) issue an order to suspend spending operations on the taxpayer's bank accounts;

2) suspend the issuance of electronic invoices.

8. The security methods provided for in paragraphs 5, 6 and 7 of this Article, unless otherwise provided by the said paragraphs, shall be applied in the manner and within the time limits set out in paragraph 4 of Chapter 5 of this Code.

9. Information about taxpayers who have suspended the issuance of electronic invoices shall be posted on the authorized body's Internet resource within one working day following the day of the decision to suspend the issuance of electronic invoices.

10. The tax authority shall send a notification on mutual settlements specified in the notification to the counterparties of the taxpayer whose notification has been deemed unfulfilled or who has failed to comply with the notification.

Chapter 14. TAX MONITORING

Article 143. General provisions of tax monitoring

1. Tax monitoring is the collection and analysis of information on the activities of certain categories of taxpayers in order to monitor compliance with the tax legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on transfer pricing.

2. Types of tax monitoring:

1) monitoring of major taxpayers;

2) horizontal monitoring, with the exception of transfer pricing issues.

3. Monitoring of major taxpayers is carried out by examining information and documents submitted by a participant in monitoring major taxpayers, including at the request of an authorized body.

Horizontal monitoring is carried out through information interaction between the authorized body and the participant of horizontal monitoring.

In relation to the participants of horizontal monitoring included in the list of participants of monitoring of major taxpayers, monitoring of major taxpayers is not carried out.

Paragraph 1. Monitoring of major taxpayers

Article 144. Monitoring of major taxpayers

1. Monitoring of major taxpayers is carried out in relation to taxpayers included in the list of participants in monitoring of major taxpayers (hereinafter, for the purposes of this paragraph, the list of participants).

2. The list of participants includes:

1) the attorney (operator) and (or) the subsurface user(s) specified in the production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or the competent authority and the subsurface user before January 1, 2009 and that has passed the mandatory tax examination, and (or) operating in an oil and gas condensate or offshore field;

2) a subsurface user who, as of October 1 of the year preceding the year of entry into force of the list of participants, meets the following conditions:

a contract has been concluded with the subsurface user for exploration, production, combined exploration and extraction of minerals, with the exception of contracts for exploration, extraction of common minerals and groundwater;

the subsurface user is classified as a city-forming legal entity in accordance with the list approved by the central authorized body in the field of regional policy;

3) taxpayers whose annual amount of taxes paid is at least 2,000,000 times the monthly calculation index effective at the end of the year in which the list of participants is subject to approval.

At the same time, the annual amount of taxes paid is determined for each of the three calendar years preceding the year in which the list of participants is to be approved;

4) second-tier banks and insurance organizations, whose total annual income, excluding the reduction provided for in Article 255 of this Code, for the tax period preceding the year in which the list of participants is to be approved, exceeds 3,000,000 times the monthly calculation index effective at the end of the year in which the list of participants is to be approved;

5) the first three hundred major taxpayers who have the largest total annual income without taking into account the reduction provided for in Article 255 of this Code, out of the major taxpayers who meet the conditions established by part two of this paragraph.

The first three hundred major taxpayers specified in subparagraph 5) of part one of this paragraph are selected from among taxpayers whose value balances of fixed assets at the end of the tax period are at least 325,000 times the monthly calculation index effective at the end of the year in which the list of participants is subject to approval.

For the purposes of this article:

1) the total annual income, excluding the reduction provided for in Article 255 of this Code, is determined on the basis of the data of the corporate income tax declaration for the tax period preceding the year in which the list of participants is subject to approval;

2) the amount of the value balances of fixed assets is determined on the basis of the tax statements for the year preceding the year in which the list of participants is to be approved.

3. The approved list of participants shall enter into force no earlier than January 1 of the year following the year of its approval and shall be valid for two years from the date of its entry into force.

The list of participants is formed on the basis of tax reporting data submitted as of October 1 of the year preceding the year of entry into force of the list provided for in part one of this paragraph.

4. The list of participants is not subject to revision during the period of its validity, except in cases of changes in the conditions under which taxpayers are subject to inclusion in the list of participants.

5. If, as of October 1 of the year preceding the year of entry into force of the list of participants, the taxpayer to be included in the list of participants is at the stage of liquidation, such taxpayer is not subject to inclusion in this list.

In case of reorganization of a participant in the monitoring of major taxpayers, its legal successor(s) is (are) subject to monitoring of major taxpayers until the subsequent list of participants is put into effect.

In case of liquidation of a participant in the monitoring of major taxpayers, as well as from the date of entry into force of the judicial act declaring him bankrupt, such participant is considered excluded from the list of participants.

6. A participant in the monitoring of major taxpayers for the period of the horizontal monitoring agreement is not subject to exclusion from the list of participants.

Article 145. Procedure for monitoring major taxpayers

1. During the monitoring of major taxpayers, the authorized body has the right to require participants in the monitoring of major taxpayers to submit:

1) documents and written explanations confirming the correctness of tax calculation and timely payment (withholding and transfer) of taxes and payments to the budget;

2) financial statements of the participant and its subsidiaries.

The deadline for the fulfillment of a request by a participant in the monitoring of major taxpayers is fifteen working days following the day of delivery.

2. In case of detection of violations and discrepancies based on the results of monitoring of major taxpayers, the authorized body shall submit to the participant of monitoring of major taxpayers a recommendation based on the results of monitoring of major taxpayers (hereinafter referred to as the recommendation for the purposes of this paragraph) for independent elimination of violations and discrepancies.

Participant in the monitoring of major taxpayers within fifteen working days following the day of receipt of the recommendation:

1) eliminates the identified violations and discrepancies – in case of agreement with the violations and discrepancies specified in the recommendation;

2) provides an explanation of the absence of violations and discrepancies (hereinafter referred to as an explanation for the purposes of this paragraph) – in case of disagreement with the violations and discrepancies specified in the recommendation.

The authorized body holds a meeting with a participant in the monitoring of major taxpayers to substantiate violations and discrepancies, as well as the participant's arguments set out in the explanation of the recommendation.

3. In case of disagreement with the stated arguments of a participant in the monitoring of major taxpayers, the authorized body shall, no later than thirty working days following the day of receipt of the explanation, make a reasoned decision on the monitoring of major taxpayers (hereinafter, for the purposes of this paragraph, a reasoned decision).

A reasoned decision is submitted to a participant in the monitoring of major taxpayers within two working days following the day of its issuance.

The deadline for the execution of a reasoned decision by a participant in the monitoring of major taxpayers is five working days following the day of delivery.

4. Failure to comply with a reasoned decision is the basis for the appointment of a tax audit.

Paragraph 2. Horizontal monitoring

Article 146. Horizontal monitoring

1. Horizontal monitoring is a type of tax monitoring carried out through information interaction between an authorized body and a participant in horizontal monitoring, which:

1) is based on mutual trust;

2) is aimed at minimizing tax risks;

3) consists in studying and analyzing the activities of a participant in horizontal monitoring without interfering in his business activities and submitting the following recommendations based on the results of horizontal monitoring:

on the issues related to the fulfillment of a tax obligation (hereinafter referred to as the recommendation on the fulfillment of a tax obligation);

on improvement of the internal control system in the field of taxation (hereinafter referred to as the recommendation on improving the internal control system in the field of taxation);

4) provides an opportunity for the participant of horizontal monitoring to receive preliminary explanations.

2. Information interaction is carried out through the use of a data showcase.

A data showcase is an information system through which extended information interaction between the authorized body and the taxpayer is carried out within the framework of horizontal monitoring.

The data showcase is intended for the exchange of information and documents, disclosure of tax reporting data by posting information and documents of tax, accounting and other types of accounting, primary documents, as well as reports of a participant in horizontal monitoring on the internal control system in the field of taxation.

The minimum requirements for the organization of a taxpayer's data showcase for entry into horizontal monitoring are approved by the authorized body.

The internal control system in the field of taxation includes a set of rules, policies and organizational measures applied by the taxpayer in his business processes to ensure the reliability of tax, accounting, production and other types of accounting in order to achieve the correctness of the calculation of tax liability.

The requirements for information and reports on the internal control system in the field of taxation are approved by the authorized body.

The procedure for information interaction is established in the rules of information interaction, which is an integral part of the agreement on horizontal monitoring.

The rules of information interaction also define the procedure and deadlines for providing the authorized body with remote access to data viewing software designed to automate accounting and (or) tax accounting.

3. The horizontal monitoring participant ensures information interaction on the following taxes and payments to the budget:

1) corporate income tax;

2) value added tax;

3) individual income tax;

4) social tax;

5) property tax;

6) special payments and taxes of subsurface users;

7) excise tax.

The specified list of taxes and payments to the budget is not comprehensive and can be expanded in the horizontal monitoring agreement.

4. Tax control over taxes and payments to the budget, for which information interaction is not carried out, is carried out in accordance with the generally established procedure.

Article 147. Participation in horizontal monitoring

1. Participation in horizontal monitoring is voluntary.

A taxpayer who meets the criteria for classifying a taxpayer into a separate category of taxpayers with whom a horizontal monitoring agreement is concluded may participate in horizontal monitoring.

Participation in horizontal monitoring is carried out after the signing of the agreement on horizontal monitoring and the rules of information interaction.

The form of the horizontal monitoring agreement, the rules of information interaction, and the criteria for classifying a taxpayer as a taxpayer with whom a horizontal monitoring agreement is concluded are set out in the rules for concluding and terminating a horizontal monitoring agreement, approved by the authorized body.

2. In order to participate in horizontal monitoring, the taxpayer submits to the authorized body an application for participation in horizontal monitoring with the attachment of general information on the taxpayer's activities, information on the internal control system in the field of taxation, information on the data showcase, as well as a description of the disclosure of indicators of tax reporting on taxes and payments and their interrelationships with indicators of tax, accounting registers and other documents that are the basis for determining the objects of taxation and (or) objects related to taxation.

The application form for participation in horizontal monitoring, as well as the application attachment forms specified in part one of this paragraph, the deadlines for submission and the procedure for their consideration are set out in the rules for submitting and reviewing an application for participation in horizontal monitoring, which are approved by the authorized body.

Changes and additions to the description of disclosure of tax reporting indicators on taxes and payments and their interrelationships with indicators of tax, accounting registers and other documents that are the basis for determining taxable objects and (or) objects related to taxation, after signing the agreement on horizontal monitoring, are made by making amendments and additions to the rules of information interaction.

The minimum requirements for disclosure of tax reporting indicators, as well as for their interrelationships with indicators of tax, accounting registers and other documents that are the basis for determining taxable objects and (or) objects related to taxation, are approved by the authorized body.

3. The horizontal monitoring agreement is concluded for a period of at least three years with the possibility of its extension and/or termination.

Article 148. General provisions on the procedure for horizontal monitoring

1. Horizontal monitoring begins on January 1 of the year following the year of the conclusion of the horizontal monitoring agreement.

The reporting period for which horizontal monitoring is carried out is a calendar year (hereinafter referred to as the reporting monitoring period for the purposes of this paragraph).

2. Unless otherwise specified in paragraph 3 of this Article, horizontal monitoring for the reporting period of monitoring shall be carried out both during the specified period and after its end, but not later than June 30 of the second year following the year of the end of the corresponding reporting period of monitoring.

At the end of the period specified in part one of this paragraph, horizontal monitoring in relation to the reporting period of monitoring is terminated.

If a participant in horizontal monitoring submits additional tax reports for tax periods included in the reporting period of horizontal monitoring, less than three months before the termination of horizontal monitoring, horizontal monitoring is extended, but not more than ninety calendar days.

3. The authorized body has the right to resume horizontal monitoring for the reporting period of monitoring, for which horizontal monitoring has been discontinued, for a period of no more than one hundred and twenty calendar days in case of:

1) submission by the participant of horizontal monitoring of additional tax reporting for tax periods included in the specified reporting period of monitoring;

2) receiving responses to requests sent by the authorized body during the horizontal monitoring period;

3) obtaining information about the activities of a participant in horizontal monitoring, indicating alleged violations of the tax legislation of the Republic of Kazakhstan, documented

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Horizontal monitoring is resumed within the framework of the issues reflected in the documents and information provided for in this paragraph.

4. Horizontal monitoring is carried out by the authorized body on the basis of:

1) analysis of information and documents, tax, accounting and other types of accounting, primary documents placed in the data showcase;

2) reports of the participant of horizontal monitoring on the internal control system in the field of taxation for the reporting period of monitoring;

3) other documents and information about the activities of the horizontal monitoring participant available to the tax authorities.

The authorized body has the right to request additional information and documents that are required for analysis in order to establish the correctness of tax accounting and calculation of tax liabilities for the reporting period of monitoring.

5. In order to resolve disagreements between the authorized body and a participant in horizontal monitoring that arise during horizontal monitoring, the authorized body shall establish an Advisory Board.

The Advisory Board considers the following issues:

1) the disagreements with the participant of horizontal monitoring reflected in the protocol

;

2) termination of the horizontal monitoring agreement.

Based on the results of consideration of the issues, the Advisory Board makes a reasoned decision.

A reasoned decision to terminate the horizontal monitoring agreement is made in the cases specified in the horizontal monitoring procedure and established by subparagraph three of paragraph 6 of Article 149 of this Code.

The composition of the Advisory Board and the regulations on its activities are determined by the authorized body. At the same time, the Advisory Board includes representatives of the authorized body and a participant in horizontal monitoring.

6. The procedure for horizontal monitoring is determined by the authorized body.

Article 149. Recommendations based on the results of horizontal monitoring

1. During the horizontal monitoring, the authorized body:

if a violation of the tax legislation of the Republic of Kazakhstan is detected, sends a recommendation to the horizontal monitoring participant on the fulfillment of a tax obligation with a description of the justifications and arguments indicating a violation of the tax legislation of the Republic of Kazakhstan for independent elimination;

has the right to submit recommendations to the horizontal monitoring participant on improving the internal control system in the field of taxation.

2. The participant of horizontal monitoring within thirty working days following the day of delivery of the recommendation on the fulfillment of tax obligations and (or) recommendations on improving the internal control system in the field of taxation, in the case of:

1) agreement with the recommendation on the fulfillment of a tax obligation, submits additional tax reports for the tax period to which the violations relate, and informs the authorized body about this;

2) agreement with the recommendation to improve the internal control system in the field of taxation, submits a letter indicating the timing of its implementation;

3) disagreement with the recommendation on the fulfillment of a tax obligation and (or) a recommendation to improve the internal control system in the field of taxation, provides an explanation.

3. The authorized body, within thirty working days following the day of receipt of the horizontal monitoring participant's explanation of the recommendation on the fulfillment of tax obligations and (or) recommendations on improving the internal control system in the field of taxation:

1) submits to the participant of horizontal monitoring a notification of consent with an explanation – in case of agreement with the submitted explanation;

2) conducts an additional discussion with the participant of horizontal monitoring – in case of disagreement with the submitted explanation.

If, as a result of the additional discussion, the disagreements have not been resolved, the authorized body draws up a protocol of disagreements with the participant in the horizontal monitoring.

4. Based on the results of consideration of the issues reflected in the protocol of disagreements, the Advisory Board makes one of the following reasoned decisions on horizontal monitoring (hereinafter referred to as a reasoned decision for the purposes of this paragraph):

1) leaving recommendations on the fulfillment of tax obligations and (or) improvement of the internal control system in the field of taxation unchanged;

2) to cancel recommendations on the fulfillment of tax obligations and (or) to improve the internal control system in the field of taxation in whole or in part.

A reasoned decision is handed over to the horizontal monitoring participant within five working days following the day of making such a decision.

5. Participant of horizontal monitoring in case of:

1) disagreement with a reasoned decision shall be notified by the authorized body within five working days following the day of delivery of such decision;

2) agreement with a reasoned decision:

regarding the fulfillment of a tax obligation, executes such a decision within fifteen working days following the day of delivery of such a decision;

on improvement of the internal control system in the field of taxation, executes such a decision with an indication of the time frame for its implementation, which is notified to the authorized body within fifteen working days following the day of delivery of such a decision.

6. In case of disagreement with a reasoned decision on horizontal monitoring of the fulfillment of a tax obligation and (or) non-fulfillment of such a decision, a thematic tax audit is conducted.

In this case, the reasoned decision defined in part one of this paragraph is recognized as a preliminary act of the tax authority providing for the appointment of a tax audit, and the explanations of the participant in horizontal monitoring are the position of such a preliminary decision.

In case of disagreement with a reasoned decision on horizontal monitoring on improving the internal control system in the field of taxation and (or) failure to comply with such a decision, the authorized body submits to the Advisory Board the issue of termination of the agreement on horizontal monitoring.

Article 150. Procedure for submitting a preliminary explanation

1. The authorized body shall submit a preliminary explanation at the request of a participant in horizontal monitoring on the submission of a preliminary explanation (hereinafter, for the purposes of this chapter, the request) on the occurrence of a tax liability in respect of planned transactions (operations).

2. The request must contain:

1) identification data of the participant of horizontal monitoring;

2) a description of the purpose and conditions of the planned transaction (operation), including the rights and obligations of the parties;

3) the position of the participant in horizontal monitoring on the issue of calculating taxes and payments to the budget in relation to the planned transaction (operation);

4) a list of attached documents, including supporting information specified in the request (if any);

5) the date of signing.

The request may contain other information relevant to the preparation of a preliminary explanation.

3. A participant in horizontal monitoring has the right to withdraw the request before the date of submission of a preliminary explanation by the authorized body.

4. Failure by a participant in horizontal monitoring to comply with the requirements set out in paragraph 2 of this Article is grounds for refusing to consider the request.

5. Consideration of the request is carried out in accordance with the procedure established by the Administrative Procedural Code of the Republic of Kazakhstan.

6. During the preparation of a preliminary explanation, the authorized body has the right to invite a participant in horizontal monitoring to obtain additional information relevant to the preparation of a preliminary explanation.

7. A preliminary explanation is provided within the limits of the information and documents provided by the participant in the horizontal monitoring.

Chapter 15. TAX CONTROL Paragraph 1. General provisions of tax control

Article 151. Tax control

1. Tax control is the state control carried out by tax authorities over the implementation of the norms of the tax legislation of the Republic of Kazakhstan and other legislation of the Republic of Kazakhstan, the control over compliance with which is entrusted to the tax authorities.

2. Tax control is carried out by conducting a tax audit exclusively by tax authorities.

3. The general procedure for conducting a tax audit is determined by this Code, as well as the Entrepreneurship Code of the Republic of Kazakhstan in the part not regulated by this Code.

Article 152. Tax audit

1. A tax audit is carried out in the form of a comprehensive, thematic, counter-tax audit, and a time-based survey.

The period subject to tax audit should not exceed the limitation period.

The tax authorities have the right to carry out tax audits of the structural subdivisions of a legal entity, regardless of the conduct of a tax audit of the legal entity itself.

2. A tax audit in respect of employees of bodies engaged in operational investigative activities in accordance with the Law of the Republic of Kazakhstan "On operational investigative activities" is conducted in a special manner.

A special procedure for conducting a tax audit is determined by the authorized body in conjunction with special government agencies, military intelligence agencies of the Ministry of Defense of the Republic of Kazakhstan, and law enforcement agencies.

3. When determining the period to be audited, the tax period covered by the tax audit is not included when appointing:

1) comprehensive tax audit, with the exception of those appointed during the reorganization or liquidation of a resident legal entity or a structural subdivision of a non–resident legal entity;

2) a thematic tax audit on a tax application or complaint from the taxpayer (tax agent) himself, including:

on a tax application in connection with the de-registration of a value-added tax payer;

in connection with the complaint of the taxpayer (tax agent) about the notification of the results of the tax audit.

The provision of part one of this paragraph does not apply to the tax audits in respect of:

1) taxpayers subject to tax monitoring;

2) subsurface users;

3) taxpayers engaged in activities related to the production and turnover of certain types of excisable products and biofuels.

4. A tax audit is appointed in accordance with this Code, taking into account the indicator of the tax burden coefficient.

At the same time, a comprehensive tax audit is not appointed for a tax period in which the taxpayer's tax burden coefficient is at least 90 percent of the upper index of the tax burden coefficient for the relevant type of activity and taking into account the region of activity.

The provisions of part two of this paragraph do not apply to the appointment of a comprehensive tax audit at the request of the taxpayer himself, on the grounds provided for by the Criminal Procedure Legislation of the Republic of Kazakhstan, at the request of the prosecutor's office.

Article 153. Cases and grounds for appointment of a tax audit

1. A tax audit is appointed in the following cases:

1) filing by a taxpayer (tax agent) of an application, the requirement, provided for by this Code;

2) the existence of grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

3) the tax authority's decision to conduct a tax audit.

The procedure and basis for the decision of the tax authority to conduct a tax audit are determined by the authorized body;

4) expiration of the term of the subsurface use contract, except in cases of re-registration of the subsurface use right to a licensed subsurface use regime.

2. A tax audit is conducted on the basis of a prescription.

3. A tax audit may be conducted for a previously verified period.

The tax audit for the previously verified period is carried out:

1) at the request, application, or complaint of a taxpayer (tax agent);

2) on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

3) on the basis of a decision of the authorized body.

If a taxpayer (tax agent) files a complaint to the court against notification of the results of a tax audit, the tax audit on the contested issue for the previously verified period is not conducted until the judicial act enters into force.

4. No tax audit is conducted during tax periods when a taxpayer is under horizontal monitoring, except for:

1) counter inspections;

2) tax audits on the application, request, complaint of a taxpayer (tax agent);

3) tax audits on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

4) tax audits in connection with disagreement with a reasoned decision on horizontal monitoring of the fulfillment of a tax obligation and (or) non-fulfillment of such a decision;

5) tax audits on the availability of accompanying invoices for goods and the conformity of the name, quantity (volume) of goods with the information specified in the accompanying invoices for goods:

when moving, selling and (or) shipping goods across the territory of the Republic of Kazakhstan, including those carried out by international road transport between the EAEU member states;

when goods are imported into the territory of the Republic of Kazakhstan from the territory of non-EAEU member states and EAEU member states;

when exporting goods from the territory of the Republic of Kazakhstan to the territory of non–EAEU member states and EAEU member states;

6) tax audits on the availability and authenticity of identification tools and accounting and control stamps;

7) tax audits on the availability of a license;

8) tax audits on the availability of waybills for goods imported and transported between the EAEU member states and the conformity of the name of the goods with the information specified in the waybills;

9) tax audits on compliance with the procedure for the use of cash registers;

10) tax audits on compliance with the legislation of the Republic of Kazakhstan on permits and notifications and conditions of production, storage and sale of certain types of excisable goods;

11) tax audits on the availability and authenticity of a means of identification on goods subject to mandatory labeling in accordance with international treaties ratified by the Republic of Kazakhstan and (or) the legislation of the Republic of Kazakhstan;

12) tax audits on issues of state regulation of production and turnover of certain types of excisable goods, as well as turnover of aviation fuel, biofuels, fuel oil;

13) tax audits on the issues of determining mutual settlements between a taxpayer and his debtors;

14) tax audits on transfer pricing issues.

Article 154. The order of the tax authority

1. The order of the tax authority must contain:

1) the date and number of registration of the order with the tax authority;

2) identification data of a taxpayer (tax agent) – in cases when a tax audit is appointed directly in relation to a taxpayer (tax agent);

3) the name of the tax authority that issued the order;

4) the type, in cases stipulated by the Entrepreneurship Code, and the form of the tax audit ;

5) the term of the tax audit, the periods to be reviewed, with the exception of a time–based survey, - in cases where the tax audit is appointed directly in relation to the taxpayer (tax agent);

6) the inspected area of the territory, issues to be clarified during the tax audit, - in cases where the tax audit is appointed not in relation to a specific taxpayer (tax agent);

7) surnames, first names and patronymics of officials of the tax authority authorized to conduct a tax audit, as well as specialists involved in conducting a tax audit in accordance with this Code.

The tax authority's order may be issued in the form of an electronic document.

2. When appointing tax audits, with the exception of a time-based survey, the tax authority's order shall specify the issues to be verified, depending on the form of the tax audit.

The order for conducting a comprehensive tax audit does not specify the types of taxes to be audited, payments to the budget, and social payments.

3. The order shall be signed by the first head of the tax authority or a person replacing him , unless otherwise provided by this paragraph.

An order for conducting a counter tax audit, as well as a time-based examination, may be signed by the deputy head of the tax authority or a person acting in his place.

4. An additional order is issued by the tax authority in the case of:

1) extending the terms of the tax audit;

2) changes in the number and (or) replacement of officials of the tax authority conducting the tax audit;

3) changes to the period being reviewed.

The additional order must contain:

1) the number and date of registration of the previous order;

2) surnames, first names and patronymics of officials of the tax authority and specialists involved in conducting a tax audit in accordance with this Code.

Article 155. Comprehensive tax audit

1. Comprehensive tax audit – a tax audit on the fulfillment of tax obligations for all types of taxes, payments to the budget and social obligations.

A comprehensive tax audit may include issues related to thematic tax audits.

2. Upon liquidation or termination of a taxpayer's activity, an exclusively comprehensive tax audit (hereinafter referred to as a liquidation tax audit) is conducted.

When a structural subdivision of a resident legal entity is removed from the registration register, a comprehensive tax audit is not conducted, except in the case of a taxpayer submitting an application for such an audit.

Article 156. Thematic tax audit

1. Thematic tax audit is a tax audit of the fulfillment of a tax obligation for certain types of taxes and (or) payments to the budget and (or) social obligations and other requirements of this Code and the legislation of the Republic of Kazakhstan, the control over compliance with which is entrusted to the tax authority.

2. A thematic tax audit is conducted on the following issues:

1) fulfillment of tax obligations for certain types of taxes and (or) payments to the budget;

2) completeness and timeliness of calculation, deduction and transfer of social payments;

3) determination of the tax liability for the action (actions) for issuing an invoice, the commission of which was recognized by the court as that carried out (performed) without the actual performance of work, provision of services, shipment of goods;

4) determining the tax liability for mutual settlements with the taxpayer (taxpayers), in respect of whom a pre-trial investigation is being conducted into the commission of actions to issue an invoice without actually performing work, rendering services, or shipping goods;

5) determining the tax liability for mutual settlements with the taxpayer (taxpayers) in respect of whom the tax authority has applied the suspension of electronic invoice issuance in accordance with subparagraph 1) of paragraph 1 of Article 88 of this Code;

6) determination of mutual settlements between a taxpayer and his debtors;

7) the availability of waybills for goods imported and transported between the EAEU member states and the conformity of the name of the goods with the information specified in the waybills;

8) the availability of accompanying invoices for goods and the conformity of the name, quantity (volume) of goods with the information specified in the accompanying invoices for goods:

when moving, selling and (or) shipping goods across the territory of the Republic of Kazakhstan, including those carried out by international road transport between the EAEU member states;

when goods are imported into the territory of the Republic of Kazakhstan from the territory of non - EAEU member states and EAEU member states;

when exporting goods from the territory of the Republic of Kazakhstan to the territory of non–EAEU member states and EAEU member states;

9) confirmation of the availability of the remaining goods included in the list of goods to which reduced rates of customs duties are applied in connection with the accession of the Republic of Kazakhstan to the World Trade Organization;

10) the legality of the application of the provisions of international treaties;

11) confirmation of the income tax refund submitted by a non-resident from the budget in connection with the application of the provisions of an international treaty regulating the avoidance of double taxation and the prevention of tax evasion;

12) stated in the non-resident's request for reconsideration of a tax application for a refund of income tax from the budget in connection with the application of the provisions of an international treaty regulating the avoidance of double taxation and the prevention of tax evasion;

13) the availability of documents provided for by the regulatory legal acts of the Republic of Kazakhstan adopted in the implementation of international agreements when exporting goods from the territory of the Republic of Kazakhstan to the territory of the EAEU member states and the conformity of goods with the information specified in the documents;

14) compliance by a person and (or) a structural unit of a legal entity with the requirements, established by this Code, when receiving, expending funds and (or) other assets from foreign states, international and foreign organizations, foreign nationals, stateless persons, in certain cases;

15) the availability and authenticity on the product of means of identification for goods subject to mandatory labeling in accordance with international treaties ratified by the Republic of Kazakhstan and (or) the legislation of the Republic of Kazakhstan;

16) compliance with the requirements of the laws of the Republic of Kazakhstan on state regulation of production and turnover of certain types of excisable goods, as well as turnover of aviation fuel, biofuels, fuel oil;

17) availability and authenticity of means of identification and accounting and control marks;

18) availability of a license;

19) registration with the tax authorities;

20) fulfillment of the tax obligation on value added tax and (or) excise duty on goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states;

21) confirmation of the accuracy of the amounts of excess value added tax, including those submitted for refund;

22) confirmation of the actual turnover in the sale of goods, performance of works and provision of services;

23) compliance with the procedure for issuing electronic invoices;

24) confirmation of the presence of violations indicated in the notification of discrepancies identified by the results of desk control;

25) compliance with tax registration requirements;

26) compliance with the procedure for the use of cash registers and (or) a three-component integrated system;

27) availability of cash registers and (or) a three-component integrated system;

28) availability of equipment (devices) designed for making payments using payment cards;

29) failure to comply with a reasoned decision on monitoring major taxpayers;

30) disagreement with a reasoned decision on horizontal monitoring of the fulfillment of a tax obligation and (or) non-fulfillment of such a decision;

31) stated in the complaint of the taxpayer (tax agent) on the notification of the results of the tax audit;

32) fulfillment by banking organizations of the duties established by:

this Code;

the Social Code of the Republic of Kazakhstan;

the Law of the Republic of Kazakhstan "On compulsory social health insurance";

other legislation of the Republic of Kazakhstan, the control over compliance with which is entrusted to the tax authorities;

33) compliance with the legislation of the Republic of Kazakhstan on permits and notifications and conditions of production, storage and sale of certain types of excisable goods;

34) transfer pricing;

35) execution of the order on suspension of expenditure operations at the taxpayer's (tax agent's) cash desk.

A thematic tax audit can be conducted simultaneously on several issues.

3. Tax authorities shall not have the right to carry out a thematic tax audit of actions for issuing an invoice, the commission of which has been recognized by the court as that carried out without the actual performance of work, provision of services, shipment of goods, until notification is sent to the taxpayer (tax agent) of discrepancies identified by the results of desk control and the expiration of its execution.

4. In agreement with associations of private business entities, representatives of such associations may be involved in conducting a thematic tax audit that is not assigned to a specific taxpayer (tax agent).

Representatives of associations of private business entities monitor compliance with the rights of taxpayers (tax agents) when conducting these thematic tax audits.

5. A thematic tax audit is conducted simultaneously on the issues of fulfilling tax obligations for certain types of taxes and (or) payments to the budget and confirming the accuracy of the amounts of excess value-added tax, including those submitted for refund, when appointed for one of the following reasons:

1) a taxpayer's tax statement on the refund of the excess of value–added tax in order to apply the procedure for refunding the excess of value-added tax within twenty tax periods in equal shares - to confirm the accuracy of the excess of value-added tax;

2) the taxpayer's claims for the refund of the excess amount of value–added tax indicated in the value-added tax return - to confirm the authenticity of the excess amounts of value-added tax submitted for refund.

Article 157. Counter tax audit

1. Counter tax audit is an auxiliary tax audit of persons who carried out transactions with a taxpayer (tax agent), in respect of whom a comprehensive or thematic tax audit is being conducted, in order to obtain additional information about such transactions, confirm the fact and content of transactions on the issues arising during the tax audit of the specified taxpayer (tax agent).

In this case, a counter-tax audit is conducted for the period that corresponds to the taxpayer's (tax agent's) period under review within the limitation period.

2. A counter tax audit is appointed in accordance with the procedure determined by the authorized body.

3. A counter-tax audit is also recognized as an audit conducted:

1) at the request of tax or law enforcement agencies of other states, international organizations in accordance with international treaties (agreements) on mutual cooperation between tax or law enforcement agencies, one of the parties to which is the Republic of Kazakhstan, as well as treaties concluded by the Republic of Kazakhstan with international organizations;

2) in relation to persons who carried out transactions with participants in horizontal monitoring.

Article 158. Time-based survey

1. A time–based survey is a tax audit conducted by a tax authority in order to establish the taxpayer's actual income and the actual costs associated with income-generating activities for the period during which the survey is conducted.

2. The results of the time-based examination:

1) are used in the tax risk management system;

2) are taken into account when the amounts of taxes and payments to the budget are accrued based on the results of a comprehensive or thematic tax audit.

3. The decision to conduct a time-based survey is made by the tax authority at the location indicated in the taxpayer's registration data and (or) at the location of the taxable object and (

or) the object related to taxation, in accordance with the procedure determined by the authorized body.

Article 159. Participants in the tax audit

1. The participants in the tax audit are:

1) officials of the tax authority conducting the tax audit;

2) specialists involved by the tax authority to conduct a tax audit in accordance with this Code, specified in the order (hereinafter referred to as the specialist);

3) the audited persons:

in case of thematic tax audits not assigned to a specific taxpayer (tax agent), - the taxpayer , including the EAEU member states and non–EAEU member states, in the area of the territory specified in the order;

in other forms of tax audits, - the taxpayer (tax agent) specified in the order.

2. In order to survey the issues requiring special knowledge and skills and obtain consultations, the tax authority has the right to involve in the tax audit a specialist with such special knowledge and skills, including officials of other state bodies of the Republic of Kazakhstan.

On the issues submitted on paper or in the form of an electronic document submitted by an official of the tax authority, the specialist involved in the audit draws up an opinion that is used during the tax audit.

Copies of such written questions and conclusions are attached to the tax audit report, including to the copy to be handed over to the taxpayer (tax agent).

3. A tax audit is also carried out in respect of an authorized representative of the participants of a simple partnership (consortium) responsible for maintaining consolidated tax records for such activities in order to obtain information about the taxpayer (tax agent) being audited on the issues related to the business activities of the taxpayer (tax agent) being audited.

Article 160. The rights and obligations of tax authority officials during the tax audit

1. When conducting a tax audit for the period under review, tax officials have the right to:

1) require and receive from banking organizations documents and information on the availability and numbers of the bank accounts of the person being audited, as well as documents and information related to the balances and movement of money on the accounts of taxpayers (persons being audited) necessary for conducting an audit, including those containing banking secrecy in accordance with the legislation of the Republic of Kazakhstan;

2) request and receive from government agencies the documents and information necessary for conducting an audit, including those constituting commercial, banking, tax and other legally protected secrets in accordance with the laws of the Republic of Kazakhstan;

3) require and receive accounting documentation on paper and electronic media, as well as access to automated databases (information systems) in accordance with the subject of the tax audit;

4) request and receive written explanations from the taxpayer, including his employees, on the issues arising during the tax audit;

5) send inquiries to state and other bodies (organizations) of foreign states on the issues that have arisen during the tax audit;

6) require the taxpayer (tax agent) to grant the right of access to view the data of software designed to automate accounting and tax accounting, and (or) the information system used by him and containing:

data of primary accounting documents;

accounting registers data;

information about taxable objects and (or) objects related to taxation.

The provision of part one of this subparagraph, except for the case of such a requirement during horizontal monitoring and tax audit in respect of income and expenses, does not apply to the software and (or) information system of banking organizations containing information constituting a banking secret in accordance with the laws of the Republic of Kazakhstan;

7) inspect the property that is an object of taxation and (or) an object related to taxation, regardless of its location, conduct an inventory of the property of the person being audited (except residential premises), including for compliance with the information specified in the consignment notes;

8) determine by indirect method the objects of taxation and (or) objects related to taxation , in accordance with the procedure established by this Code;

9) exercise other rights in accordance with this Code and the laws of the Republic of Kazakhstan.

2. When conducting a tax audit, the officials of the tax authority are obliged to:

1) respect the rights and legitimate interests of the person being audited, and to prevent harming the person being audited by unlawful decisions and actions (inaction);

2) ensure the safety of documents received and compiled during the tax audit, not to disclose their contents without the consent of the person being audited, except in cases provided for by the laws of the Republic of Kazakhstan;

3) observe professional ethics;

4) not to violate the established working hours of the taxpayer being audited during the tax audit period;

5) provide, at the request of the person being audited, the necessary information on the provisions of this Code concerning the procedure for conducting tax audits;

6) when conducting a tax audit, present an order to the representatives of the person being audited, as well as their official identification cards or identification cards;

7) perform other duties stipulated by this Code.

Article 161. The rights and obligations of a taxpayer (tax agent) during a tax audit

1. When conducting a tax audit, a taxpayer (tax agent) has the right:

1) to request from the tax authority and receive from them information on the provisions of this Code and the legislation of the Republic of Kazakhstan concerning the procedure for conducting an audit;

2) to require officials of the tax authorities conducting a tax audit to present an order on conducting a tax audit, as well as official identification cards or identification cards;

3) to be present during the tax audit and provide explanations on the issues related to the subject of the tax audit;

4) to submit a written objection to the preliminary tax audit report in accordance with the procedure established by the tax legislation of the Republic of Kazakhstan;

5) to provide a standard verification file – accounting data in an electronic format that allows for analysis through the information systems of the tax authority.

The requirements for the standard file, the procedure for its compilation and submission are established by the authorized body;

6) to enjoy other rights provided for by this Code.

2. When conducting tax audits, a taxpayer (tax agent) must:

1) submit, at the request of officials of the tax authority, documents and information on paper and electronic media within the established time limits;

2) submit accounting documentation prepared by the taxpayer (tax agent);

3) ensure unhindered access to the territory and (or) premises of the person being audited for officials of the tax authority conducting a tax audit and officials involved in conducting such an audit and provide them with a workplace;

4) ensure that inventory is carried out during tax audits;

5) submit, at the request of officials of the tax authority conducting the tax audit, written and oral explanations on the issues of the taxpayer's (tax agent's) activities;

6) provide access to the data of software designed to automate accounting and tax accounting, and (or) the information system used by him and containing:

data of primary accounting documents;

accounting registers data;

information about taxable objects and (or) objects related to taxation;

7) perform other duties stipulated by this Code and the laws of the Republic of Kazakhstan.

When conducting thematic audits on the issues specified in the sub-paragraphs 7), 8), 9), 13) and 15) of paragraph 2 of Article 156 of this Code, the costs of unloading, loading, and storage incurred during the audit shall be reimbursed by the persons being audited.

Paragraph 2. Procedure and terms of the tax audit

Article 162. The commencement of the tax audit

1. The date of commencement of a tax audit is the date on which the taxpayer (tax agent) receives the tax authority's order personally against signature, unless otherwise specified in paragraph 6 of this Article.

2. The order of the tax authority shall be submitted to the taxpayer (tax agent) within three working days following the day of issuance.

The taxpayer (tax agent) signs the copy of the tax authority's order on familiarization and receipt, as well as the date and time of receipt.

The provisions of parts one and two of this paragraph do not apply to thematic tax audits that are not assigned to a specific taxpayer (tax agent).

3. When conducting a thematic tax audit that is not assigned to a specific taxpayer (tax agent), the taxpayer (tax agent) or his employee who sells goods, performs work or provides services shall be presented with the original order for review and a copy thereof.

In the original order of the tax authority, the taxpayer (tax agent) or his employee who sells goods, performs work or provides services:

makes a corresponding entry on familiarization with the order of the tax authority and receipt of a copy;

puts the signature, date and time of receipt of a copy of the tax authority's order.

4. In case of refusal of the taxpayer (tax agent) to receive the order of the tax authority, the official of the tax authority:

1) makes a video recording of the fact of refusal;

2) makes a corresponding entry on a copy of the tax authority's order;

3) draws up an act of refusal to receive an order from the tax authority with the involvement of witnesses.

5. The refusal of a taxpayer (tax agent) to receive an order from a tax authority is not a reason for canceling a tax audit.

The refusal of a taxpayer (tax agent) to receive an order from a tax authority means that officials of the tax authority are not allowed to conduct a tax audit.

The provision of part two of this paragraph does not apply if the taxpayer (tax agent) has the right to refuse to provide access for the officials of the tax authority to the territory and (or) premises.

6. If the taxpayer (tax agent) refuses to receive the order of the tax authority, the date of the beginning of the audit is considered to be the date of drawing up the act of refusal to receive the order.

7. During the period of the tax audit, it is not allowed to terminate this tax audit due to:

1) the tax application of the taxpayer (tax agent);

2) termination of a criminal case and a tax audit on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan, if the audit is conducted as part of a pre-trial investigation.

8. If a taxpayer appeals against the order of the tax authority during the period of the tax audit, the suspension of such a tax audit is not allowed.

Article 163. Deadline for conducting tax audits

1. The time period for conducting a tax audit, specified in the order of the tax authority, should not exceed thirty working days from the date of delivery of the order, unless otherwise provided by this article.

2. The deadline for conducting a tax audit in respect of legal entities without structural subdivisions, individual entrepreneurs and non-residents operating through permanent establishments, if there is no more than one location in the Republic of Kazakhstan appointed by:

1) the tax authority may be extended by:

the tax authority – up to forty working days;

a higher tax authority – up to fifty working days;

2) the authorized body, may be extended up to fifty working days.

3. The deadline for conducting a tax audit in respect of legal entities with structural subdivisions and non–residents operating through permanent establishments, if there is more than one location in the Republic of Kazakhstan appointed by:

1) the tax authority, may be extended by:

the tax authority - up to sixty-five working days;

a higher tax authority – up to one hundred and sixty working days;

2) the authorized body, may be extended by the authorized body up to one hundred and sixty working days.

The period for conducting the tax audit specified in paragraphs 2 and 3 of this article should not exceed one hundred and eighty calendar days from the date of the beginning of such an audit, with the exception of tax audits in respect of major business entities or when sending a request for information to foreign countries and receiving information on it in accordance with international agreements.

4. The deadline for conducting a tax audit in respect of taxpayers who are on tax monitoring, appointed by:

1) the tax authority, may be extended by:

the tax authority – up to seventy-five working days;

a higher tax authority – up to one hundred and eighty working days;

2) the authorized body, may be extended by the authorized body up to one hundred and eighty working days.

5. The total period for conducting a tax audit, taking into account the extension provided for in this article, should not exceed the time limits specified in paragraphs 2, 3 and 4 of this Article.

6. The duration of the tax audit may be suspended by the tax authorities for a period of:

handing over to the taxpayer (tax agent) the request of the tax authority for the submission of information and (or) documents and the submission by the taxpayer (tax agent) of the information and (or) documents requested during the tax audit;

sending a request from a tax authority to other tax authorities, government agencies, banking organizations and other organizations operating in the territory of the Republic of Kazakhstan, and receiving information and (or) documents upon the specified request;

sending a request for information to foreign countries and receiving information on it by tax authorities in accordance with international agreements;

preparing a written objection by the audited taxpayer (tax agent) to the preliminary act of tax audit and its consideration by the tax authority in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

When suspending or restoring the deadline for conducting a tax audit, the tax authority notifies the state body that carries out activities in the field of state legal statistics and special accounting within its competence.

The period of suspension on the grounds provided for in this article is not included in the period of the tax audit:

1) of taxpayers who are on tax monitoring;

2) carried out in connection with the liquidation of a resident legal entity, a structural subdivision of a non–resident legal entity, the termination by a non–resident legal entity of activities carried out in the Republic of Kazakhstan through a permanent establishment, the termination of the activities of an individual entrepreneur;

3) regarding:

transfer pricing;

confirmation of the authenticity of the amounts of excess value added tax submitted for refund;

inspections of tax agents on income tax refunds from the budget based on a non-resident's application;

stated in the complaint of the taxpayer (tax agent) on the notification of the results of the tax audit;

4) conducted on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan;

5) if a taxpayer (tax agent) is required by the tax authority to submit documents (information) during tax audits;

6) in cases of submitting a preliminary tax audit report to the taxpayer (tax agent), as well as consideration by the tax authority of the taxpayer's (tax agent's) written objection to the preliminary tax audit report in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

The period of suspension of other tax audits not specified in this paragraph shall be included in the period of the tax audit.

7. The tax authority is obliged to provide the taxpayer (tax agent) being audited with a notice of suspension or resumption of the tax audit within three working days from the date of suspension or resumption by:

1) sending electronically via the web portal - if the taxpayer is registered on the web portal.

When sending an electronic notification of the suspension or resumption of a tax audit, it is considered to have been handed over to the taxpayer (tax agent) being audited from the moment of its review in the personal account of the user of the web portal;

2) delivery in person against signature or sending by registered mail or other communication organization with a notification – in the absence of familiarization with such notification in the personal account of the user of the web portal after one working day following the day of sending such notification electronically.

When sent by registered mail of a postal or other communication organization with a notification, the notification of the suspension or resumption of the tax audit is considered to have been handed over to the taxpayer (tax agent) being audited from the date such person makes a note in the notification of the postal or other communication organization.

When personally handing over a notice of suspension or resumption of a tax audit, the taxpayer (tax agent) being audited shall put a signature on the copy of the tax authority confirming the review and receipt, as well as the date and time of receipt.

8. The time limit for conducting, extending and suspending thematic tax audits to confirm the accuracy of the amounts of excess value-added tax submitted for refund shall be established in compliance with the time limits provided for in paragraph 2 of Chapter 10 of this Code.

9. The time limit for conducting a time-based survey may not exceed thirty working days.

The extension and (or) suspension of the tax audit period provided for in this article shall not apply when conducting a time-based survey.

A time-based survey may be conducted after hours (at night, weekends, holidays) if the taxpayer (tax agent) being audited is carrying out his/her activities at the specified time.

10. The following period is not included in the time limit for the tax audit, between:

1) the date of sending the tax audit report to the taxpayer (tax agent) electronically and the date of certification of such report by means of an electronic digital signature;

2) the date of sending the tax audit report to the taxpayer (tax agent) electronically and the date of delivery against signature in the absence of certification of such an act by means of an electronic digital signature.

Article 164. The requirement to submit documents

1. Upon delivery of a tax authority's order, a taxpayer (tax agent) may be requested to submit documents.

The requirement to submit documents during the audit is submitted no more than twice, with the exception of inspections of taxpayers classified as subjects of medium and large businesses.

2. The deadline for the taxpayer (tax agent) to fulfill the requirement to submit documents is ten working days from the day following the day of delivery.

If a taxpayer (tax agent) submits a request for an additional period of time to fulfill the requirement to submit documents, the tax authority may extend the deadline for execution to thirty working days based on the volume of the requested documents.

Article 165. Specifics of time-based survey

1. A time-based survey is carried out in the presence of the taxpayer (tax agent) and (or) his representative.

2. In order to conduct a time-based survey, the tax authority independently determines the issues related to the taxable object under audit and (or) the object related to taxation.

The following is subject to mandatory survey:

1) objects of taxation and (or) objects related to taxation. If necessary, the tax authority has the right to conduct an inventory of the taxpayer's inventory items;

2) availability of money, monetary documents, accounting books, reports, estimates, securities, calculations, declarations and other documents related to the taxable object and (or) the object related to taxation;

3) the fiscal report of the cash register machine.

3. An official of the tax authority conducting a time-based survey shall ensure on a daily basis the completeness and accuracy of entering information obtained during the survey into time-based observation cards.

A time-based observation card is drawn up for each taxable and/or tax-related object, as well as for each other source of income.

The time-based observation card must contain:

1) identification data and type of activity of the taxpayer;

2) the date and time of the start and end of the time-based survey;

3) the location of the taxable object and (or) the object related to taxation;

4) the cost of goods sold, works performed, services rendered;

5) data on the taxable object under audit and (or) the object related to taxation;

6) the results of the survey.

4. On a daily basis, at the end of the surveyed day, a summary table is compiled for all taxable objects and (or) objects related to taxation, as well as for other sources of income.

5. The time-based observation card and summary table must be signed by an official of the tax authority and the taxpayer or his representative and attached to the time-based survey report.

If necessary, copies of supporting documents, calculations and other materials obtained during the survey are attached to the time-based observation card.

Article 166. Specifics of conducting a thematic tax audit to confirm the accuracy of the amounts of excess value added tax

1. A thematic tax audit to confirm the accuracy of the amounts of excess value added tax is carried out in the following cases:

1) submission of a tax statement to confirm the accuracy of the amounts of excess value-added tax in terms of the amount of tax offset for goods, works, and services purchased in connection with the construction of industrial buildings and structures being put into operation for the first time in the territory of the Republic of Kazakhstan, as well as during the period of geological exploration and field development;

2) submission of a claim for a refund of the excess amount of value added tax;

3) conducting a thematic tax audit to confirm the accuracy of the amounts of excess value-added tax previously returned from the budget to the taxpayer, including in a simplified manner.

2. A thematic tax audit on the refund of value added tax is conducted simultaneously on the following issues:

1) fulfillment of a value-added tax obligation;

2) confirmation of the authenticity of the amounts of excess value added tax submitted or previously confirmed for refund.

3. The period under review includes:

1) the tax period specified in the tax statement - when applying for a refund of excess value - added tax incurred in connection with the application of Article 129 of this Code;

2) the tax period for which the taxpayer has filed a claim for a refund of the excess amount of value - added tax for the tax period for which the value-added tax return has been submitted indicating the claim for a refund of the excess amount of value-added tax - when submitting a claim for a refund of the excess amount of value-added tax;

3) tax periods for which no audits have been carried out on this type of tax and which do not exceed the limitation period – when filing a claim for a refund of the excess amount of value-added tax.

4) tax periods for which the amounts of excess value - added tax were previously refunded, - in the case of a thematic tax audit to confirm the accuracy of the amounts of excess value-added tax previously returned from the budget to the taxpayer, or a comprehensive tax audit.

4. When conducting a thematic tax audit on the refund of value-added tax in order to confirm the accuracy of the amount of excess value-added tax claimed for refund in accordance with Article 129 of this Code, the period under review includes the time period starting from the tax period in which:

1) construction of industrial buildings and structures has begun;

2) a contract for subsurface use has been concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

5. Upon confirmation of the accuracy of the amount of excess value added tax:

1) submitted for refund in accordance with Article 129 of this Code, the results of tax audits conducted on the taxpayer's tax statement to confirm the accuracy of the amounts of excess value-added tax shall be taken into account;

2) formed for tax periods prior to January 1, 2013, the results of previously conducted tax audits of the taxpayer, including counter-tax audits, are taken into account.

6. When determining the amount of value-added tax to be refunded in accordance with this Code, the following information shall be taken into account:

1) confirming the fact of export of goods from the customs territory of the EAEU in the customs procedure of export, and information from documents confirming the export of goods – in the case of export of goods;

2) from documents confirming the fact of processing of toll raw materials by a taxpayer of the Republic of Kazakhstan – in the case of processing of toll raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state, with subsequent export of processed products to the territory of another state;

3) customs authorities confirming the fact of export of processed products from the customs territory of the EAEU – in case of processing of toll raw materials imported into the territory of the Republic of Kazakhstan from the territory of one EAEU member state, with subsequent sale of processed products to the territory of a non-EAEU member state.

7. The receipt of foreign currency earnings to the taxpayer's bank accounts in the second-tier banks in the territory of the Republic of Kazakhstan, opened in accordance with the procedure established by the legislation of the Republic of Kazakhstan, is taken into account when determining the amount of value-added tax to be refunded, in the case of:

1) export of goods;

2) export of goods from the territory of the Republic of Kazakhstan to the territory of the EAEU member state under a leasing agreement (contract) providing for the transfer of ownership of it to the lessee – in terms of reimbursement of the initial cost of the goods (leased item);

3) processing of toll raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state, followed by the export of processed products to the territory of another state or to the territory of a non-EAEU member state.

The requirements of part one of this paragraph on the receipt of foreign currency earnings to the taxpayer's bank accounts in banking organizations in the territory of the Republic of Kazakhstan do not apply to taxpayers:

1) operating under the production sharing agreement concluded between the Government of the Republic of Kazakhstan and the subsurface user before January 1, 2009, selling the extracted unstable condensate from the territory of the Republic of Kazakhstan to the territory of other EAEU member states;

2) carrying out exploration and (or) production of hydrocarbons at sea within the framework of a production sharing agreement (contract) providing for the transfer of minerals due to the fulfillment by the subsurface user of a tax obligation to pay royalties and (or) a share of the Republic of Kazakhstan in the division of products in kind.

8. In the case of exports of goods under foreign trade exchange (barter) transactions, when determining the amount of value-added tax to be refunded, the presence of:

1) an agreement (contract) on a foreign trade exchange (barter) operation is taken into account;

2) an import declaration for goods for the goods delivered to the value-added tax payer by the buyer of exported goods in a foreign trade exchange (barter) operation is taken into account.

9. In the case of export of goods from the territory of the Republic of Kazakhstan to the territory of the EAEU member state for foreign trade exchange (barter) operations, provision of a loan in the form of items, when determining the amount of value–added tax to be refunded, the presence of:

1) an agreement (contract) on a foreign trade exchange (barter) operation is taken into account;

2) a loan agreement (contract) in the form of items is taken into account;

3) applications for the import of goods and payment of indirect taxes on goods delivered to the value-added tax payer by the buyer of exported goods under the specified operations is taken into account.

10. In order to determine the reliability of the excess amount of value-added tax, a tax risk management system is used during the audit, within the framework of which an analytical report "Supplier Pyramid" is generated.

For the purposes of this article, the analytical report "Supplier Pyramid" is the results of comparative control over the issuance of electronic invoices carried out by tax authorities based on the study and analysis of electronic invoices, value-added tax reports and (or) information from the tax authority's informatization facilities.

11. Based on the results of a thematic tax audit on the refund of value-added tax, the amount of excess value-added tax to be refunded is determined.

No refund of value-added tax is made based on the results of a thematic tax audit in cases where:

1) responses to requests for counter-audits to confirm the reliability of settlements with the supplier and the buyer have not been received, or a counter-tax audit has not been conducted, including due to:

the absence of the supplier at the location;

loss of the supplier's accounting documentation;

2) an underestimation of the amount of value-added tax on goods sold, works performed and services rendered was revealed when comparing the information reflected in the

value-added tax statements from the direct supplier for the tax period and information from the electronic invoice information system for all invoices issued by the supplier;

3) a criminal case has been initiated under Articles 216 and 245 of the Criminal Code of the Republic of Kazakhstan, against the taxpayer, in respect of whom the tax audit is being conducted, or his direct supplier;

4) the issuance of electronic invoices for the taxpayer being audited or his direct supplier has been suspended;

5) there is a value added tax arrears from the direct supplier;

6) foreign currency earnings are not received (they are not received in full);

7) the fact of the export of goods has not been confirmed (not fully confirmed).

12. The provisions of this article shall also apply if the tax authority includes the issue of confirming the accuracy of the amounts of excess value-added tax submitted for refund in a comprehensive audit.

Article 167. Specifics of conducting a thematic tax audit on the issue of income tax refund from the budget on the basis of a non-resident's tax statement

1. A thematic tax audit on the issue of income tax refund from the budget on the basis of a non-resident's tax statement is conducted in respect of a tax agent for the fulfillment of his tax obligations to calculate, withhold and transfer income tax at the source of payment from the income of a non-resident who submitted such an application, within the limitation period.

2. The tax authority shall appoint a thematic tax audit within ten working days from the date of receipt of the non-resident's tax statement.

3. During the thematic tax audit, the tax authority verifies the documents for:

1) the completeness of the tax agent's fulfillment of tax obligations to calculate, withhold and transfer income tax at the source of payment from non-resident income;

2) formation of a permanent establishment by a non-resident in accordance with this Code or an international treaty;

3) registration of a non-resident applicant in accordance with the legislation of the Republic of Kazakhstan on state registration of legal entities and registration of branches and representative offices, registration;

4) the accuracy of the data indicated in the tax application for the refund of income tax from the budget.

Article 168. Access to the territory and (or) premises for conducting a tax audit

1. The taxpayer (tax agent) being audited is obliged to provide access to officials of the tax authority and other persons involved in conducting a tax audit:

to the territory and (or) premises (other than residential premises) used for income extraction;

to objects of taxation and (or) objects related to taxation for survey;

to view software data in accordance with subparagraph 6) of paragraph 1 of Article 160 of this Code.

The taxpayer (tax agent) being audited is obliged to provide access to officials of the tax authority and other persons involved in conducting a tax audit upon presentation of:

the order from the tax authority, as well as official identification cards or identification cards;

special permits, if, in accordance with the legislation of the Republic of Kazakhstan, they are necessary for access to the territory and (or) premises of the taxpayer (tax agent) being audited.

2. The taxpayer (tax agent) being audited has the right to refuse to provide access to the territory and (or) premises in cases where:

1) the order has not been presented, as well as official identification cards or identification cards;

2) officials of the tax authority and (or) persons involved in conducting a tax audit are not specified in the order;

3) officials of the tax authority and (or) persons involved in conducting a tax audit do not have special access to the territory and (or) premises of the taxpayer (tax agent), if such access is required in accordance with the legislation of the Republic of Kazakhstan.

3. In case of unjustified refusal and (or) obstruction of the taxpayer (tax agent) being audited to provide access to the officials of the tax authorities conducting the tax audit and persons involved in conducting the tax audit, an act of non-admission shall be drawn up.

4. The act of non-admission is signed:

1) by officials of the tax authority conducting a tax audit;

2) by specialists;

3) by the taxpayer (tax agent) being audited;

4) by witnesses involved in the manner prescribed by Article 182 of this Code.

If the taxpayer (tax agent) in respect of whom a tax audit has been appointed refuses to sign the non-admission act, the official of the tax authority indicated in the order for conducting the tax audit shall make an appropriate entry about this in such an act.

Article 169. Preliminary tax audit report

1. A preliminary tax audit report is a document on the preliminary results of a tax audit, drawn up by the auditor in accordance with the tax legislation of the Republic of Kazakhstan and handed over to the taxpayer (tax agent) before the tax audit report is drawn up.

The taxpayer (tax agent) being audited has the right to submit a written objection to the preliminary tax audit report.

2. The procedure and terms for handing over to a taxpayer (tax agent) a preliminary tax audit report, submitting a written objection to the preliminary tax audit report, as well as considering such an objection, shall be approved by the authorized body.

3. When appointing a tax audit appointed on the basis of an instruction from an authorized body on the appointment and conduct of a thematic tax audit, sent during consideration of a

complaint from a taxpayer (tax agent) on notification of the results of a tax audit, a preliminary tax audit report is not drawn up and is not handed over.

Article 170. Completion of the tax audit

1. Upon completion of a tax audit, an official of the tax authority who conducted the tax audit shall draw up a tax audit report.

The tax audit report must contain:

1) place and date of compilation;

2) the verification form, the period under review;

3) positions, surnames, first names and patronymics of officials of the tax authority who conducted the tax audit;

4) positions, surnames, first names and patronymics of representatives of associations of private business entities who participated in the tax audit;

5) name of the tax authority;

6) identification data of the audited taxpayer (tax agent);

7) bank details of the audited taxpayer (tax agent);

8) surnames, first names and patronymics of the head and officials of the taxpayer (tax agent) responsible for maintaining tax and accounting records and paying taxes and payments to the budget;

9) information about the previous audit and the measures taken to eliminate previously identified violations (during a comprehensive or thematic tax audit);

10) general information about the documents submitted by the audited taxpayer (tax agent);

11) a detailed description of the violations identified, indicating the relevant provisions of the legislation of the Republic of Kazakhstan, the requirements of which are violated;

12) audit results.

The necessary copies of documents, calculations made by the official of the tax authority who conducted the tax audit, and other materials obtained during the tax audit, with the exception of information that is a tax secret, are attached to the tax audit report.

2. A tax audit report shall be drawn up in at least two copies and:

1) is signed by the officials of the tax authority who conducted such an audit, if it is handed over personally against signature;

2) is certified by means of an electronic digital signature of the officials of the tax authority who conducted such an audit, if it is delivered electronically.

3. The completion of the tax audit period is considered to be the day when the tax audit report is handed over to the audited taxpayer (tax agent).

The tax audit report shall be submitted to the audited taxpayer (tax agent) in accordance with the procedure specified in paragraph 7 of Article 163 of this Code.

4. If it is impossible to hand over the tax audit report personally against signature to the audited taxpayer (tax agent) due to his absence at the location, a tax survey is conducted with the involvement of witnesses and a corresponding entry is made in the tax audit report.

The date of delivery of the tax audit report is the date of drawing up the tax survey report.

5. If the audited taxpayer (tax agent) refuses to receive the tax audit report, a corresponding entry is made in the tax audit report and an act of refusal to receive the tax audit report is drawn up.

The date of delivery of the tax audit report is the date of drawing up the act of refusal to receive the tax audit report.

6. If, during the period from the date of receipt of the liquidation tax report to the date of completion of the liquidation tax audit, a tax obligation arises for the calculation, payment of taxes, payments to the budget and a social obligation, such obligations are indicated in the appendix to the tax audit report without penalties and fines.

Article 171. Decision on the results of the tax audit

1. Upon completion of the tax audit, in the event of violations leading to the accrual of taxes and payments to the budget, reduction of losses, non-confirmation of the refund of excess amounts of value-added tax and (or) corporate (individual) income tax withheld from the source of payment from non-resident income, the tax authority shall issue a notification on the results of the tax audit.

2. Registration of the notification of the results of the tax audit and the act of tax audit is carried out by the tax authority under one number.

3. The notification of the results of the tax audit must contain:

1) the information specified in paragraph 4 of Article 49 of this Code;

2) the date and number of registration of the notification and the tax audit report;

3) the amount of:

accrued taxes and payments to the budget, social payments and penalties;

reduced losses;

excess of value added tax, not confirmed for refund;

corporate (individual) income tax withheld at the source of payment from income of non-residents, not confirmed for refund;

4) details of the relevant taxes and payments to the budget and penalties;

5) the time and place of appeal.

4. Notification of the results of the tax audit shall be submitted to the taxpayer (tax agent) by:

1) sending electronically via the web portal - in the case when the taxpayer (tax agent) is registered on the web portal.

When sending an electronic notification of the results of the tax audit, it is considered to have been handed over to the taxpayer (tax agent) from the moment of its review in the personal account of the user of the web portal;

2) delivery in person against signature or sending by registered mail or other communication organization with a notification – in the absence of familiarization with such notification in the user's office of the web portal after three working days following the day of sending electronically.

If a registered letter is sent by means of a postal or other communication organization with a notification, the notification of the results of the tax audit is considered to have been handed over to the taxpayer (tax agent) from the date of the taxpayer's (tax agent's) mark in the notification of the postal or other communication organization.

Upon delivery of the notification of the results of the tax audit, the taxpayer (tax agent) personally signs the copy of the tax authority on familiarization and receipt, as well as the date and time of receipt.

5. If a postal or other communication organization returns a notification of the results of a tax audit sent to a taxpayer (tax agent) by registered mail with a notification, the date of delivery of such notification is the date:

1) of conducting a tax survey;

2) of the return of such a letter by a postal or other communication organization – in the event that the tax audit report is handed over on the basis of the tax survey report.

6. If the taxpayer (tax agent) agrees with the accrued amounts of taxes, payments to the budget and (or) penalties specified in the notification of the results of the tax audit, the deadlines for fulfilling the tax obligation to pay taxes, payments to the budget, as well as the obligation to pay penalties may be extended by sixty working days at the request of the taxpayer (tax agent) with a payment schedule attached.

In this case, the specified amount is payable to the budget with penalties for each day of the extension of the payment period and is paid in equal installments every fifteen working days of the specified period.

The deadline for fulfilling a tax obligation in accordance with the procedure established by part one of this paragraph for the payment of the amounts of excise duty and taxes withheld at the source of payment accrued as a result of audit is not subject to extension.

7. The amounts of tax liability for calculation, payment of taxes, payments to the budget and social obligations incurred in the period from the date of receipt of the liquidation tax report to the date of completion of the liquidation tax audit are reflected in the notification of the amounts accrued during the liquidation period.

8. If, during a tax audit for the same tax period on the same issue, the tax authority has identified the fact that the taxpayer (tax agent) committed a violation of the tax legislation of the Republic of Kazakhstan, which was not revealed during any of the previous tax audits, proceedings on an administrative offense against the taxpayer for such violation cannot be started, and what has been started is subject to termination.

The provisions of part one of this paragraph do not apply to thematic tax audits upon a non-resident's request for reconsideration of a tax application for a refund of income tax from

the budget in connection with the application of the provisions of an international treaty regulating the avoidance of double taxation and the prevention of tax evasion.

The provision of part one of this paragraph does not apply to violations of the tax legislation of the Republic of Kazakhstan identified:

1) in terms of reducing by a taxpayer (tax agent) the amount of tax to be paid or a payment to the budget by submitting additional tax reports for a previously audited tax period for this type of tax or payment to the budget;

2) based on the results of a response to a request from a tax authority sent during any of the previous tax audits of the same tax period, if the specified response is received after the completion of such an audit;

3) based on the results of consideration of documents affecting the amount of tax or payment to the budget to be paid and not submitted by the taxpayer (tax agent) at the request of the tax authority during any of the previous tax audits of the same tax period for this type of tax or payment to the budget;

4) in terms of the action of issuing an invoice performed by a private business entity without actually performing work, rendering services, or shipping goods, after the entry into force of a judicial act, if the tax authority first received information about such action after the completion of any of the previous tax audits of the tax period in which such action was performed.

Paragraph 3. Determination of objects of taxation and (or) objects related to taxation, in some cases by the indirect method

Article 172. Tax audits in the absence of accounting and other documents

1. If, during a tax audit, a taxpayer (tax agent) fails to submit all or part of the documents necessary to determine the objects of taxation and (or) objects related to taxation, the taxpayer (tax agent) must be required to submit or restore the documents and (or) information necessary to determine the objects of taxation and (or) objects related to taxation (hereinafter referred to as – a requirement to submit or restore documents and/or information), as well as a notice of suspension of the tax audit.

2. A request for the submission or restoration of documents and (or) information shall be submitted to the taxpayer (tax agent) in accordance with the procedure specified in paragraph 4 of Article 171 of this Code.

3. The deadline for fulfilling the requirement to submit or restore documents and (or) information is thirty working days from the day following the day of delivery.

4. A taxpayer (tax agent) who has not submitted the documents necessary to determine the objects of taxation and (or) objects related to taxation, upon request for the submission or restoration of documents and (or) information, must provide a written explanation of the reasons for the failure to submit these documents.

Article 173. Determination of taxable objects and (or) objects related to taxation using the indirect method

1. In case of violation of the accounting procedure, in case of loss or destruction of accounting documents, when determining the income of an individual, the tax authorities determine the objects of taxation and (or) objects related to taxation on the basis of indirect methods (assets, property, liabilities, turnover, income, expenses, costs).

Violation of the accounting procedure, loss or destruction of accounting documents is understood as the absence or failure by a taxpayer (tax agent) to submit documents that are the basis for determining taxable objects and (or) tax-related objects for calculating tax obligations requested based on the requirements of the tax authority for the submission or restoration of these documents.

The indirect method of determining objects of taxation and (or) objects related to taxation is understood as determining the amounts of taxes and payments to the budget based on the assessment of assets, property, liabilities, income, turnover, expenses, as well as the assessment of other objects of taxation and (or) objects related to taxation, accepted for the calculation of tax liability regarding a specific tax and payment to the budget in accordance with this Code.

2. To determine the objects of taxation and (or) objects related to taxation on the basis of indirect methods, the tax authority may use information about the taxpayer, his suppliers and buyers available to the tax authorities, including information obtained through interaction on tax administration, as well as information obtained from other forms of control and customs control.

3. The tax authorities send requests to:

1) banking organizations;

2) relevant authorized state bodies, local executive bodies and other organizations operating in the territory of the Republic of Kazakhstan;

3) other tax authorities on conducting counter-tax audits on the issue of mutual settlements with suppliers and buyers of the taxpayer being audited;

4) competent authorities of foreign states.

The necessary information can also be obtained from the following sources (documented) from:

1) customers about the cost of services rendered by the taxpayer (tax agent) being audited, and from buyers about the cost and quantity of products purchased;

2) individuals and legal entities who provided services to the taxpayer (tax agent) being audited, who supplied raw materials, energy resources and auxiliary materials in the field of production and turnover of certain types of excisable goods.

The sources of information may vary from case to case, depending on the circumstances, nature, and type of activity of the taxpayer (tax agent) being audited.

4 The indirect method of determining the income of an individual subject to taxation is applied in the course of tax administration in respect of an individual based on the information provided by him in the individual's tax returns, as well as according to data from authorized bodies (organizations) and third parties, entailing the occurrence of a tax liability for individual income tax.

5. If the income of an individual reflected in tax returns is less than the expenses incurred for the acquisition of property subject to state or other registration, as well as property for which rights and (or) transactions are subject to state or other registration in the Republic of Kazakhstan and abroad, the tax authorities during the implementation of the tax administration of income and property of individuals has the right to apply an indirect method of determining the income of an individual.

The information reflected in the tax returns provided for in this Code, documents confirming receipt of income, occurrence of obligations, ownership of property, data from authorized bodies (organizations) and third parties are taken into account to confirm income directed to the expenses of an individual for the acquisition of property subject to state or other registration, as well as property, according to which the rights and (or) transactions are subject to state or other registration in the Republic of Kazakhstan and abroad.

The procedure for determining the objects of taxation and (or) objects related to taxation by the indirect method is determined by the authorized body.

Chapter 16. OTHER FORMS OF CONTROL

Article 174. General provisions on other forms of control

Other forms of control in the framework of tax administration include:

1) control over excisable goods produced in the Republic of Kazakhstan or imported into the Republic of Kazakhstan;

2) transfer pricing control;

3) control over compliance with the accounting, storage, evaluation, further use and sale of property that has been converted (received) into state ownership;

4) control over the activities of authorized state bodies, local executive bodies and the State Corporation;

5) control over compliance with the procedure for issuing accompanying invoices for goods;

6) traceability of the turnover of goods imported into the customs territory of the EAEU;

7) tax survey.

Article 175. Control over excisable goods produced in the Republic of Kazakhstan or imported into the Republic of Kazakhstan

1. Control over excisable goods is carried out by the tax authority in terms of compliance with the labeling procedure for certain types of excisable goods, as defined in this Article, and the movement of excisable goods on the territory of the Republic of Kazakhstan:

1) by manufacturers, persons engaged in the turnover of excisable goods;

2) by bankruptcy and rehabilitation managers during the sale of the debtor's property.

Control over excisable goods may also be carried out by the tax authority by establishing excise posts.

2. Labeling is carried out:

1) by manufacturers and importers of excisable goods;

2) by bankruptcy and rehabilitation managers during the sale of the debtor's property (assets).

3. Unless otherwise established by this Article, the following is subject to mandatory labeling:

1) alcoholic products, with the exception of bottled wine (wine materials), beer and beer drink, – accounting and control labels;

2) tobacco products - by means of identification.

4. It is prohibited to turnover excisable goods subject to labeling in the form of storage, sale and (or) transportation of excisable products without means of identification and (or) accounting and control labels, as well as with means of identification and (or) accounting and control labels of an unidentified sample and (or) unidentifiable, except in cases provided for in paragraph 5 of this Article.

5. In the retail sale of goods subject to mandatory labeling, accounting of transactions through cash registers with the function of recording and (or) transmitting data is carried out solely by reading the means of identification applied to the goods.

6. Alcohol and tobacco products are not subject to mandatory labeling:

1) if exported from the Republic of Kazakhstan;

2) if imported into the territory of the Republic of Kazakhstan by the owners of duty-free shops, intended for placement under the customs procedure of duty-free trade;

3) if imported into the customs territory of the EAEU in the customs procedures of temporary import (admission) and temporary export, including temporarily imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states for advertising and (or) demonstration purposes in single copies;

4) if transported through the customs territory of the EAEU in the customs procedure of customs transit, including those transported in transit through the territory of the Republic of Kazakhstan from the EAEU member states;

5) if imported (sent) to the territory of the Republic of Kazakhstan by an individual who has reached the age of twenty-one, within no more than three liters of alcoholic beverages, as well as by an individual who has reached the age of eighteen, tobacco and tobacco products within no more than two hundred cigarettes or fifty cigars (cigarillos) or two hundred and fifty grams of tobacco or specified products in assortment with a total weight of no more than two hundred and fifty grams.

7. A person engaged in the production of alcoholic beverages in the Republic of Kazakhstan, in case of payment of excise duty on the day of shipment (transfer) of alcoholic beverages, submits an obligation to pay excise duty on the day of shipment (transfer) of alcoholic beverages (hereinafter referred to as the obligation to pay excise duty).

A person importing alcoholic beverages into the Republic of Kazakhstan submits an obligation on the targeted use of accounting and control labels when importing alcoholic beverages into the Republic of Kazakhstan (hereinafter referred to as the obligation on the targeted use of accounting and control labels).

8. The importer's commitment to the designated use of tax stamps and the commitment to pay the excise tax shall be submitted to the territorial unit of the authorized body for the capital, oblasts, cities of republican status prior to receiving the accounting and control stamps.

9. Accounting and control labels are not issued in case of non-presentation of an obligation to pay excise duty or an obligation to use accounting and control labels for the intended purpose.

10. The obligation to pay excise duty and the obligation to use accounting and control labels for their intended purpose are provided in the following ways:

1) by depositing money into a temporary money placement account;

2) by a bank guarantee;

3) by guarantee;

4) by pledge of property.

11. A temporary funds placement account is opened by the central authorized body for budget execution for the territorial units of the authorized body in the capital, oblasts, cities of republican status.

12. The temporary funds placement account of the authorized body for the capital, oblasts, cities of republican status is intended for the deposit of funds by persons, engaged in the production and (or) import of alcoholic beverages into the Republic of Kazakhstan.

Money is deposited into the temporary placement account in the national currency of the Republic of Kazakhstan.

13. In the event of failure by the manufacturer and (or) importer to fulfill the obligation to pay the excise tax and the obligation regarding the designated use of tax stamps, secured by cash, the territorial unit of the authorized body for the capital, oblasts and cities of republican status shall, after five business days, shall transfer the funds from the temporary deposit account to the budget revenue, except in cases arising from emergencies and (or) during the period of a state of emergency.

14. The refund (offset) of funds deposited into the temporary placement account of the authorized body for the capital, oblasts and cities of republican status shall be made within ten business days after the submission of a report on fulfillment of the excise duty payment obligations and on the designated use of accounting and control stamps.

15. The authorized body establishes the following procedures:

1) labeling (re-labeling) of alcoholic products, with the exception of wine in bulk (wine materials), beer and beer drink, with accounting and control labels, as well as the forms, contents and elements of protection of accounting and control labels;

2) receiving, accounting, storing, issuing accounting and control labels and submitting an obligation, a report from the manufacturer on the payment of excise duty and (or) the importer on the intended use of accounting and control labels, as well as accounting and the amount of security for such an obligation.

16. The list of certain types of excisable goods subject to the obligation to issue accompanying invoices for goods, as well as the procedure for their registration and document flow, shall be established in accordance with Article 179 of this Code.

17. The tax authorities shall establish excise duty posts on the territory of a taxpayer engaged in the production of ethyl alcohol and alcoholic products (except beer and beer beverage), gasoline (except aviation), diesel fuel, gasoline, benzanol, nefras, mixtures of light hydrocarbons, organic fuels and tobacco products.

The excise duty post is formed from among the officials of the tax authority.

The procedure for organizing the activities of an excise duty post is determined by the authorized body.

The location and composition of the excise duty post and the rules of its operation are determined by the tax authority.

18. An official of the tax authority, who is at the excise duty post, exercises control over:

1) compliance by the taxpayer with the requirements of the legislation of the Republic of Kazakhstan regulating the production and turnover of certain excisable goods;

2) withdrawal and (or) release of excisable goods exclusively through measuring devices or sale (bottling) through metering devices, as well as the operation of such metering devices in a sealed form;

3) compliance by the taxpayer with the procedure for labeling certain types of excisable goods;

4) movement of finished products, accounting and control labels or means of identification.

19. An official of the tax authority, who is on an excise duty, has the right to:

1) inspect, in compliance with the requirements of the legislation of the Republic of Kazakhstan, the administrative, production, warehouse, commercial, and utility rooms of the taxpayer used for the production, storage, and sale of excisable goods;

2) be present at the sale of excisable goods;

3) inspect cargo vehicles leaving (entering) the territory (territory) of the taxpayer.

An official of the tax authority who is at an excise duty post has other rights provided for by the procedure for organizing the activities of the excise duty post.

Article 176. Transfer pricing control

The tax authorities exercise control over transfer pricing of transactions in accordance with the procedure and cases provided for by the legislation of the Republic of Kazakhstan on transfer pricing.

Article 177. Control over the observance of the procedure for accounting, storage, evaluation, further use and sale of property transferred (received) into the state ownership

1. The tax authority shall monitor compliance with the accounting, storage, evaluation, further use and sale of property that has been converted (received) into state ownership (hereinafter, for the purposes of this article, control) on the following issues:

1) compliance with the procedure for accounting, storage, evaluation, further use and sale of property that has been converted (received) into state ownership;

2) completeness and timeliness of the receipt of money to the budget in case of its sale;

3) compliance with the procedure for the transfer of property that has been converted (received) into state ownership;

4) timeliness and reliability of the information provided;

5) compliance with the order of destruction of property.

2. Control is carried out in relation to the following subjects of control:

1) territorial subdivisions of the authorized state property management body;

2) local executive bodies authorized to manage communal property;

3) state institutions on the issue of the availability, completeness and timeliness of the transfer of property (including material evidence) that does not have an owner or whose owner is unknown, or things that the owner has renounced ownership of, recognized as state revenue in accordance with the established procedure;

4) business entities, as well as government agencies that have concluded a contract for the storage and sale of property in accordance with the civil legislation of the Republic of Kazakhstan.

3. The basis for control is the decision of the tax authority on the appointment of control (hereinafter referred to as the decision for the purposes of this article).

The decision should contain the following information:

1) the date and number of registration of the decision with the tax authority;

2) the name and identification number of the subject of control;

3) justification of the appointment of control;

4) positions, surnames, first names and patronymics of officials of the tax authority authorized to carry out control, as well as specialists involved in carrying out control.

A specialist is involved in monitoring to study issues that require special knowledge and skills, and to obtain advice.

A person, including officials of other state bodies of the Republic of Kazakhstan, with special knowledge and skills, is involved as a specialist.

On the issues submitted on paper and (or) in the form of an electronic document submitted by an official of the tax authority exercising control, the specialist draws up an opinion, which is used during the control.

Copies of such questions and conclusions are attached to the control act, including a copy provided to the subject of control;

5) the term of control;

6) the control period;

7) the note of the subject of control on familiarization and receipt of the decision.

The decision is subject to state registration with a state body that carries out activities in the field of state legal statistics and special accounting within its competence, prior to the start of monitoring.

4. The decision shall be submitted to the subject of control in accordance with the procedure established by Article 51 of this Code within five days following the day of the state registration of such decision.

If the subject of control or the head (authorized official) of the subject of control refuses to sign a copy of the decision, the official of the tax authority exercising control draws up an act of refusal.

The subject of control or the head (authorized official) of the subject of control, in the case specified in part two of this paragraph, must provide a written explanation of the reasons for the refusal.

The refusal of the subject of control or the head (authorized official) of the subject of control to receive a decision is not a reason for the cancellation of control.

5. The date of commencement of control is considered to be:

1) the date of receipt of a copy of the decision by the subject of control or the head (authorized official) of the control entity;

2) the date of drawing up an act of refusal.

6. When exercising control, the subject of control and officials of the subject of control shall assist officials of the tax authority exercising control:

1) in obtaining documents and information necessary for the implementation of control;

2) access to the objects of control for carrying out the survey.

If the officials of the tax authority exercising control are prevented from performing the actions specified in part one of this paragraph, an act of obstruction of control shall be drawn up.

An act of obstruction of control is signed by officials of the tax authority exercising control and the subject of control or the head (authorized official) of the subject of control.

The refusal of the subject of control or the head (authorized official) of the subject of control to sign the act of obstruction of control shall be documented in accordance with the procedure specified in parts two and three of paragraph 4 of this Article.

7. Control over the subject of control is carried out no more than once a year.

8. The period of control should not exceed thirty working days from the date of commencement of control.

The period of control may be extended up to fifty working days by the tax authority that appointed the control.

The term of control is suspended for the period from the date of:

1) handing over to the subject of control or to the head (authorized official) of the subject of control the requirement of the tax authority to submit documents before the date of submission of documents on such request;

2) sending a request to other tax authorities, authorized state bodies, banking organizations and other organizations operating in the territory of the Republic of Kazakhstan for the submission of information and (or) documents on the activities of the subject of control prior to the date of receipt of information and documents on such request.

9. In case of extension or suspension of the period of control, as well as in case of change of the period and (or) the list of officials of the tax authority exercising control, an additional decision to the decision is drawn up.

In the cases specified in part one of this paragraph, a notification shall be submitted to the subject of control in accordance with the procedure established by Article 48 of this Code.

10. Upon completion of the control, an act of control is drawn up by the official of the tax authority who carried out the control.

The control act must contain:

1) the place of control, the date of drawing up the act of control;

2) the name of the tax authority that carried out the control;

3) positions, surnames, first names and patronymics of officials of the tax authority who carried out control;

4) the surname, first name and patronymic or the name of the subject of control, the surname, first name and patronymic of the head (authorized official), identification number, as well as the address of the subject of control;

5) positions, surnames, first names and patronymics of officials of the subject of control, with the knowledge and in whose presence the control was carried out;

6) information about the previous control and the measures taken to eliminate previously identified violations;

7) the results of the control performed.

The act of control shall be submitted to the subject of control in accordance with the procedure specified in paragraph 4 of this article within three days following the date of completion of the control.

11. In the presence of violations identified by the results of the control carried out, a requirement is drawn up to eliminate violations identified by the results of the control.

The requirement specified in part one of this paragraph shall be submitted within five working days following the date of delivery of the act of control to the subject of control.

12. The requirement to eliminate violations identified by the results of the control is subject to execution by the subject of control within thirty working days following the day of receipt of such a request.

The subject of control, during the period of fulfillment of the requirement to eliminate violations identified by the results of control, notifies the tax authority that carried out control of the elimination of violations identified by the results of control and (or) recovery of amounts from the sale of property.

The notification by the subject of control is submitted to the tax authority that carried out the control in accordance with the procedure established by Article 50 of this Code.

Article 178. Control over the activities of authorized state bodies, local executive bodies and the State Corporation

1. The tax authority shall exercise control over the activities of authorized state bodies, local executive bodies and the State Corporation regarding the correctness of calculation, completeness of collection and timely transfer of payments to the budget (hereinafter referred to as control for the purposes of this article).

2. Control over the subjects of control:

1) by the authorized state bodies and State Corporation is carried out on the issues of the correctness of calculation, completeness of collection and timely transfer of payments to the budget, as well as the reliability and timeliness of the submission of information to the tax authority;

2) by local executive bodies is carried out on the issues of the correctness of calculation, completeness of collection and timely transfer of payments to the budget, reliability and timeliness of submission of information on property taxes, vehicles and payments to tax authorities.

3. The basis for exercising control over the activities of the subjects of control is the decision of the tax authority on the appointment of control (hereinafter referred to as the decision for the purposes of this article).

The decision must contain the information provided for in part two of paragraph 3 of Article 177 of this Code. The decision is subject to state registration with a state body that carries out activities in the field of state legal statistics and special accounting within its competence, prior to the start of monitoring.

4. The decision shall be submitted to the subject of control within five working days following the day of the state registration of such decision.

If the head (authorized official of the subject of control) refuses to sign a copy of the decision, the official of the tax authority exercising such control draws up an act of refusal.

In the case specified in part two of this paragraph, the head (authorized official) of the subject of control must provide a written explanation of the reasons for the refusal.

The refusal of the head (authorized official) of the subject of control to receive a decision is not a reason for the cancellation of control.

5. The date of commencement of control is considered to be:

1) the date of receipt of a copy of the decision by the head (authorized official) of the subject of control;

2) the date of drawing up an act of refusal.

6. When exercising control, the officials of the subject of such control shall assist officials of the tax authority exercising control:

1) in obtaining the documents and information necessary for the implementation of such control;

2) access to the objects of control for carrying out the survey.

If officials of the tax authority exercising control are prevented from performing the actions specified in part one of this paragraph, an act of obstruction of such control shall be drawn up.

The act of obstruction of control is signed by the officials of the tax authority exercising such control and the head (authorized official) of the subject of control.

The refusal of the head (authorized official) of the subject of control to sign an act of obstruction of such control shall be documented in accordance with the procedure established by parts two and three of paragraph 4 of Article 177 of this Code.

7. Control over the subject of control is carried out no more than once a year.

8. The period of control should not exceed thirty working days from the date of commencement of such control.

The period of control may be extended up to fifty working days by the tax authority that appointed such control.

The term of control is suspended for the period from the date of:

1) handing over to the head (authorized official) of the subject of control a request from the tax authority to submit documents before the date of submission of documents on such request;

2) sending a request to other tax authorities, authorized state bodies, banking organizations and other organizations operating in the territory of the Republic of Kazakhstan for the submission of information and documents on the activities of the subject of control prior to the date of receipt of information and documents on such request.

9. In case of extension or suspension of the period of control, as well as in case of change of the period and (or) the list of officials of the tax authority exercising control, an additional decision to the decision is drawn up.

In the cases specified in part one of this paragraph, a notification shall be submitted to the subject of control in accordance with the procedure established by Article 51 of this Code.

10. Upon completion of the control, an act of control is drawn up by the official of the tax authority who carried out the control.

The act of control must contain the information specified in part two of paragraph 10 of Article 177 of this Code.

The act of control shall be submitted to the subject of control in accordance with the procedure specified in paragraph 4 of this article within three days following the date of completion of such control.

11. In the presence of violations identified by the results of the control carried out, a requirement is drawn up to eliminate violations identified by the results of the control.

The requirement specified in part one of this paragraph shall be submitted within five working days following the date of delivery to the subject of control of the act on such control .

The requirement to eliminate violations identified by the results of the control is subject to execution by the subject of such control within thirty working days following the day of receipt of the specified requirement.

12. The collection of amounts of tax arrears identified by the results of control is carried out by the subject of control responsible for the correctness of calculation, completeness of collection and timely transfer of taxes and payments to the budget.

13. The subjects of control are responsible for the correctness of the calculation, completeness of collection and timely transfer of taxes and payments to the budget, as well as the accuracy and timeliness of the submission of information to the tax authorities, established by the laws of the Republic of Kazakhstan.

Article 179. Control over the compliance with the procedure for issuing accompanying invoices for goods

1. The tax authorities shall control compliance with the procedure for issuing accompanying invoices for goods in case of:

1) movement, sale and (or) shipment of goods across the territory of the Republic of Kazakhstan, including during international road transport between the EAEU member states;

2) import of goods into the territory of the Republic of Kazakhstan from the territory of non - EAEU member states and EAEU member states;

3) when goods are exported from the territory of the Republic of Kazakhstan to the territory of non - EAEU member states and EAEU member states.

2. The obligation to issue accompanying invoices for goods arises in the following terms:

1) movement, sale and (or) shipment of goods on the territory of the Republic of Kazakhstan – no later than the beginning of movement, sale and (or) shipment of goods;

2) import of goods into the territory of the Republic of Kazakhstan from the territory of the EAEU member states – before crossing the State border of the Republic of Kazakhstan;

3) export of goods from the territory of the Republic of Kazakhstan to the territory of non–EAEU member states and EAEU member states – no later than the beginning of the movement, sale and (or) shipment of goods;

4) carrying out international road transport from the territory of one EAEU member state to the territory of another EAEU member state through the territory of the Republic of

Kazakhstan – at an automobile checkpoint at the crossing of the State border of the Republic of Kazakhstan.

3. The list of goods subject to the obligation to issue accompanying invoices for goods, as well as the forms, procedure for registration and their document flow, shall be determined by the authorized body.

Article 180. Traceability of turnover of goods imported into the customs territory of the EAEU

1. Traceability of the turnover of goods imported into the customs territory of the EAEU, in accordance with an international treaty ratified by the Republic of Kazakhstan, is carried out by organizing a system of accounting for goods subject to traceability and transactions related to the turnover of such goods using the national traceability system.

2. The national traceability system is an information system of electronic invoices that ensures the collection, accounting and storage of information about goods subject to traceability and transactions related to the turnover of such goods, in accordance with the procedure and terms determined by an international treaty ratified by the Republic of Kazakhstan.

3. Taxpayers who carry out the turnover of goods subject to traceability are obliged to:

1) issue accompanying documents in the form of electronic documents, except for the case when registration in the form of electronic documents is impossible due to malfunction of information systems caused by:

technical failures;

disruptions in the operation of communication facilities (telecommunication networks and the Internet information and telecommunication network);

power outage;

other cases determined in accordance with the procedure established by an international agreement;

2) provide complete and reliable information to be included in the national traceability system.

The accompanying document of the national traceability system is an electronic invoice.

In this case, an electronic invoice for goods that require the issuance of an accompanying bill of lading for the goods is issued on the basis of the accompanying bill of lading for the goods.

4. For non-fulfillment or improper fulfillment of obligations on the traceability of turnover of goods arising from an international agreement, taxpayers are liable in accordance with the laws of the Republic of Kazakhstan.

5. The tax authority ensures:

1) the functioning of the traceability mechanism for the turnover of goods subject to traceability, in accordance with an international agreement;

2) sending information contained in the national traceability system on goods subject to traceability and transactions related to the turnover of such goods to the relevant EAEU member state in accordance with an international agreement.

6. The rules for the functioning of the goods traceability mechanism are approved by the authorized body.

Article 181. Tax survey

1. A tax survey is an event carried out by a tax authority in order to confirm the actual location or absence of a taxpayer (tax agent) at the location indicated in the registration data.

The tax survey is conducted during business hours at the location indicated in the registration data of the taxpayer (tax agent).

To participate in conducting a tax survey, witnesses are involved in accordance with the procedure established by this Code.

2. The basis for conducting a tax survey is:

1) the impossibility of handing over to a taxpayer (tax agent) an order, a preliminary act of tax audit, an act of tax audit, a decision on the restriction of the disposal of property and (or) an inventory of the restricted property;

2) the need to confirm the actual location or absence of the taxpayer (tax agent) in connection with the return of postal correspondence with a note stating that it cannot be delivered due to the absence of the addressee at the location indicated in the registration data, as well as the lack of data on cellular subscriber numbers and e-mail addresses or feedback on the submitted data.

3. The taxpayer (tax agent) is notified in advance about the tax survey via a web application or web portal, but not later than three working days before the tax survey.

4. Based on the results of the tax survey, when establishing the fact of the absence of a taxpayer (tax agent) at the location, a tax survey report is drawn up.

The tax survey report is signed by the official of the tax authority who drew it up, as well as by the witnesses.

The act may include photographs and negatives, video recordings, or other materials made during the performance of the action.

A copy of the tax survey report is provided to the taxpayer (tax agent) upon his request via a web application.

5. The tax authority no later than the day following the date of drawing up the tax survey report:

1) posts information about the taxpayer (tax agent) on the Internet resource of the authorized body, indicating the identification number, surname, first name and patronymic or the name, date of the tax survey;

2) sends a notification to the taxpayer (tax agent) confirming the location (absence) of the taxpayer (hereinafter, for the purposes of this article, the notification).

6. The notification is subject to execution by the taxpayer (tax agent) by submitting it in person to the tax authority:

1) for explanation of the reasons for absence at the time of the tax survey;

2) of a document confirming the location of the taxpayer (tax agent), depending on the right to immovable property:

a copy of the document confirming the ownership or use of immovable property (for a period of at least one year);

a copy of the document confirming the right of use (for a period of less than one year), with the presentation of the original or a copy notarized not earlier than ten working days before the submission of a copy of the specified document;

the notarized consent of the individual who owns the immovable property claimed as the location.

7. If the notification is not executed within the time period established by this Article, the tax authority shall suspend the issuance of electronic invoices on the next working day after the deadline for the execution of the notification.

The method of security provided for in part one of this paragraph, unless otherwise established by the specified part, shall be applied in the manner and within the time limits set out in paragraph 4 of Chapter 5 of this Code.

Article 182. Participation of the witness

1. Tax officials, at their request or at the request of a taxpayer (tax agent), shall perform the following actions with the participation of at least two witnesses:

1) handing over documents of the tax authorities provided for by this Code (if the taxpayer (tax agent) refuses to accept them);

2) an inventory of the taxpayer's (tax agent's) restricted property;

3) an inspection of property that is an object of taxation and (or) an object related to taxation, regardless of its location, conducted on the basis of an order;

4) conducting an inventory of the taxpayer's (tax agent's) property (other than residential premises) on the basis of an order, including using special means (photo, audio, video equipment), in accordance with the procedure established by this Code;

5) tax survey.

2. Adult, capable citizens who are not interested in the outcome of the actions of the official of the tax authority and the taxpayer (tax agent) are involved as witnesses.

Officials of a tax authority, authorized state bodies, employee and founder of a taxpayer (tax agent) in respect of whom the action provided for in paragraph 1 of this Article is being carried out is not allowed to participate as a witness.

3. The witness certifies the fact, content and results of the actions of the officials of the tax authority and the taxpayer (tax agent), at which he was present, recorded in the act of committing the action with the participation of the witness, drawn up by the official of the tax authority.

The witness has the right to make comments about the actions performed. The comments of the witness are subject to entry in the act on the commission of an action with the participation of the witness, drawn up by an official of the tax authority.

The act on the commission of an action involving the witness, drawn up by an official of the tax authority, must specify the surname, first name and patronymic, individual identification number, place of residence, type and number of the identity document of the person who participated as witness.

Chapter 17. COMPULSORY ENFORCEMENT OF TAX OBLIGATIONS TO PAY TAXES AND PAYMENTS TO THE BUDGET

Article 183. Compulsory enforcement of tax obligations to pay taxes and payments to the budget

1. The tax authority, in the manner and within the time limits established by this Code, upon occurrence of:

1) tax debts in an amount exceeding the maximum amount of tax debts, shall submit a notification of tax debts repayment to a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, or a person engaged in private practice;

2) tax debts shall provide the individual with a notice of repayment of the individual's tax debts.

2. The taxpayer (tax agent), if he/she disagrees with the amount of tax debt before the expiration of the deadline for the execution of notifications specified in subparagraphs 1) and 2) of paragraph 1 of this Article, together with the tax authority, shall reconcile settlements on taxes and payments to the budget.

Based on the results of reconciliation of settlements on taxes and payments to the budget, a reconciliation report on settlements on taxes and payments to the budget shall be drawn up, which is signed by an official of the tax authority and the taxpayer (tax agent).

In the event of discrepancies between the data of the taxpayer (tax agent) and the data of the tax authority, the tax authority shall take measures to eliminate the discrepancies that have arisen in accordance with the procedure for maintaining a personal account.

3. The taxpayer (tax agent), in the event of the inability to independently pay off the tax debt, shall submit, within the period for execution of the notification of the tax debt payment, to the tax authority:

1) a list of debtors indicating the amount of accounts receivable;

2) a copy of a court order that has entered into legal force on the collection of amounts owed from debtors in favor of the taxpayer (tax agent) (if any).

Amounts of receivables that are disputed in court shall not be subject to confirmation.

4. Upon expiration of the period for execution of the notification of tax debts payment or the notification of an individual's tax debts payment, the tax authority shall apply to the

taxpayer (tax agent) security methods in accordance with the procedure provided for in paragraph 4 of Chapter 5 of this Code.

The method of security in the form of suspension of expenditure transactions, established by subparagraph 2) of paragraph 3 of Article 84 of this Code, in the case of forced execution of a tax obligation to pay taxes and payments to the budget, shall be carried out within the limits of the tax debt.

In the event of failure by the taxpayer (tax agent) to fulfill the secured tax obligation to pay taxes and payments to the budget, the tax authority shall apply measures for the forced collection of tax debts provided for in this chapter.

The forced collection of tax debts of an individual shall be carried out by a bailiff in accordance with the Law of the Republic of Kazakhstan "On Enforcement Proceedings and the Status of Bailiffs".

Tax debts shall be collected from the taxpayer (tax agent) or, in the case provided for in this chapter, from other persons.

5. The procedure for the forced collection of tax debts of a taxpayer (tax agent) by a tax authority shall be determined by the authorized body.

The procedure for the forced collection by the tax authority of the tax debt of the taxpayer (tax agent) must contain the procedures carried out by the tax authority in relation to the taxpayer (tax agent) from the date of occurrence of the tax debt.

Article 184. Measures for compulsory collection of tax debts

1. Measures for the compulsory collection of tax debts (hereinafter - compulsory collection measures) are actions by the tax authority aimed at ensuring the fulfillment by the taxpayer (tax agent) of the tax obligation to pay taxes and payments to the budget that was not fulfilled within the established time limits on a voluntary basis.

2. The measures of compulsory collection applied to the taxpayer (tax agent) shall be:

1) collection from the money in his/her bank accounts;

2) collection from debtors' accounts;

3) collection through the sale of his/her property under restrictions on disposal;

4) compulsory issue of declared shares;

5) temporary restrictions on leaving the Republic of Kazakhstan;

6) issuance of a tax order to collect the debt of an individual.

The measures of compulsory collection provided for in subparagraphs 1) – 4) of part one of this paragraph shall apply to a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, or a person engaged in private practice.

The measures of compulsory collection provided for in subparagraphs 5) – 6) of part one of this paragraph shall apply to the entities defined in Articles 189 and 190 of this Code.

3. The measures of compulsory collection provided for in subparagraphs 1) – 5) of part one of paragraph 2 of this Article shall be subject to cancellation:

1) from the date of issuance of a court decision on the initiation of bankruptcy proceedings;

2) from the date of issuance of a court decision on the initiation of proceedings on the rehabilitation case;

3) from the date of issuance of a court decision on the application of the debt restructuring procedure to the debtor;

4) from the date of the decision by the authorized body for regulation, control, and supervision of the financial market and financial organizations to revoke the license of a branch of a bank - a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organization - a non-resident of the Republic of Kazakhstan to conduct banking operations;

5) from the date of entry into force of a court act on the forced liquidation of a second-tier bank or insurance (reinsurance) organization.

The provisions of this paragraph shall not apply to amounts of tax debt that arose from the day following the day of initiation of bankruptcy and rehabilitation proceedings, as well as the issuance of a court act on the application of the debt restructuring procedure to the debtor.

4. Appealing the actions of officials to enforce collection of tax debts shall not suspend the application or effect of measures to enforce collection of tax debts.

Article 185. Collection of tax debts from funds in the bank accounts of the taxpayer (tax agent)

1. Collection of tax debts from funds in the bank accounts of the taxpayer (tax agent) shall be carried out by the tax authority in a compulsory manner if the taxpayer (tax agent) fails to pay off tax debts in an amount exceeding the maximum amount of tax debts.

2. The collection order shall be issued by the tax authority to all bank accounts of the taxpayer (tax agent).

The provisions of part one of this paragraph shall not apply to bank accounts for which, in accordance with the Civil Code of the Republic of Kazakhstan, foreclosure is not permitted.

Data on the amount of tax debt of the taxpayer (tax agent) shall be accounted on the date of preparation of the collection order.

3. Collection orders shall be revoked by the tax authority when the tax debt is fully paid off.

4. The forms of collection orders and revocation of collection orders shall be established by the National Bank.

Article 186. Collection of tax debts of a taxpayer (tax agent) from the accounts of his/her debtors

1. Collection of tax debts shall be applied to the funds in the bank accounts of his/her debtors in the event of failure by the taxpayer (tax agent) to pay off the tax debts in an amount exceeding the maximum amount of tax debts, after the adoption of a measure of forced collection from the funds in his/her bank accounts.

For the purposes of this article, a debtor shall mean an individual, a legal entity, a structural subdivision of a legal entity, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, an individual entrepreneur, a person engaged in private practice, who has a debt to a taxpayer (tax agent).

2. In order to identify debtors of a taxpayer (tax agent), the tax authority shall have the right to:

1) use data from the tax authority information system;

2) conduct a tax audit of the taxpayer (tax agent) on the issue of determining mutual settlements between him/her and his/her debtors and a counter tax audit of the debtors.

3. The tax authority sends the debtor a notification of confirmation of the accounts receivable.

4. The debtor shall submit to the tax authority on paper or electronic media a reconciliation report of mutual settlements, drawn up jointly with the taxpayer (tax agent), and (or) if it is impossible to draw up a reconciliation report of mutual settlements on the date of receipt of the notification, documents confirming mutual settlements with the taxpayer.

5. In case of failure to comply with the notification of confirmation of the amount of accounts receivable by the tax authority:

1) a tax audit of debtors shall be carried out;

2) an order shall be issued to suspend debit transactions on bank accounts within one business day following the day of expiration of the period for execution of such notification.

6. The tax authority shall issue collection orders to the debtor's bank accounts for the amount of the taxpayer's (tax agent's) tax debt within the limits of the accounts receivable confirmed by one of the following documents:

1) a reconciliation act;

2) a tax audit report confirming the amount of accounts receivable;

3) a court decision that has entered into legal force.

7. Collection orders issued to the debtor's bank accounts shall be subject to recall upon repayment of tax debt by the taxpayer (tax agent) or the debtor.

8. An amount that is excessively written off from the debtor's bank accounts opened in several banks, in an amount exceeding the amount specified in the collection order, shall be subject to return to the same bank account of the debtor without an application from the taxpayer (tax agent).

Article 187. Collection of tax debts of a taxpayer (tax agent) through the sale of his/her property restricted in disposal

1. Collection of tax debts by the tax authority shall be levied upon the property of the taxpayer (tax agent) that is restricted in disposal if the taxpayer (tax agent) fails to pay off the tax debts after the following measures of forced collection have been taken:

1) at the expense of funds held in his/her bank accounts;

2) from the accounts of his/her debtors.

2. A resolution on levying collection upon the property of a taxpayer (tax agent) restricted in disposal shall be made by the tax authority without the consent of the taxpayer (tax agent).

3. The sale of the taxpayer's (tax agent's) property with restricted disposal to pay off tax debt shall be carried out in accordance with the procedure for the sale of property pledged by the taxpayer and (or) a third party, as well as the taxpayer's (tax agent's) property with restricted disposal, determined by the authorized body.

Article 188. Compulsory issuance of declared shares of a taxpayer (tax agent)

Compulsory issuance of declared shares of a taxpayer (tax agent) shall be applied by the tax authority through filing a claim with the court for the compulsory issuance of declared shares in the manner determined by the legislation of the Republic of Kazakhstan, in the event of failure to pay off the amounts of tax debt by the taxpayer (tax agent) - a joint-stock company with state participation in the authorized capital after the adoption of the following measures of forced collection:

1) at the expense of funds held in the bank accounts of such person;

2) from the accounts of debtors of such person;

3) through the sale of such person's property, which is restricted in disposal.

Article 189. Temporary restriction on departure from the Republic of Kazakhstan of the chief executive (person acting as his/her deputy) of a legal entity, a structural subdivision of a legal entity, as well as an individual entrepreneur and a person engaged in private practice

1. A temporary restriction on departure from the Republic of Kazakhstan of the chief executive (or his/her deputy) of a legal entity, a structural subdivision of a legal entity, an individual entrepreneur and a person engaged in private practice (hereinafter - a temporary restriction on departure) shall be applied by the tax authority through issuing a resolution on a temporary restriction on departure.

A resolution on temporary restriction on departure from the country shall be issued in the event that a taxpayer (tax agent) fails to pay off tax debt in an amount exceeding the maximum amount of tax debt for more than three months from the date of occurrence of such debt and subject to the application of the envisaged measures of forced collection to such taxpayer (tax agent).

The resolution on temporary restriction on departure shall be signed by the chief executive of the tax authority or his/her deputy and shall be subject to sanction by the court in the manner established by the Civil Procedure Code of the Republic of Kazakhstan.

2. The person whose departure is subject to temporary restrictions shall be determined depending on who performs the duties of the chief executive of the legal entity or structural subdivision of the legal entity (hereinafter, for the purposes of this Article, the chief executive) on the date of the issuance by the tax authority of the resolution on temporary restrictions on departure.

3. In cases where a person substituting the chief executive, in respect of whom a resolution on temporary restriction on departure from the country has been issued and

submitted to the court, has ceased to perform the duties of the chief executive, before such resolution is sanctioned, the tax authority in respect of the said person shall submit to the court a resolution on the cancellation of the temporary restriction on departure from the country within one day following the day on which the chief executive assumed his/her duties .

The resolution to cancel the temporary restriction on departure shall be signed by the chief executive of the tax authority or his/her deputy and shall be subject to sanction by the court in the manner established by the Civil Procedure Code of the Republic of Kazakhstan.

In this case, the submission to the court of a resolution on the cancellation of a temporary restriction on departure in the case specified in part one of this paragraph shall be carried out by the tax authority simultaneously with the submission of a resolution on temporary restriction on departure for the chief executive.

4. A temporary restriction on departure, if it is necessary to conduct treatment outside the Republic of Kazakhstan for a person whose departure is temporarily restricted, may be suspended for a certain period by a resolution suspending the temporary restriction on departure, provided that such need is confirmed by documents.

The resolution on suspension of the temporary restriction on departure shall be signed by the chief executive of the tax authority or his/her deputy and shall be subject to sanction by the court in the manner established by the Civil Procedure Code of the Republic of Kazakhstan.

5. Unless otherwise provided by paragraph 3 of this Article, the cancellation of a temporary restriction on departure shall be carried out by the tax authority by issuing a resolution to cancel the temporary restriction on departure within one working day, during which:

1) the tax debt has been repaid and/or the absence of tax debt has been established;

2) the tax liability has been terminated.

The resolution to cancel the temporary restriction on departure shall be signed by the chief executive of the tax authority or his/her deputy and shall be subject to sanction by the court in the manner established by the Civil Procedure Code of the Republic of Kazakhstan.

6. Resolutions on temporary restrictions on departure, on suspension of temporary restrictions on departure and (or) on cancellation of temporary restrictions on departure shall be sent via the information system of the tax authority to the information system of the Committee for National Security of the Republic of Kazakhstan.

Resolutions on temporary restrictions on departure, on suspension of temporary restrictions on departure and/or on cancellation of temporary restrictions on departure shall be subject to immediate performance.

Article 190. Collection of tax debts of an individual

1. Collection of tax debts of an individual shall be carried out by the tax authority in the event of non-payment of tax debts in an amount more than 1-fold of the monthly calculation indicator in effect on January 1 of the relevant financial year.

Tax debts of an individual also mean tax debts of an individual registered as an individual entrepreneur or a person engaged in private practice, for tax obligations not related to the implementation of entrepreneurial activity and private practice.

2. The tax authority issues a tax order to collect the debt of an individual (hereinafter, for the purposes of this Article, a tax order) after the expiration of the period for performing the notification of repayment of the individual's tax debt.

The deadline for performing a tax order is five working days following the day of its delivery.

3. If an individual fails to perform a tax order, the tax authority shall send the tax order to the relevant territorial justice authorities or the regional chamber of private bailiffs for compulsory enforcement in the manner determined by the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs.

4. The tax order shall be cancelled in the following cases:

1) repayment of tax debts by an individual;

2) violation of the procedure for issuing a tax order;

3) application of the bankruptcy procedure in relation to an individual in accordance with the Law of the Republic of Kazakhstan "On Restoring Solvent and Bankruptcy of Citizens of the Republic of Kazakhstan";

4) application of the procedure for restoring solvency in relation to an individual in accordance with the Law of the Republic of Kazakhstan "On Restoring Solvent and Bankruptcy of Citizens of the Republic of Kazakhstan".

Chapter 18. PROCEDURE FOR APPEALING NOTIFICATION OF THE RESULTS OF A TAX AUDIT AND ACTIONS (INACTION) OF TAX AUTHORITY OFFICIALS

Article 191. General provisions for appealing against notification of tax audit results and actions (inaction) of tax authority officials

1. An appeal against a notification of the tax audit results and the actions (inaction) of tax authority officials in court shall be made in accordance with the procedure provided for by the Administrative Procedure Code of the Republic of Kazakhstan.

2. An appeal against a notification of the tax audit results to an authorized body shall be made in the manner specified in paragraph 1 of this chapter.

Submission and consideration of a complaint against a notification of the tax audit results shall be carried out in the manner established by Articles 192–198 of this Code.

3. Submission of a complaint (application) by a taxpayer (tax agent) to an authorized body or court shall suspend the execution of the notification of the tax audit results in the contested part.

In case of the taxpayer (tax agent) submits:

1) a complaint to the authorized body, the performance of the notification of the tax audit results in the contested part shall be suspended until a decision is made on the complaint;

2) a claim to the court, the performance of the notification of the tax audit results in the contested part shall be suspended from the day the court accepts the administrative case for proceedings until the entry into force of the judicial act.

Section 1. Procedure for appealing a notification of tax audit results

Article 192. Procedure for submitting a complaint by a taxpayer (tax agent)

1. A complaint by a taxpayer (tax agent) against a notification of the tax audit results shall be submitted to the authorized body within thirty working days following the day on which the taxpayer (tax agent) is delivered the notification of the tax audit results.

In this case, a copy of the complaint must be submitted by the taxpayer (tax agent) to the tax authorities that conducted the tax audit and considered the taxpayer's (tax agent's) objections to the preliminary tax audit report.

The date for submitting a complaint with the authorized body, depending on the method of submitting it, is:

1) in person – the date of registration of the complaint by the authorized body;

2) by post or other communications organization – the date of the mark of acceptance by the post or other communications organization.

3) electronically – date of sending via the web portal.

2. In the event of missing the deadline established by paragraph 1 of this Article for a valid reason, this deadline may be restored, at the request of the taxpayer (tax agent) submitting the complaint, by the authorized body considering the complaint.

3. In order to restore the missed deadline for submitting the complaint, the authorized body shall recognize as a valid reason the temporary incapacity for work of an individual subject to a tax audit, as well as the chief executive and (or) chief accountant (if any) of the taxpayer (tax agent).

The provisions of this paragraph shall apply to individuals who have undergone a tax audit, as well as to taxpayers (tax agents) whose organizational structure does not provide for the presence of persons replacing the above-mentioned persons during their absence.

In this case, the taxpayer (tax agent) must attach to the petition for restoring the missed deadline for submitting a complaint a document confirming the period of temporary disability of the persons specified in part one of this paragraph, and a document establishing the organizational structure of such taxpayer (tax agent).

4. A petition of a taxpayer (tax agent) for restoring a missed deadline for submitting a complaint shall be satisfied by the authorized body, provided that the taxpayer (tax agent) has

submitted the complaint and petition no later than ten working days from the date of the end of the period of temporary disability of the persons specified in part one of paragraph 3 of this Article.

5. A taxpayer (tax agent) who has submitted a complaint with the authorized body, before a decision is made on this complaint, shall have the right to withdraw it on the basis of his/her application on paper or in the form of an electronic document, except for the case established by part three of this paragraph.

The withdrawal of a complaint by a taxpayer (tax agent) does not deprive him/her of the right to submit a repeat complaint, provided that the deadlines established by paragraph 1 of this Article are met.

The taxpayer (tax agent) does not have the right to withdraw a complaint during the period from the date of appointment of a thematic tax audit by the authorized body when considering the complaint until the date of its completion.

Article 193. Form and content of a taxpayer's (tax agent's) complaint

1. The taxpayer's (tax agent's) complaint shall be submitted on paper and/or electronic media.

2. The complaint must include:

1) the name of the authorized body to which the complaint is submitted;

2) the last name, first name and patronymic or full name of the taxpayer (tax agent) submitting the complaint, his/her location;

3) the identification number of the taxpayer (tax agent) submitting the complaint;

4) the name of the tax authority that conducted the tax audit;

5) the circumstances on which the person submitting the complaint bases his/her claims and the evidence confirming these circumstances;

6) signature and date of submitting the complaint by the taxpayer (tax agent);

7) list of attached documents.

3. The complaint may also contain other information that is important for resolving the dispute.

4. The complaint shall be signed by the taxpayer (tax agent) or a person acting as his/her representative.

5. The following documents must be attached to the complaint:

1) documents confirming the circumstances on which the taxpayer (tax agent) bases his/her claims;

2) a power of attorney in the event of submitting a complaint by an authorized representative of the taxpayer (tax agent);

3) other documents relevant to the case.

Article 194. Refusal to consider a complaint

1. The authorized body refuses to consider the complaint of the taxpayer (tax agent) in the following cases:

1) submitting of a complaint by a taxpayer (tax agent) after the deadline for appeal established by part one of paragraph 1 of Article 192 of this Code has passed;

2) non-compliance of the taxpayer's (tax agent's) complaint with the requirements established by Article 193 of this Code;

3) submitting a complaint on behalf of a taxpayer (tax agent) by a person who is not his/her representative;

4) submitting of a claim in court by the taxpayer (tax agent) on the issues set out in the complaint.

2. The authorized body shall notify the taxpayer (tax agent) of the refusal to consider the complaint, indicating the reason for such refusal, within ten working days following the day:

1) registration of a complaint – in the cases provided for in subparagraphs 1), 2), and 3) of paragraph 1 of this Article;

2) establishing the fact that the taxpayer (tax agent) has applied to the court – in the case provided for in subparagraph 4) of paragraph 1 of this Article.

3. The refusal of the authorized body to consider a complaint in the cases provided for in subparagraphs 2) and 3) of paragraph 1 of this Article does not exclude the right of the taxpayer (tax agent), within the period established by paragraph 1 of Article 192 of this Code, to re-submit a complaint if he/she has corrected the violations committed.

Article 195. Procedure and time limits for consideration of a complaint by the authorized body

1. The authorized body shall issue a reasoned decision on the complaint:

1) of taxpayers who are subject to tax monitoring – within a period of no more than forty-five working days following the day of registration of the complaint;

2) of other taxpayers (tax agents) – within a period of no more than thirty working days following the day of registration of the complaint.

The specified period does not include the periods for extension and suspension of consideration of the complaint, as provided for in Article 196 of this Code.

2. When considering a complaint from a taxpayer (tax agent), the authorized body shall have the right to appoint a thematic tax audit, as well as a repeat thematic tax audit in the manner determined by Article 198 of this Code.

3. The complaint shall be considered within the limits of the issues contested by the taxpayer (tax agent).

4. In the event that a taxpayer (tax agent) submits documents for consideration of a complaint that were not submitted by him/her during a tax audit, the authorized body shall have the right to establish the authenticity of such documents during thematic and (or) repeat thematic tax audits appointed in the manner determined by Article 198 of this Code.

5. When considering a complaint from a taxpayer (tax agent), the authorized body shall have the right to:

1) send requests to the taxpayer (tax agent) and/or to the tax authorities that conducted the tax audit and considered the taxpayer's (tax agent's) objections to the preliminary tax audit report, for the provision of additional information in writing or clarification on the issues set out in the complaint;

2) send inquiries to state bodies, relevant bodies of foreign states and other organizations on issues within the competence of such bodies and organizations;

3) hold meetings with the taxpayer (tax agent) on the issues set out in the complaint;

4) request from the officials of the tax authority who participated in the tax audit and the consideration of the taxpayer's (tax agent's) objection to the preliminary tax audit report, additional information and/or explanations on the issues that have arisen.

6. When exercising powers to consider a complaint, the following is prohibited:

1) interference in the activities of an authorized body;

2) exerting any influence on officials involved in the consideration of the complaint.

Article 196. Suspension and (or) extension of the time limit for considering a complaint

1. The period for considering a time limit established by paragraph 1 of Article 195 of this Code shall be suspended in the following cases:

1) conducting thematic and repeat thematic tax audits - for the period of time from the date of appointment of such audits in the manner determined by Article 198 of this Code, until the date of expiration of fifteen working days after receipt by the authorized body of the tax audit report.

In this case, the authorized body shall have the right to make the decision provided for in paragraph 1 of Article 197 of this Code during the specified period of suspension of the time limit for considering the complaint from the date of receipt of the tax audit report;

2) sending a request to state bodies, relevant bodies of foreign states and other organizations on issues within the competence of such bodies and organizations - for the period of time from the date of sending such a request until the date of receipt of a response.

2. The authorized body shall notify the taxpayer (tax agent) of the suspension of the period for considering the complaint, indicating the reasons for the suspension, within three working days following the day of the appointment of the audit and (or) sending of the request.

3. The time limit for considering a complaint, established by paragraph 1 of Article 195 of this Code, shall be extended in the following cases:

1) submission by the taxpayer (tax agent) of an addition(s) to the complaint – within fifteen working days.

In this case, the time limit established by paragraph 1 of Article 195 of this Code shall be extended by the period specified by this subparagraph in each case of subsequent filing of additions to the complaint;

2) by the authorized body, if additional study of the contested issue is necessary – up to ninety working days.

In the case provided for in part one of this subparagraph, the authorized body shall notify the taxpayer (tax agent) within three working days following the day of the extension of the time limit for considering the complaint.

Article 197. Decision on the results of considering a complaint

1. To consider a complaint against a notification of the tax audit results, the authorized body shall create an appeals commission.

The members and regulations of the appeal commission shall be determined by the authorized body.

Upon completion of considering the complaint, the authorized body shall issue a reasoned decision taking into account the decision of the appeal commission.

2. Following the consideration of the taxpayer's (tax agent's) complaint against the notification of the tax audit results, the authorized body shall make one of the following decisions:

1) to leave the contested notification of the tax audit results unchanged and the complaint unsatisfied;

2) to cancel the contested notification of the tax audit results in whole or in part.

3. The decision of the authorized body based on the results of considering the complaint shall indicate:

1) date of decision taken;

2) the name of the authorized body that considered the complaint;

3) the last name, first name and patronymic, or full name, of the taxpayer (tax agent) who filed the complaint;

4) the identification number of the taxpayer (tax agent) who filed the complaint;

5) a brief summary of the contested notification of tax audit results;

6) the substance of the complaint;

7) justification with reference to the provisions of international treaties ratified by the Republic of Kazakhstan and (or) the legislation of the Republic of Kazakhstan, which the authorized body relied on when making a decision on the complaint;

8) the decision taken.

At the same time, taking into account the specifics of the procedure for considering a taxpayer's (tax agent's) complaint against a notification of the tax audit results by an authorized body, established by this Code, a preliminary decision on the complaint is not required.

4. The decision of the authorized body based on the results of considering the complaint shall be sent or delivered to the person who filed the complaint, and a copy shall be sent to the tax authority that conducted the tax audit.

5. In the event of cancellation of the contested notification in part as a result of considering the complaint, the tax authority that conducted the tax audit shall issue a notification of the results of considering the taxpayer's (tax agent's) complaint against the

notification of the tax audit results and send it to the taxpayer (tax agent) within the time period established by subparagraph 2) of paragraph 1 of Article 83 of this Code.

6. The decision of the authorized body based on the results of considering the taxpayer's (tax agent's) complaint regarding the notification of the tax audit results shall be mandatory for performance by the tax authorities.

Article 198. Procedure for appointing a thematic tax audit when considering a complaint from a taxpayer (tax agent)

1. When considering a complaint from a taxpayer (tax agent), the authorized body shall have the right to send an order to appoint and conduct a thematic tax audit.

In this case, a preliminary decision is not required to be made on the basis of an order to appoint and conduct a thematic tax audit and a tax audit report drawn up based on the results of such an audit.

An order to appoint and conduct a thematic tax audit shall be drawn up indicating the issues to be audited.

2. When performing an order to appoint and conduct a thematic tax audit, the conduct of such an audit may not be assigned to the tax authority that conducted the tax audit, the results of which are being appealed, except in the case where the tax audit being appealed was conducted by an authorized tax authority.

3. A thematic tax audit shall be conducted by the tax authority in the manner and within the time limits established by this Code and shall be initiated no later than ten working days from the date of receipt of the order to appoint and conduct such an audit.

4. If the data is not clear or complete enough, or if new questions arise regarding circumstances and documents previously verified during a thematic tax audit, the authorized body shall have the right to re-appoint it.

5. The decision of the authorized body based on the results of considering the complaint shall be made taking into account the results of thematic and (or) repeat thematic tax audits. In this case, if the authorized body disagrees with the results of such audits, it shall have the right not to take them into account when making a decision on the complaint, however, such disagreement must be reasoned.

Section 2. Procedure for appealing against actions (inaction) of tax authority officials

Article 199. Right to appeal

1. The taxpayer and tax agent shall have the right to appeal the actions (inaction) of tax authority officials to a higher tax authority or to the court.

2. Appealing the actions of officials to ensure the fulfillment of a tax obligation or the forced collection of tax debts does not suspend the application or operation of the methods of enforcement and measures of forced collection.

Article 200. Procedure for appealing the actions (inaction) of tax authority officials

The actions (inaction) of tax officials shall be appealed in accordance with the procedure provided for by the Administrative Procedure Code of the Republic of Kazakhstan.

SPECIAL PART Chapter 19. GENERAL PROVISIONS

Article 201. Types of taxes, payments to the budget

1. The following are in force in the Republic of Kazakhstan:

1) taxes:

corporate income tax;

individual income tax;

value added tax;

excise duty;

rent tax on export;

special payments and taxes of subsoil users;

social tax;

vehicle tax;

land tax;

property tax;

gambling tax;

2) payments to the budget:

state duty;

fees;

charges for:

use of land plots;

use of natural resources;

for the placement of outdoor (visual) advertising;

negative impact on the environment;

use of radio frequency spectrum;

provision of long-distance and/or international telephone communications, as well as cellular communications;

digital mining.

2. For the purposes of applying international treaties, indirect taxes are recognized as value added tax and excise taxes.

3. The amounts of taxes and payments to the budget are received as revenues of the relevant budgets in the manner determined by the Budget Code of the Republic of Kazakhstan and the law on the republican budget.

Chapter 20. TAX ACCOUNTING

Article 202. Tax accounting and accounting documentation

1. Tax accounting is the process of maintaining accounting documentation by a taxpayer (tax agent) in accordance with the requirements of this Code for the purpose of generalizing and systematizing information on objects of taxation and (or) objects related to taxation, as well as calculating taxes and payments to the budget and preparing tax reports.

Consolidated tax accounting is tax accounting carried out by an authorized representative of the participants in a joint activity agreement in the form of a simple partnership both for such activity as a whole and for the share of participation of each participant in the joint activity agreement in accordance with Article 216 of this Code.

2. Accounting documentation includes:

1) accounting documentation – for persons who, in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting”, are responsible for maintaining it;

2) standard verification file – for persons who voluntarily submit this file;

3) primary accounting documents – for persons specified in paragraph 4 of this Article;

4) invoice;

5) tax registers;

6) tax forms;

7) tax accounting policy;

8) other documents that serve as the basis for determining objects of taxation and (or) objects related to taxation, as well as for calculating tax liability.

3. Unless otherwise established by paragraph 4 of this Article, tax accounting is based on accounting data. The procedure for maintaining accounting documentation is established by the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. Individual entrepreneurs applying special tax regimes based on a simplified declaration, who, in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", are not obliged to maintain accounting records and prepare financial reporting, organize and maintain tax accounting in accordance with this chapter, Chapter 21 of this Code and the rules for organizing and maintaining tax accounting approved by the authorized body (hereinafter - the rules for organizing and maintaining tax accounting).

5. The taxpayer (tax agent), independently and (or) through an authorized representative of the parties to the joint activity agreement responsible for maintaining consolidated tax accounting, shall organize tax accounting and determine the forms of generalization and systematization of information in the form of tax registers in such a way as to ensure:

1) formation of complete and reliable information on the procedure of accounting for tax purposes of transactions carried out by the taxpayer (tax agent) during the tax period;

2) decoding of each line of tax reporting forms;

3) reliable preparation of tax reporting;

4) provision of information to tax authorities for tax control.

6. The procedure for maintaining tax accounting shall be established by the tax accounting policy - a document approved by the taxpayer (tax agent) independently, taking into account the requirements of this Code.

Tax accounting policy, with the exception of the tax accounting policy of a taxpayer who, in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", is not obligated to maintain accounting records and prepare financial reporting, may be included as a separate section in the accounting policy developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

7. Individual entrepreneurs applying special tax regimes based on a simplified declaration shall approve a tax accounting policy in the form established by the authorized body.

The tax accounting policy provided for in part one of this paragraph shall be approved in the form established in the rules for organizing and maintaining tax accounting.

Article 203. Requirements for tax accounting policy

1. The tax accounting policy must include the following provisions:

1) forms and procedure for compiling tax registers developed by the taxpayer (tax agent) independently;

2) the names of the persons positions responsible for compliance with tax accounting policies;

3) the procedure for maintaining separate tax records in cases where the obligation to maintain such records is provided for by this Code;

4) the procedure for maintaining separate tax records in the event of subsoil use operations;

5) the methods chosen by the taxpayer for deducting expenses for the purposes of calculating corporate income tax, as well as for offsetting value added tax;

6) the policy for determining hedged risks, hedged items and hedging instruments used in relation to them, the methodology for assessing the degree of hedging effectiveness in the event of hedging transactions;

7) the policy of accounting for income from Islamic securities in the event of transactions with Islamic securities;

8) depreciation rates for each subgroup, group of fixed assets, taking into account the provisions of paragraph 2 of Article 280 of this Code;

9) in the case of issuance in accordance with this Code of invoices by structural divisions of a resident legal entity that is a payer of value added tax, the code of each of such structural divisions used in the numbering of invoices to identify such structural divisions;

10) the maximum number of digits used in the numbering of invoices when they are issued.

The provisions of subparagraphs 4), 8), 9) and 10) of part one of this paragraph shall not apply to persons who, in accordance with the legislation of the Republic of Kazakhstan, are

not assigned the responsibility for maintaining accounting records and preparing financial reporting.

2. The tax accounting policy for joint activities shall be approved by the parties to the joint activity agreement in the manner and on the grounds established by this Code.

3. When carrying out subsoil use activities as part of a simple partnership (consortium) within the framework of a production sharing agreement (contract), the tax accounting policy, along with the requirements of paragraph 1 of this Article, must contain the method chosen in accordance with paragraph 3 of Article 755 of this Code for the fulfillment by the participants of the simple partnership and (or) the operator of the tax obligation for each type of taxes and payments to the budget provided for by the tax legislation of the Republic of Kazakhstan.

4. The effect of the following provisions of the tax accounting policy shall extend for a period of at least one calendar year:

procedure for maintaining separate tax records;

methods chosen by the taxpayer for deducting expenses for the purposes of calculating corporate income tax.

The effect of the methods of offsetting value added tax chosen by the taxpayer shall extend to the period:

not less than one tax period established for the purposes of calculating value added tax – in the case provided for in subparagraph 5) of paragraph 2 of Article 487 of this Code;

at least one calendar year – in other cases.

5. Changes and (or) additions to the tax accounting policy shall be carried out by the taxpayer (tax agent) in one of the following ways:

1) approval of a new tax accounting policy or its new section, developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) making changes and (or) additions to the current tax accounting policy or section of the current accounting policy, developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

6. The taxpayer (tax agent) shall not be allowed to make changes and/or additions to the tax accounting policy:

1) the audited tax period – during the period of comprehensive and thematic audits;

2) the contested tax period - during the period for filing and considering a complaint about the notification of audit results, taking into account the restored period for filing a complaint;

3) for tax periods for which a tax audit was carried out.

7. The subsoil user shall be obliged to reflect in its tax accounting policy the decision to apply the provisions of Article 312 of this Code.

Article 204. Tax accounting rules

1. Unless otherwise provided by this Code, the taxpayer (tax agent) shall maintain tax records in tenge using the accrual method in accordance with the procedures and conditions, established by this Code.

2. The accrual method is an accounting method according to which the results of transactions and other events are recognized upon their occurrence, including from the date of performance of works, rendering services, shipment and transfer of goods to the buyer or his/her authorized representative for the purpose of sale or acceptance of property, and not from the date of receipt or payment of money or its equivalent.

3. The taxpayer (tax agent), based on tax accounting at the end of the tax period, shall determine the objects of taxation and (or) objects related to taxation, and calculate taxes and payments to the budget.

4. Accounting for exchange rate differences, including determination of the amount of exchange rate differences, for taxation purposes shall be carried out in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

5. Inventory accounting shall be carried out in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting. At the same time, for taxation purposes, the value of inventories shall be determined without taking into account the change in the value of inventories by writing them off to the net possible selling price and restoring them in relation to the previously written-off of inventories caused by the increase in the net possible selling price.

In the event of a change in the inventory valuation method, such transition shall be effected from the beginning of the tax period.

6. The amount of the adjustment (indexation) of the liability (claim) payable (receivable) in tenge due to a change in the exchange rate shall be taken into account for tax purposes in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for the cases provided for in paragraph 4 of Article 237, Article 256, paragraph 7 of Article 257 and Article 288 of this Code.

Article 205. Tax registers

1. Tax register - is a document of a taxpayer (tax agent) containing information on taxable items and (or) items, related to taxation, and also on the funds and (or) property, received from foreign states, international and foreign organizations, foreign nationals, stateless persons, also on the expenditure of said funds and (or) other property in accordance with paragraph 8 of Article 56 of this Code.

Tax registers are intended to summarize and systematize information to ensure the purposes of tax accounting specified in paragraph 5 of Article 202 of this Code.

The formation of tax accounting data shall be carried out by reflecting information used for taxation purposes in chronological order and ensuring the continuity of tax accounting data between tax periods (including for transactions, the results of which are taken into account in several tax periods, affect the size of the taxable object in subsequent tax periods or are carried over for a number of years).

The taxpayer (tax agent) shall prepare tax registers in the form of special forms. The forms of tax registers and the procedure for reflecting tax accounting data in them shall be developed by the taxpayer (tax agent) independently, taking into account the provisions of this Article, with the exception of the forms of tax registers established by the authorized body, and shall be approved in the tax accounting policy.

The correctness of the reflection of business transactions in tax registers shall be ensured by the persons who signed them.

2. Tax registers include:

1) tax registers compiled by the taxpayer (tax agent) independently according to the forms established by the taxpayer (tax agent) in the tax accounting policy, taking into account the provisions of Article 202 of this Code;

2) tax registers compiled by the taxpayer (tax agent), the forms and rules for the compilation of which are approved by the authorized body.

3. Tax registers must contain the following mandatory details:

1) name of the register;

2) identification number of a taxpayer (tax agent);

3) period for which the register was compiled;

4) last name, first name and patronymic of the person responsible for compiling the register.

4. The authorized body shall have the right to establish forms of tax registers to reflect information on:

1) investment tax preferences;

2) fixed assets and subsequent expenses on fixed assets;

3) derivative financial instruments;

4) the amounts of management and general administrative expenses of a non-resident legal entity, attributed to deductions by its permanent establishment in the Republic of Kazakhstan;

5) property transferred under a lease agreement;

6) accounting the reductions in the amount of claims against debtors provided for in subparagraphs 8) – 10) of paragraph 2 of Article 320 of this Code;

7) accounting for the purchase of agricultural products from a person engaged in a personal subsidiary farm by a procurement organization in the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials, agricultural products from a personal subsidiary farm;

8) tour operator services – in terms of outbound, domestic and inbound tourism;

9) the receipt of money and (or) other property from foreign states, international and foreign organizations, foreign nationals, stateless persons, as well as the expenditure of said money and (or) other property;

10) turnover in the form of remaining goods for the purposes of calculating value added tax;

11) value added tax, credited on the balance of goods;

12) the sale by an agricultural cooperative of goods to members of such cooperative for the purpose of producing and processing agricultural products of its own production;

13) the performance of works and rendering services by an agricultural cooperative for members of such cooperative for the purpose of producing and processing agricultural products of its own production.

The provisions of this paragraph shall not apply to individual entrepreneurs who, in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting”, do not maintain accounting records and prepare financial reports.

5. For individual entrepreneurs who, in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", do not maintain accounting records and prepare financial reports, the authorized body shall have the right to establish forms of tax registers to reflect accounting information of:

1) income, including that received through non-cash payments;

2) purchased goods, works and services;

3) objects of taxation by individual income tax from the income of individuals subject to taxation at the source of payment, as well as social tax and social payments;

4) tax liabilities for payment for:

negative impact on the environment;

use of water resources of surface water bodies.

6. In order to disclose information about carriers and (or) suppliers of works and services rendered under the contract of freight forwarding, as well as the cost of such works and services, the freight forwarder maintains a tax register, which must reflect the following data:

1) the serial number and date of issue of the invoice of the carrier and (or) supplier of works and services who are payers of value added tax;

2) taxpayer identification number of the carrier and (or) supplier of works, services;

3) last name, first name and patronymic or name of the carrier and (or) supplier of works, services;

4) the cost of works and services performed by the carrier and (or) the supplier of works and services who are payers of value added tax, included in the amount of taxable (non-taxable) turnover indicated in the invoice;

5) the cost of works and services performed by the carrier and/or supplier who are not payers of value added tax, with the indication “Without value added tax”;

6) the cost of works and services that constitute the forwarder's turnover for the purchase of works and services from a non-resident.

7. In cases of damage or loss of goods as a result of emergency situations or during a state of emergency, the value added tax payer shall draw up a tax register, which shall reflect the information specified in paragraph 3 of this Article, as well as the following data:

1) name of the product;

2) the amount of value added tax credited;

3) book value of goods;

4) details of the document on the basis of which the value added tax on such goods was previously offset (name, number, date), as well as the cost of the goods without value added tax (the amount of taxable turnover).

8. In the case of maintaining tax registers on paper, the correction of errors in such tax registers must be justified and confirmed by the signature of the person responsible for making the correction, indicating the date and justification for the corrections made.

9. Tax registers shall be submitted to tax authority officials during tax audits on paper and /or electronic media – at the request of the tax authority officials conducting the audit.

Taxpayers subject to tax monitoring shall submit tax registers at the request of tax authorities or their officials.

When compiling tax registers in the form of an electronic document, the taxpayer (tax agent) shall be obliged, during a tax audit and within the framework of tax monitoring, at the request of tax authorities or their officials, to submit tax registers on electronic media and copies of such tax registers on paper, certified by the signatures of the head and persons (person) responsible for compiling these tax registers of the taxpayer (tax agent), as well as the seal of the taxpayer (tax agent), except for cases when the taxpayer (tax agent) does not have a seal for reasons stipulated by the legislation of the Republic of Kazakhstan.

10. Payers of the special tax regime for peasant or farming households shall be required to maintain tax registers as provided for in paragraph 5 of this Article, with the exception of the tax register on recording tax liabilities for payment for negative impact on the environment.

Article 206. Requirements for the preparation and storage of accounting documentation

1. Accounting documentation shall be prepared by the taxpayer (tax agent) on paper and (or) electronic media in Kazakh and (or) Russian.

If there are individual documents drawn up in foreign languages, the tax authority shall have the right to require the taxpayer (tax agent) to translate them into Kazakh or Russian.

2. When preparing accounting documentation in electronic form, the taxpayer (tax agent) shall be obliged, during a tax audit, at the request of tax authority officials, to submit copies of such documentation on paper, with the exception of invoices, accounting documentation and primary accounting documents registered in the electronic invoice information system.

3. Accounting documentation related to taxable objects or objects related to taxation shall be kept by the taxpayer (tax agent) until the expiration of the limitation period established by

Article 65 of this Code for each type of tax or payment to the budget, but not less than five years.

The storage period for accounting documentation begins with the tax period following the period in which the tax liability was calculated on the basis of such accounting documentation , except for the cases provided for in paragraphs 4 and 5 of this Article, if the storage period established by them exceeds the period established by this paragraph.

4. Accounting documentation confirming the value of a fixed asset of Group I, individual groups of depreciable assets formed in accordance with Articles 303–313 of this Code, including a fixed asset transferred (received) under a property lease (rental) agreement, shall be kept by the taxpayer until the expiration of five years, beginning with the tax period following the last tax period in which depreciation charges were calculated for such an asset.

Accounting documentation confirming the value of a fixed asset of groups II, III and IV, including a fixed asset transferred (received) under a property lease (rental) agreement, shall be kept by the taxpayer for the limitation period established by Article 65 of this Code, but not less than five years, starting from the tax period following the tax period in which such asset is included in the value balance of the group of fixed assets.

Accounting documentation confirming the value of assets not subject to depreciation for tax purposes shall be kept by the taxpayer for five years, beginning with the tax period following the tax period in which the taxpayer disposed of an asset not subject to depreciation .

5. Accounting documentation related to taxable objects or objects related to taxation, for taxes and other mandatory payments to the budget, for which the application of tax preferences and benefits by the taxpayer (tax agent) is provided in accordance with Section 17 of this Code, shall be kept for the period of limitation established by Article 65 of this Code.

6. In the event of a taxpayer’s reorganization, the obligation to store the accounting documentation of the reorganized entity shall be imposed on its legal successor(s).

Section 1. Invoice

Article 207. Categories of persons obliged to issue an invoice

1. The following taxpayers shall be required to issue an invoice:

registered as a payer of value added tax, in accordance with Chapter 50 of this Code;

not payers of value added tax (hereinafter - non-payers of value added tax), in accordance with Articles 208 and 209 of this Code.

2. An invoice shall be issued in the manner and form determined by the authorized body, taking into account the provisions of this Code.

Article 208. Issuance of an invoice by non-payers of value added tax

1. In the cases established by this paragraph, the following non-payers of value added tax shall be required to issue an invoice:

1) a commission agent in the cases established by Article 495 of this Code;

2) the forwarder in the cases established by Article 494 of this Code;

3) the department of the authorized body in the area of state material reserve when it releases goods from the state material reserve;

4) a taxpayer – for international cargo transportation services;

5) a legal entity accredited in the established manner to carry out activities to confirm conformity, as determined by the legislation of the Republic of Kazakhstan on technical regulation;

6) a taxpayer who is a customs representative, customs carrier, owner of temporary storage warehouses, owner of customs warehouses and an authorized economic operator in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

7) a taxpayer applying a special tax regime based on a simplified declaration;

8) a taxpayer in cases stipulated by regulatory legal acts of the Republic of Kazakhstan adopted for the purpose of implementing international treaties ratified by the Republic of Kazakhstan;

9) a taxpayer in the case of sale of imported goods;

10) a taxpayer selling goods that were received by such taxpayer and recorded upon receipt in the "Virtual Warehouse" module of the electronic invoice information system.

The list of goods for which electronic invoices are issued through the "Virtual Warehouse " module of the electronic invoice information system shall be approved by the authorized body and posted on its Internet resource;

11) a taxpayer - for medical services, for the sale of medicines, medical devices, components of medical devices, as well as technical auxiliary (compensatory) means in accordance with the legislation of the Republic of Kazakhstan on social protection;

12) a law firm for legal assistance provided by a lawyer who has established a law firm, independently or jointly with other lawyers, under agreements concluded by such a law firm.

The provisions of this paragraph shall not apply to the sale of personal property by an individual, including an individual who is an individual entrepreneur or a person engaged in private practice.

2. In the cases provided for in subparagraphs 1) – 7) and 11) of paragraph 1 of this Article , it is not required to issue an invoice in the following cases:

1) sales of goods, works, services, payments for which are made:

with the presentation to the buyer of a receipt from a cash register and/or through payment terminals;

with the presentation to the buyer of goods, works, services of a receipt of a special mobile application. In this case, at the request of the buyer, the receipt must contain the identification number of such buyer of goods, works, services;

2) the sale of goods, works, services to individuals, payments for which are made with electronic money or using electronic payment methods;

3) making payments through second-tier banks, postal operators for utilities and communication services provided to an individual;

4) registration of the carriage of a passenger by rail or air transport using a paper ticket, an electronic ticket or an electronic travel document;

5) gratuitous transfer of goods, gratuitous performance of works, rendering services to an individual who is not an individual entrepreneur or a person engaged in private practice;

6) implementation of financial transactions provided for in Article 477 of this Code.

The provisions of subparagraphs 1) and 2) of part one of this paragraph shall not apply in cases of sale of goods, performance of works, rendering services to persons specified in paragraph 1 of Article 131 of this Code.

3. In the cases provided for in subparagraphs 8) – 10) of paragraph 1 of this Article, the issuance of an invoice is not required when selling goods:

1) to individuals who use the purchased goods for personal, family, household or other use not related to entrepreneurial activity (final consumption);

2) to individuals or legal entities that are micro-entrepreneurs in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

4. The recipient of goods, works, services shall have the right, within fifteen calendar days from the date of the supplier's turnover on sale, to contact the supplier of these goods, works, services with a request to issue an invoice in the following cases provided for:

by subparagraphs 1) and 2) of paragraph 2 of this Article;

by paragraph 3 of this Article.

The supplier shall be obliged to fulfill such a requirement taking into account the provisions of this Article, including in terms of indicating in the information about the recipient of goods, works, services the details of the legal entity through whose authorized representative the goods, works, services are purchased, or the individual entrepreneur purchasing the goods, works, services.

5. The recipient of services shall have the right, within fifteen calendar days from the date of the supplier's turnover on sales, to apply with a request to issue a document confirming the fact of travel of an individual, or an invoice to the supplier of such services in the case provided for in subparagraph 4) of paragraph 2 of this Article. The supplier shall be obliged to fulfill such a request taking into account the provisions of this Article, including in terms of indicating in the information about the recipient of works, services the details of the individual to whom the transportation service was rendered.

Article 209. Requirements for issuing an invoice by non-payers of value added tax

1. An invoice shall be issued in electronic form in the electronic invoice information system, except for the following cases, when the taxpayer has the right to issue an invoice on paper:

1) absence of a public telecommunications network at the location of the taxpayer within the boundaries of the administrative-territorial units of the Republic of Kazakhstan;

2) confirmation of information on the Internet resource of the authorized body regarding the impossibility of issuing invoices in the electronic invoice information system due to technical errors.

An invoice issued on paper must be entered into the electronic invoice information system within fifteen calendar days from the date of correction of technical errors;

3) when the issuance of invoices in the electronic invoice information system is suspended in accordance with Article 88 of this Code.

In this case, an invoice issued on paper must be entered into the information system of electronic invoices within fifteen calendar days from the date of cancellation of the suspension of issuing invoices in electronic form in accordance with Article 88 of this Code;

4) during an emergency situation or a state of emergency.

In this case, an invoice issued on paper must be entered into the information system of electronic invoices within thirty calendar days from the date of the end of the period of emergency or the state of emergency.

2. A paper invoice shall be issued in the form of an electronic invoice in two copies, one of which shall be transferred to the recipient of goods, works, services.

Taxpayers shall have the right to indicate additional information in an invoice issued on paper that is not provided for in the electronic form of the invoice.

3. The cost and amount values in the invoice shall be indicated in the national currency of the Republic of Kazakhstan.

4. If a structural division of a legal entity acts as a supplier of goods, works, or services on behalf of the legal entity and, by decision of the legal entity, invoices shall be issued by such a structural division, and also if, on behalf of the legal entity, a structural division acts as a recipient of goods, works, or services, then the invoice may include the details of such a structural division.

5. For the purposes of issuing an invoice:

the date of the transaction shall be determined in accordance with the provisions of Article 460 of this Code;

The size of the turnover shall be determined in accordance with the provisions of Articles 461 and 462 of this Code.

6. Unless otherwise provided by this paragraph, an invoice issued in electronic form shall be certified by means of an electronic digital signature.

The invoice shall be additionally certified by the biometric data of the individual issuing the invoice in the manner prescribed by the authorized body, if a risk is identified in relation to the taxpayer on the basis of the risk management system in accordance with Article 93 of this Code.

An invoice issued on paper shall be certified:

for legal entities - by the signatures of the director and chief accountant, as well as a seal containing the name and indication of the organizational and legal form, if this person, in accordance with the legislation of the Republic of Kazakhstan, must have a seal;

for individual entrepreneurs – with a seal (if any) containing the last name, first name and patronymic and/or company name, as well as by the signature of the individual entrepreneur.

The invoice may be certified by the signature of an employee authorized to do so by the taxpayer's order. In this case, a copy of the order must be available for visual inspection by recipients of goods, works, and services.

The recipient of goods, works, services shall have the right to contact the supplier of these goods, works, services with a request to submit a copy of the order on the appointment of a person authorized to sign invoices, certified by an authorized person, and the supplier shall be obliged to fulfill this requirement on the day of the request of the recipient of goods, works, services.

A structural subdivision of a legal entity that is a supplier of goods, works, services, by decision of the taxpayer, shall have the right to certify the invoices issued by it with the seal of such structural subdivision, containing the name and indication of the organizational and legal form of the legal entity, if this person, in accordance with the legislation of the Republic of Kazakhstan, must have a seal.

An invoice issued by an authorized representative of participants in a simple partnership (consortium), in the cases provided for in paragraph 2 of Article 216 of this Code, shall be certified with the seal of the authorized representative, containing the name and indication of the organizational and legal form, as well as by the signatures of the director and chief accountant of such authorized representative.

If, in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and accounting policy, the manager or individual entrepreneur maintains tax accounting personally, instead of the signature of the chief accountant, “not provided” is indicated.

7. An invoice shall be issued by non-payers of value added tax within the time limits established by Article 493 of this Code.

8. The specifics of issuing invoices in certain cases are established by Articles 494–498 of this Code.

Article 210. Rules for maintaining separate tax accounting

1. Separate tax accounting shall mean the tax accounting of taxation objects and (or) objects related to taxation, for the purposes of calculating tax liabilities on certain types of taxes separately for the following allocated categories, for which this Code establishes taxation conditions other than the generally established ones:

type or combination of types of activity;

subsoil use contract;

deposit (group of deposits, part of a deposit) classified as low-profit, highly viscous, flooded, low-yield, or depleted;

trust management agreement or other case of occurrence of trust management;

joint activity agreement;

turnover from the sale of goods, works, services;

type of income;

construction object;

tax rate.

Taxation conditions other than the generally established taxation conditions also include a reduction in the amount of tax, exemption from taxation, and the application of a special tax regime.

The taxpayer (tax agent) shall not have the right to combine objects of taxation and (or) objects related to taxation for the purpose of calculating tax liabilities on the allocated categories for which this Code establishes requirements for maintaining separate tax accounting.

2. The taxpayer (tax agent) shall be obliged to maintain separate tax accounting in cases provided for by this Code.

Separate tax accounting of taxable objects and (or) objects related to taxation must be maintained by:

authorized representative of the parties to the joint activity agreement under the joint activity agreement;

founder of a trust or trustee.

3. A taxpayer applying a special tax regime based on a simplified declaration, upon the occurrence of income subject to taxation in the generally established manner, shall be obliged to maintain separate tax accounting of taxable items and (or) items related to taxation, for the purpose of calculating tax liabilities in the generally established manner separately from tax liabilities in the special tax regime based on a simplified declaration.

4. The taxpayer (tax agent) shall independently establish the procedure for maintaining separate tax accounting in the tax accounting policy, including a list of types of general income and expenses, methods for distributing such income and expenses between the allocated categories and other activities for which this Code establishes different taxation conditions.

5. The subsoil user is obliged to maintain separate tax records of taxable objects and (or) objects related to taxation, for the purpose of calculating tax liabilities for contractual activities separately from non-contractual activities in the manner determined by Article 757 of this Code.

6. Transactions with derivative financial instruments do not relate to subsoil use transactions (contract activities).

7. Separate tax accounting is maintained by taxpayers (tax agents) on the basis of accounting documentation data in accordance with the approved tax accounting policy and taking into account the provisions established by this article.

8. When maintaining separate tax records for calculating tax liability, the taxpayer (tax agent) is obliged to ensure:

1) reflection in tax accounting of objects of taxation and (or) objects related to taxation, for the calculation of taxes for which this Code establishes a requirement for maintaining separate tax accounting - for each allocated category separately from other activities;

2) calculation of taxes and payments to the budget for which this Code does not establish a requirement for maintaining separate tax records - in general for all activities;

3) submission of tax reports on taxes and payments to the budget - in general for all activities, with the exception of:

corporate income tax returns;

declarations on individual income tax for business activities;

declarations on value added tax in the case provided for in subparagraph 6) of this paragraph;

4) submission separately of:

declarations under a special tax regime based on a simplified declaration - for types of income for which a special tax regime based on a simplified declaration is applied;

declarations on the special tax regime for peasant or farming households - on income from activities covered by the special tax regime for peasant or farming households;

corporate or individual income tax returns – for other types of income;

5) submission of a single declaration on corporate or individual income tax for entrepreneurial activity as a whole for all activities and the corresponding appendices to it for each allocated category in cases not specified in subparagraph 4) of this paragraph;

6) submission of a separate value added tax return:

for activities provided for in Article 490 of this Code;

for other activities.

Article 211. General principles of maintaining separate tax records for corporate income tax

1. For the purposes of this Article, the following concepts shall be applied:

1) total income and expenses – income and expenses of the reporting tax period, including income and expenses on total fixed assets that are simultaneously related to the implementation of activities in the allocated category and other activities and are subject to distribution between them;

2) general fixed assets – fixed assets that are simultaneously associated with the implementation of activities in the allocated category and other activities and, due to the specific nature of their use, do not have a direct cause-and-effect relationship with a specific allocated category or other activity;

3) indirect income and expenses – income and expenses of the reporting tax period, including income and expenses on fixed assets that have a direct cause-and-effect relationship with several allocated categories and are subject to distribution only between such categories;

4) indirect fixed assets – fixed assets that, due to the specifics of their use, have a direct cause-and-effect relationship with several identified categories;

5) direct income and expenses – income and expenses of the reporting tax period, including income and expenses on fixed assets that have a direct cause-and-effect relationship with a specific allocated category or other activity.

2. For the purposes of maintaining separate tax accounting, all income and expenses of the taxpayer shall be divided into direct, indirect and general.

The classification of income and expenses into direct, indirect and general shall be carried out by the taxpayer (tax agent) independently based on the specifics of the activity.

Direct income and expenses must be attributed in full only to the allocated category or other activity with which they have a direct cause-and-effect relationship.

Total income and expenses shall be subject to distribution between the allocated category and other activities and are related in the appropriate proportion to the income and expenses of the allocated category and other activities with which they have a causal relationship.

Indirect income and expenses shall be subject to distribution only between the allocated categories and in the corresponding proportion relate to the income and expenses of the category with which they have a causal relationship.

The distribution of general and indirect income and expenses shall be carried out in accordance with the methods established by paragraph 4 of this Article and taking into account the provisions of paragraph 3 of this Article.

3. For general and indirect fixed assets, expenses incurred by the taxpayer on these fixed assets, including depreciation expenses and subsequent expenses, shall be subject to distribution between the allocated category and other activities.

For general and indirect expenses on remuneration, the total amount of the deduction for such remuneration, determined in accordance with Article 263 of this Code, shall be subject to distribution.

If the exchange rate difference cannot be attributed by direct cause and effect to the allocated category and other activities of the taxpayer, the final (balanced) result obtained for the tax period in the form of the excess of the amount of the positive exchange rate difference over the amount of the negative exchange rate difference or the excess of the amount of the negative exchange rate difference over the amount of the positive exchange rate difference shall be subject to distribution according to the exchange rate difference.

Taxes subject to deduction as general or indirect expenses shall be subject to distribution in accordance with the methods established by paragraph 4 of this Article, without distribution of the corresponding objects of taxation and (or) objects related to taxation.

4. Distribution of general and indirect income and expenses for each allocated category and other activities shall be carried out by the taxpayer (tax agent) independently, taking into account the specifics of the activity on the basis of one or more methods of maintaining separate tax accounting adopted in the tax accounting policy, including:

1) by the specific weight of direct income attributable to each allocated category and other activities, in the total amount of direct income received by the taxpayer (tax agent) for the tax period;

2) by the specific weight of direct expenses attributable to each allocated category and other activities, in the total amount of direct expenses incurred by the taxpayer (tax agent) for the tax period;

3) by the specific weight of expenses incurred under one of the following items - direct production costs, wage fund or the cost of fixed assets attributable to each allocated category and other activities, in the total amount of expenses under this item incurred by the taxpayer (tax agent) for the tax period;

4) by the proportion of the average headcount of employees participating in activities in the allocated category and other activities to the total average headcount of employees of the taxpayer (tax agent);

5) other methods.

In relation to different types of general and indirect income and expenses, different methods of their distribution may be applied, determined by the taxpayer (tax agent).

For a more accurate distribution of general and/or indirect income and expenses, the value of the specific weight obtained as a result of applying one of the above methods shall be determined by the taxpayer (tax agent) as a percentage up to one hundredth (0.01%).

If the tax accounting policy does not establish a method for distributing total income and expenses, then the tax authorities, during the course of a tax audit, shall distribute such income and expenses based on the method established by subparagraph 1) of part one of this paragraph.

5. When calculating corporate income tax for the taxpayer's overall activities, losses incurred under any allocated category shall not be taken into account; the taxpayer shall have the right to compensate for these losses only at the expense of income received from activities under such allocated category in subsequent tax periods, taking into account the provisions of Article 307 of this Code.

Article 212. Financial leasing

1. Financial leasing is the transfer of property under a leasing agreement concluded in accordance with the legislation of the Republic of Kazakhstan on financial leasing, as well as the provision of the leased asset for secondary leasing or subleasing.

2. If the leasing agreement specifies the right of the lessee to extend the term of the financial lease, then the term of the financial lease shall be determined taking into account the period for which the extension is actually carried out.

3. The property transferred under financial leasing are the leased items to be received by the lessee on the basis of the leasing agreement.

For tax accounting purposes, the lessee is considered as the buyer of the leased asset.

The cost at which the leased asset is transferred (received) is the cost of the leased asset determined on the basis of the lease agreement. If the cost at which the leased asset is transferred (to be received) is not separately identified in the lease agreement, then the specified cost shall be determined as the sum of all lease payments payable for the entire lease period, excluding value added tax.

For tax accounting purposes, the transfer of property under a property lease agreement (rental agreement) that does not correspond to a leasing agreement in accordance with the legislation of the Republic of Kazakhstan shall be considered as the provision of services, and the rental payments payable, with the exception of value added tax, shall accordingly be considered as payment for services rendered.

Article 213. Conditions for the transfer of property under financial leasing for the purposes of applying special taxation rules

1. For the purposes of applying subparagraph 1) of paragraph 2 of Article 337 and Article 478 of this Code, the transfer of property under financial lease must comply with the conditions provided for in this Article.

2. Unless otherwise established by this paragraph and paragraph 3 of this Article, financial leasing is the transfer of property under a leasing agreement concluded in accordance with the legislation of the Republic of Kazakhstan for a period of three years or more, if it meets one of the following conditions:

1) the transfer of property to the ownership of the lessee and (or) granting of the right to the lessee to purchase property at a fixed price are determined by the leasing agreement;

2) the term of the financial lease from the date of transfer of the property exceeds three years and exceeds 75 percent of the useful life of the property transferred under the financial lease;

3) the current (discounted) value of lease payments for the entire term of the financial lease exceeds 90 percent of the value of the property transferred under the financial lease.

Secondary leasing is the provision of leased assets to another (other) lessee (lessees) that remain in the ownership of the lessor in the event of termination, cancellation of the leasing agreement or its change in connection with a change in the number of leased assets (hereinafter, for the purposes of this Article, the primary leasing agreement), with simultaneous compliance with the following conditions:

the date of termination, cancellation or modification of the primary leasing agreement and the date of conclusion of the secondary leasing agreement(s) fall within the same tax period established by Article 504 of this Code;

agreement (s) retains the terms and conditions provided for in the primary leasing agreement, with the exception of the terms and conditions for the number of leased items, leasing payments and leasing term;

the secondary lease provides for leased items in a quantity not exceeding their total quantity under the primary lease agreement;

the value of the leased item transferred to secondary leasing does not exceed the value of the leased item under the primary leasing agreement, reduced by the amount of leasing payments, with the exception of leasing remuneration, paid on the date of termination of the leasing agreement; the amount of the remuneration rate under the secondary leasing agreement(s) does not exceed the amount of the remuneration rate under the primary leasing agreement;

items are provided on secondary lease for a period of at least three years.

3. The following are not considered financial leasing for the purposes of applying subparagraph 1) of paragraph 2 of Article 337 and Article 478 of this Code:

1) leasing transactions in the event of termination of leasing agreements (termination of obligations under the leasing agreement) prior to the expiration of three years from the date of conclusion of such agreements, except for the following cases:

recognition of the lessee as bankrupt in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy and its exclusion from the National register of business identification numbers;

recognition of an individual - lessee, on the basis of a court decision that has entered into legal force, as missing or declared dead, incapacitated or partially incapacitated, establishing a disability of the first or second group, as well as in the event of the death of an individual - lessee;

entry into force of a resolution of a bailiff on the return of the writ of execution to the lessor due to the absence of the lessee's property, including money, securities or income, which may be subject to collection, and (or) in the event that the bailiff takes measures, as provided for by the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs, to identify his/her property, including money, securities or income, which have proven to be ineffective;

entry into force of a court decision refusing the lessor's right to foreclose on the lessee's property, including money, securities or income;

provision of leased items for secondary leasing;

damage or loss of property as a result of emergency situations or during a state of emergency;

2) leasing transactions for which the amount of leasing payments (under the agreement and/or actual) excluding remuneration for the first year of the leasing agreement is more than 50 percent of the value of the leased item;

3) leasing transactions under which, before the expiration of three years from the date of conclusion of the leasing agreement, the lessee has changed as a result of a change of persons in the obligation, except in the case of its reorganization;

4) leasing transactions in which the lessor has changed as a result of a change in the parties to the obligation, except in the case of its reorganization through transformation;

5) transactions for the transfer of property on sublease by the sub-lessor to the sub-lessee under the sub-leasing agreement.

Article 214. Features of fulfillment of tax obligations in joint entrepreneurship

1. Unless otherwise established by this paragraph, in the case of joint entrepreneurship, objects of taxation and (or) objects related to taxation shall be accounted and taxed in the manner determined by this Article.

In the case of joint entrepreneurship based on a joint activity agreement (in the form of a simple partnership), taxable objects and (or) objects related to taxation shall be accounted and taxed in the manner determined by Article 215 of this Code.

A special part of this Code may establish special tax regimes in relation to peasant or farming enterprises, providing for a different procedure for accounting and taxation of taxable objects and (or) objects related to taxation.

2. Fulfilment of tax obligations for activities within the framework of a joint individual entrepreneurship, as well as in relation to common joint property used in a joint individual entrepreneurship, shall be carried out by:

1) the head of a peasant farm – when implementing joint individual entrepreneurship in the form of a peasant farm;

2) an authorized person of a joint individual entrepreneurship – in other cases.

3. If, after applying the methods of ensuring the fulfillment of an overdue tax obligation and measures of forced collection of tax debt, the person specified in subparagraph 2) of paragraph 2 of this Article has a tax debt on a joint individual entrepreneurship, the obligation to pay off such debt in equal shares shall be imposed on all members of the joint individual entrepreneurship.

In this case, the person specified in subparagraph 2) of paragraph 2 of this Article shall be obliged to notify all members of the joint individual entrepreneurship of the existence of tax debts on the joint individual entrepreneurship and the amount of such debts within three working days from the date of the start of application of measures for the forced collection of tax debts.

Article 215. Implementation of joint activities

1. Unless otherwise established by this Code, in the event of an agreement on joint activities or another agreement providing for two or more participants in a joint activity agreement without forming a legal entity (hereinafter - a joint activity agreement), objects of taxation and (or) objects related to taxation shall be accounted and taxed respectively for each participant in the joint activity agreement in the manner determined by this Code.

2. Each participant in a joint activity agreement, with respect to its share of participation, shall independently maintain records of assets, liabilities, income and expenses related to joint activities to determine objects of taxation and (or) objects related to taxation, unless otherwise established by this Code.

3. In the event that the joint activity agreement does not contain a procedure for distributing assets, liabilities, income and expenses for joint activities to determine taxable items and (or) items related to taxation, the parties to the joint activity agreement shall develop and approve a tax accounting policy for the joint activity prior to submitting the first tax report that reflects such procedure and the tax liability arising as a result of the joint activity.

4. A joint activity agreement may determine an authorized representative of the parties to the joint activity agreement who is responsible for maintaining tax records for such activity or part thereof, unless otherwise established by this Code.

5. For tax purposes, assets, liabilities, income and expenses from joint activities or part thereof shall be accounted for by the authorized representative of the participants in the joint activity agreement separately from the assets, liabilities, income and expenses from other activities of this authorized representative.

6. The distribution of assets, liabilities, income and expenses for joint activities to determine objects of taxation and (or) objects related to taxation between the parties to the joint activity agreement shall be carried out by the parties to the joint activity agreement and (or) their authorized representative, if any, based on the results of each tax period in the manner determined by the joint activity agreement.

If the terms of the joint activity agreement and (or) the tax accounting policy for the joint activity do not establish the procedure for distributing assets, liabilities, income and expenses for determining objects of taxation and (or) tax-related objects, the participants in the joint activity agreement and (or) the authorized representative of such participants, if any, shall carry out the specified distribution in proportion to the shares of participation in accordance with the joint activity agreement.

The results of the distribution of assets, liabilities, income and expenses for determining objects of taxation and (or) tax-related objects between the parties to the joint activity agreement must be drawn up in writing, signed by all parties to the joint activity agreement and (or) their authorized representative, if any, and sealed (if any, in cases established by the legislation of the Republic of Kazakhstan). A document on the results of the distribution of assets, liabilities, income and expenses shall be submitted by each party to the joint activity agreement to the tax authorities during a tax audit.

An authorized representative of the participants in a joint activity agreement must have copies of all documents on the basis of which the distribution of assets, liabilities, income and expenses was carried out, unless otherwise established by this Code.

Article 216. Peculiarities of the implementation of joint activities by subsoil users

1. If the right to use subsoil under one subsoil use contract belongs to several individuals and (or) legal entities as part of a simple partnership (consortium), each participant in the simple partnership (consortium) acts as the taxpayer for taxes and payments to the budget established by the tax legislation of the Republic of Kazakhstan.

2. If the right to use subsoil under one subsoil use contract belongs to several individuals and/or legal entities as part of a simple partnership (consortium), then for the activities carried out under such a subsoil use contract, the participants of the simple partnership (consortium) shall be obliged to determine an authorized representative of the participants of the simple partnership (consortium) responsible for maintaining consolidated tax accounting for such activities.

An authorized representative of participants in a simple partnership (consortium) shall be obliged to maintain consolidated tax accounting for activities carried out under a subsoil use contract in accordance with the requirements of this Code.

In cases where subsoil use operations are carried out within the framework of a production sharing agreement (contract), the operator acts as such authorized representative.

The powers of an authorized representative of the participants of a simple partnership (consortium), including the operator, must be confirmed in accordance with the requirements of Articles 38–41 of this Code.

3. Tax obligations under a subsoil use contract shall be fulfilled in the manner determined by this Code by a participant (participants) of a simple partnership (consortium) and (or) an authorized representative of participants of a simple partnership (consortium) responsible for maintaining consolidated tax accounting for such activities, based on consolidated tax accounting. In this case, tax obligations for submitting tax reporting forms shall be fulfilled by participants of a simple partnership (consortium) independently, except for the cases provided for in subparagraph 2) of paragraph 3 of Article 755 of this Code.

Article 217. Carrying out advocacy activities in a law office

1. When providing legal assistance by a lawyer in a law firm, objects of taxation and (or) objects related to taxation shall be accounted and taxed accordingly for each lawyer of the law firm, in the manner determined by this Code.

2. Each lawyer shall independently maintain records of his/her property, income and his/her share of taxable objects and (or) objects related to taxation, for the legal activity carried out under contracts concluded by the law firm in his/her own name, on behalf of, at the expense and in the interests of the lawyers included in it.

3. The procedure for distributing property, claims, obligations, income and expenses arising in connection with the implementation of advocacy activities under agreements concluded by a law firm, as well as determining the shares of taxable objects and (or) objects related to taxation of each lawyer included in such a law firm, shall be determined in a partnership agreement concluded by lawyers in accordance with the legislation of the Republic of Kazakhstan.

Such distribution of property, claims, liabilities, income and expenses, as well as determination of shares of taxable objects and (or) objects related to taxation, shall be carried out by lawyers based on the results of each tax period. The results of such distribution must be formalized in writing, signed by all lawyers operating in the law firm. A document on the results of distribution of property, claims, liabilities, income and expenses, as well as determination of shares of taxable objects and (or) objects related to taxation, shall be submitted by each lawyer to the tax authorities in the event of a tax audit.

Chapter 21. SPECIAL FEATURES OF TAX ACCOUNTING BY INDIVIDUAL ENTREPRENEURS WHO DO NOT MAINTAIN ACCOUNTING AND PREPARATION OF FINANCIAL Reporting IN ACCORDANCE WITH THE LAW OF THE REPUBLIC OF KAZAKHSTAN "ON ACCOUNTING AND FINANCIAL REPORTING"

Article 218. General provisions

For the purposes of applying the provisions of this Code in terms of maintaining tax accounting and the procedure for determining and fulfilling tax obligations by individual entrepreneurs who do not maintain accounting records and prepare financial reporting in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting”, the following concepts are used:

1) assets – property controlled by an individual entrepreneur, from whom future economic benefits are expected to be received;

2) primary accounting documents – documentary evidence, both on paper and electronic media, of the fact of a transaction or event and the right to perform it, on the basis of which tax accounting is maintained;

3) biological asset – an animal or plant intended for use in agricultural activities;

4) inventories – assets intended for sale, as well as use in the production process, for administrative purposes or in the performance of works, rendering services;

5) capital – the share in the assets of an individual entrepreneur remaining after deducting all liabilities;

6) income - an increase in economic benefits during the reporting period in the form of an inflow or increase in assets or a decrease in liabilities that result in an increase in capital other than an increase associated with contributions by a person participating in the capital;

7) intangible asset – an identifiable non-monetary asset that does not have a physical form , intended for use in production or for administrative purposes, including for leasing (renting) property to other persons;

8) obligation – an existing duty of an individual entrepreneur, the settlement of which will lead to the outflow of resources containing economic benefits;

9) fixed assets – tangible assets that:

intended for use in production or administrative purposes in the sale of goods, performance of works, rendering services, including for the lease of property to other persons;

is intended to be used for more than one year.

Article 219. Forms of primary accounting documents and requirements for their preparation

1. The authorized body shall have the right to establish in the rules for organizing and maintaining tax accounting the forms of primary accounting documents used by individual entrepreneurs who do not maintain accounting records and financial reporting in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" and (or) requirements for their preparation.

The specified individual entrepreneurs shall also have the right to issue primary accounting documents in the electronic invoice information system using an electronic digital signature.

2. Entries in tax registers shall be made on the basis of primary documents.

Article 220. Special features of tax accounting

1. For sole proprietors the transactions, conducted in foreign currency shall be converted into tenge on the official exchange rate in effect as of the transaction date. Exchange rate differences shall not be taken into account for tax purposes.

2. In tax accounting, inventories shall be recognized at cost when they are received by an individual entrepreneur or a person authorized by him/her, including after their production by an individual entrepreneur, as a result of dismantling fixed assets by transferring them from other assets.

The cost of inventory shall include the costs of acquisition, processing, and other costs incurred in order to bring inventory to its current condition and deliver it to its current location.

Acquisition costs shall include import duties, taxes (other than refundable), transportation, handling and other expenses directly attributable to the acquisition. Trade discounts granted by the supplier, refunds of payments by the supplier and other similar discounts and refunds shall be deducted in determining costs.

Inventory conversion costs shall include costs directly associated with converting raw materials into finished goods, including direct labor costs and manufacturing overheads.

For tax accounting purposes, the cost of a unit of inventory shall be determined based on the actual costs provided for in part two of this paragraph for such unit of inventory.

An individual entrepreneur shall have the right to determine the cost of a unit of inventory for tax accounting purposes using the weighted average cost method. According to the weighted average cost method, the cost of inventory shall be determined as the average cost of inventory at the beginning of the period and similar inventory acquired (produced) during the period. The choice of this method shall be made by an individual entrepreneur by reflecting it in the tax accounting policy.

Individual entrepreneurs engaged in the production of goods, as well as individual entrepreneurs who have chosen the weighted average cost method, shall account inventories

upon their receipt and disposal in tax registers, the form of which is developed by individual entrepreneurs independently.

The receipt of inventories through internal transfer movement shall constitute income of an individual entrepreneur. Internal transfer of inventories shall mean their transfer from one financially responsible person appointed by the individual entrepreneur to another financially responsible person appointed by the same individual entrepreneur.

The transfer of inventories for storage or as customer-supplied raw materials for the purposes of tax accounting of an individual entrepreneur shall not be considered the disposal of inventories.

The receipt of inventories for storage shall be carried out by an individual entrepreneur on the basis of a storage agreement or a declaration of refusal of acceptance in the event that the individual entrepreneur received the inventories and legally refused to accept the invoices of payment requests of suppliers of these inventories and their payment. The cost of such inventories shall not constitute income of the individual entrepreneur.

The disposal of inventories shall mean:

1) termination of recognition as an asset, including upon sale of inventories to a third party, gratuitous transfer, use in the production process, during performance of works, rendering services and for other purposes, upon transfer as a contribution to the authorized capital, upon exchange, identification of shortages during inventory, theft, damage to property , expiration of storage periods, obsolescence and other cases of loss of consumer properties;

2) reclassification of an asset, including transfer to fixed assets, other assets.

SECTION 4. GENERAL PROVISIONS ON TAXATION OF INCOME OF RESIDENTS AND NON-RESIDENTS Chapter 22. GENERAL PROVISIONS

Article 221. General provisions on taxation of residents and non-residents

1. A resident of the Republic of Kazakhstan shall pay taxes in the Republic of Kazakhstan on income from sources in the Republic of Kazakhstan and outside of it in accordance with the provisions of this Code.

2. A non-resident shall pay taxes in the Republic of Kazakhstan on income from sources in the Republic of Kazakhstan in accordance with the provisions of this Code.

A non-resident carrying out entrepreneurial activity in the Republic of Kazakhstan through a permanent establishment shall also pay taxes in the Republic of Kazakhstan, in accordance with the provisions of this Code, on income from sources outside the Republic of Kazakhstan related to the activities of such a permanent establishment.

3. Residents and non-residents also pay other taxes and payments to the budget in the Republic of Kazakhstan, as well as social payments when such obligations arise.

Article 222. An individual – resident

1. An individual is recognized as a resident in the following cases:

1) permanent residence in the Republic of Kazakhstan;

2) the presence of a center of vital interests in the Republic of Kazakhstan.

2. Permanent residence in the Republic of Kazakhstan for a tax period is the presence of an individual in the Republic of Kazakhstan in any consecutive twelve-month period ending in the given tax period:

1) not less than one hundred eighty-three calendar days (including the days of arrival and departure);

2) not less than ninety calendar days (including days of arrival and departure) for an investment resident of the AIFC in accordance with the conditions established by the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Center".

3. The center of vital interests is located in the Republic of Kazakhstan if the following conditions are simultaneously met:

1) an individual has citizenship of the Republic of Kazakhstan or a residence permit in the Republic of Kazakhstan, or a residence permit;

2) the spouse and (or) close relatives of an individual reside in the Republic of Kazakhstan (if any);

3) the presence in the Republic of Kazakhstan of real estate owned or otherwise by an individual and/or a spouse and/or his/her close relatives, accessible at any time for his/her residence and/or for the residence of the spouse and/or his/her close relatives.

4. Regardless of the period of residence in the Republic of Kazakhstan and any other criteria provided for in this Article, as a resident shall be recognized an individual:

1) seconded abroad by state authorities, including an employee of diplomatic, consular offices, international organizations, as well as family members of the specified individual;

2) a member of the crew of a vehicle owned by a legal entity or a citizen of the Republic of Kazakhstan, carrying out regular international transportation;

3) military personnel and civilian personnel of formations and military units of the Armed Forces of the Republic of Kazakhstan stationed outside the Republic of Kazakhstan;

4) operating at a facility located outside the Republic of Kazakhstan and owned by the Republic of Kazakhstan or constituent entities of the Republic of Kazakhstan (including on the basis of concession agreements);

5) located outside the Republic of Kazakhstan for the purpose of training, including an internship or practical training, treatment or health and preventive procedures, during the period of training, including an internship or practical training, treatment or health and preventive procedures;

6) a teacher and (or) research worker located outside the Republic of Kazakhstan for the purpose of teaching, consulting or carrying out scientific works, during the period of provision (performance) of the specified services (works).

The provisions of this paragraph shall apply to an individual who is a citizen of the Republic of Kazakhstan (or who has submitted an application for admission to citizenship of

the Republic of Kazakhstan or for permission to permanently reside in the Republic of Kazakhstan without admission to citizenship of the Republic of Kazakhstan).

Article 223. A legal entity – resident

1. A legal entity shall be recognized as a resident in the following cases:

1) creation of a legal entity in accordance with the legislation of the Republic of Kazakhstan;

2) creation of a legal entity in accordance with the legislation of a foreign state, the place of effective management (location of the actual management body) of which is located in the Republic of Kazakhstan.

2. The place of effective management (location of the actual management body) shall be recognized as the place where the meeting of the actual management body (board of directors or similar body) is held, at which management and (or) control is exercised, and decisions are made that are necessary for the conduct of the entrepreneurial activities of the legal entity.

Article 224. Procedure for confirmation of residency

1. Residency shall be confirmed for the purposes of application by the resident of an international agreement regulating issues of avoidance of double taxation and prevention of tax evasion, and for other purposes for application outside the Republic of Kazakhstan.

The tax authority shall issue a document confirming residency based on the resident's tax application.

The procedure and terms for confirming residency shall be established by the authorized body.

2. Confirmation of the taxpayer's residency shall be carried out by the tax authority that is superior to the tax authority in which such taxpayer is registered at the place of residence.

3. Residency shall be confirmed:

1) for the period from the date of occurrence of the event leading to recognition of residency of an individual until the end of the calendar year in which the specified event occurred;

2) for a calendar year in the event of confirmation of residency of an individual for the previous calendar year, subject to his/her permanent residence in the Republic of Kazakhstan;

3) for the calendar year specified in the application for confirmation of residency of an individual permanently residing in the Republic of Kazakhstan or whose center of vital interests is located in the Republic of Kazakhstan;

4) for the period from the date of registration until the end of the calendar year of a legal entity, both created in accordance with the legislation of the Republic of Kazakhstan and created in accordance with the legislation of a foreign state, the place of effective management (location of the actual management body) of which is in the Republic of Kazakhstan. In subsequent years, the residency of a legal entity shall be confirmed from the beginning of the calendar year until the end of that calendar year.

4. Residency shall be confirmed for the past and/or current calendar years.

Article 225. Non-residents

1. A non-resident – a person who is not a resident of the Republic of Kazakhstan in accordance with the provisions of this Code or an international treaty regulating issues of avoidance of double taxation and prevention of tax evasion.

A non-resident legal entity carries out activities in the Republic of Kazakhstan:

1) without the formation of a permanent establishment;

2) with the formation of a permanent establishment.

At the same time, the implementation of activities by a non-resident legal entity without the formation of a permanent establishment may lead to the formation of a permanent establishment.

Article 226. Permanent establishment of a non-resident

1. A permanent establishment of a non-resident shall be formed in the event that the non-resident carries out activities on the territory of the Republic of Kazakhstan in the event of:

1) presence of a permanent place of business;

2) rendering services, performance of works through employees or other personnel hired by a non-resident;

3) implementation of activities by a non-resident through a dependent agent;

4) implementation of joint activities by a non-resident.

A permanent establishment of a non-resident shall be determined in accordance with this Code.

In the presence of an international treaty, a permanent establishment shall be determined in accordance with the provisions of such international treaty.

2. The following does not lead to the formation of a permanent establishment in the Republic of Kazakhstan:

1) activities that are exclusively preparatory or auxiliary in nature for the subsequent activities of a non-resident:

use of any place solely for the purpose of storing and/or displaying goods belonging to a non-resident, without selling them;

maintaining a permanent place of business solely for the collection, processing and (or) distribution of information, advertising or market research for goods, works, and services.

In this case, activities of a preparatory and auxiliary nature must be carried out for the non-resident itself and cannot be part of the main types of activities of the non-resident;

2) rendering services for the provision of foreign personnel to work in the territory of the Republic of Kazakhstan subject to the simultaneous fulfillment of the following conditions:

if such personnel act on behalf of and in the interests of the person to whom they are provided;

a non-resident rendering a service for the provision of foreign personnel shall not be liable for the results of the works of the personnel provided;

the income of a non-resident from rendering services for the provision of foreign personnel for the tax period does not exceed 10 percent of the total amount of expenses of the non-resident for the provision of such personnel for the specified period.

In this case, the amount of such income shall be determined as a positive difference between the cost of services rendered by a non-resident for the provision of foreign personnel during the tax period and the cost of the total amounts of expenses of the non-resident for the provision of personnel during the specified period.

To confirm the amount of expenses for the provision of such services, including the income of foreign personnel, a non-resident shall be obliged to provide the recipient of services with copies of primary documents drawn up in accordance with the legislation of the Republic of Kazakhstan and (or) a foreign state.

For the purposes of calculating corporate income tax on the income of a non-resident rendering services for the provision of foreign personnel, if the conditions established by this paragraph are met, such services of a non-resident shall be recognized as services provided outside the Republic of Kazakhstan;

3) registration with the tax authorities as a taxpayer solely for the purpose of opening a bank account in banks of the Republic of Kazakhstan;

4) registration as a taxpayer solely for the purpose of fulfilling the obligations of a tax agent acquiring property in the Republic of Kazakhstan.

Article 227. Permanent establishment of a non-resident in the presence of a permanent place of business

1. The permanent place of business of a non-resident in the territory of the Republic of Kazakhstan shall be recognized as:

1) any place where production, processing, assembly, packaging, packing and (or) sale of goods takes place;

2) any place of management, office, bureau, factory, branch, workshop, mine, oil or gas well, quarry or other place of extraction of natural resources;

3) any place of geological exploration of the subsoil, exploration, preparatory works for exploration and extraction of minerals and (or) extraction of minerals, and (or) performance of works, rendering services for control, monitoring and (or) supervision of exploration and (or) extraction of minerals;

4) any place where activities (including control or observation) related to the pipeline are carried out;

5) any place where activities related to the installation, adjustment and operation of gaming machines (including consoles), computer networks and communication channels, attractions, as well as related to transport or other infrastructure are carried out;

6) any place where construction activities and (or) construction and installation works are carried out, as well as the provision of services for control, monitoring and (or) supervision of the performance of these works;

7) the location of a structural subdivision of a non-resident legal entity, with the exception of a representative office, carrying out the activities specified in subparagraph 1) of paragraph 2 of Article 226 of this Code;

8) the location of the person carrying out intermediary activities in the Republic of Kazakhstan on behalf of a non-resident in accordance with the Law of the Republic of Kazakhstan “On Insurance Activities”;

9) the location of the resident – party to the joint activity agreement concluded with a non-resident, if such joint activity is carried out on the territory of the Republic of Kazakhstan .

The provisions of this paragraph shall apply provided that the non-resident carries out the activity through the specified permanent place of business on the territory of the Republic of Kazakhstan, regardless of the time frame for the implementation, with the exception of the sale of goods at exhibitions and fairs.

2. The sale of goods by a non-resident at exhibitions and fairs held on the territory of the Republic of Kazakhstan shall constitute a permanent establishment in the Republic of Kazakhstan if such sale lasts more than ten calendar days.

Article 228. Permanent establishment of a non-resident when a non-resident provides services , performs works through hired workers or other personnel

1. A permanent place of business of a non-resident when a non-resident provides services or performs works through hired workers or other personnel leads to the formation of a permanent establishment if such activity simultaneously meets the following conditions:

1) continues on the territory of the Republic of Kazakhstan for more than one hundred eighty-three calendar days within any consecutive twelve-month period;

2) is carried out within the framework of one project or related projects from the date of commencement of the activity.

2. Related projects shall be recognized as contracts (agreements) that are:

1) interconnected;

2) interdependent;

3) similar.

3. Interrelated contracts (agreements) shall be recognized as contracts (agreements) that simultaneously meet the following conditions:

1) under such contracts (agreements), a non-resident or its related party provides (performs) identical or similar services (work) to the same tax agent or its related party;

2) the period of time between the date of completion of the provision of services (performance of works) under one contract (agreement) and the date of conclusion of another contract (agreement) does not exceed twelve consecutive months.

Identical works, services – works, services that have the same basic characteristics, including those implemented using the same methods, technology, approaches, performed by contractors, performers with comparable qualifications and business reputation.

Similar works, services – works, services that, while not identical, have similar characteristics and consist of similar components, which allows them to perform the same functions and be interchangeable.

4. Interdependent contracts (agreements) shall be recognized as contracts (agreements) under which services and works are performed within the framework of contracts (agreements) concluded between a non-resident or its related party with a tax agent or its related party, provided that failure to fulfill obligations under one contract (agreement) by a non-resident or its related party affects the fulfillment of obligations by such a non-resident or its related party under another contract (agreement).

5. Similar contracts (agreements) shall be recognized as contracts (agreements) under which a non-resident or its related party provides services and (or) performs works:

having a similar character and purpose;

having similar content;

implemented using the same technology;

associated with the same infrastructure;

in the implementation of which the same resources (equipment, workers, infrastructure) were used;

identical or similar.

Article 229. Permanent establishment of a non-resident when carrying out activities by a non-resident through a dependent agent

1. In the event that a non-resident carries out activities on the territory of the Republic of Kazakhstan through a dependent agent, such activities lead to the formation of a permanent establishment, regardless of the time frame for carrying out such activities.

2. Dependent agent – a person who is authorized on the basis of contractual relations with a non-resident:

1) to represent the interests of a non-resident in the Republic of Kazakhstan;

2) to act and (or) perform certain legal actions on behalf of and at the expense of a non-resident, including concluding contracts.

The activities of a dependent agent shall not be limited to activities of a preparatory or auxiliary nature.

The provisions of this paragraph shall not apply to the activities of a customs representative, a professional participant in the securities market and other brokerage activities (except for the activities of an insurance broker).

3. A dependent agent is also recognized as a person who ensures the safety of stocks of goods in the Republic of Kazakhstan and (or) regularly delivers such goods on its own behalf or on behalf of a non-resident.

4. The activities of a non-resident carried out on the territory of the Republic of Kazakhstan through a subsidiary created in accordance with the legislation of the Republic of Kazakhstan shall result in the formation of a permanent establishment of the non-resident if

the subsidiary is recognized as a dependent agent in accordance with paragraph 1 of this Article.

The participation of a non-resident in the capital of a resident legal entity shall not be grounds for recognizing such a resident legal entity as a dependent agent of a non-resident participant.

Article 230. Permanent establishment of a non-resident when the non-resident carries out joint activities

1. Carrying out activities by a non-resident on the basis of a joint activity agreement shall lead to the formation of a permanent establishment of the non-resident in the event that such activities are carried out on the territory of the Republic of Kazakhstan.

Carrying out activities on the basis of a joint activity agreement on the territory of the Republic of Kazakhstan shall be recognized in the following cases:

1) direct carrying out activities on the territory of the Republic of Kazakhstan;

2) location of the customer of goods, works, services on the territory of the Republic of Kazakhstan.

2. Fulfillment of the tax obligation under a joint activity agreement shall be carried out by each participant in such agreement independently in the manner determined by this Code.

Article 231. Features of registration of a permanent establishment of a non-resident

1. When establishing a permanent establishment, a non-resident operating in the Republic of Kazakhstan shall be subject to registration with the tax authority in accordance with Article 95 of this Code.

2. The activity of a non-resident leading to the formation of a permanent establishment shall be considered as the activity of a permanent establishment regardless of registration with the tax authorities or record registration with the registration authority from the date of commencement of the activity.

The date of commencement of the activities of such a permanent establishment shall be recognized as the date of conclusion of the contract (agreement).

3. If a non-resident carries out activities that result in the formation of two or more permanent establishments subject to registration with one tax authority, then one permanent establishment shall be subject to registration collectively for the group of such permanent establishments of the non-resident.

4. If a non-resident has a registered permanent establishment and carries out similar or the same activities at a place other than the place of registration of such permanent establishment, then the implementation of similar or the same activities results in the formation of a permanent establishment and shall be subject to registration at the place of implementation of similar or the same activities from the date of commencement of activities.

5. If, after the date of exclusion of a permanent establishment of a non-resident from the taxpayer database, such non-resident shall resume the activities specified in Article 228 and paragraph 2 of Article 227 of this Code during a consecutive twelve-month period, then it is

recognized as having formed a permanent establishment and shall be subject to registration as a taxpayer from the date of commencement of such activities.

6. If a non-resident carries out activities through a structural subdivision that does not result in the formation of a permanent establishment in accordance with an international treaty regulating issues of avoidance of double taxation and prevention of tax evasion, or paragraph 2 of Article 226 of this Code, then the provisions of this Code provided for a permanent establishment of a non-resident shall apply to such structural subdivision of the non-resident.

In this case, such a structural subdivision shall have the right to apply the provisions of an international treaty regulating issues of avoiding double taxation and preventing tax evasion, in accordance with Articles 699, 700 and 701 of this Code.

Article 232. Mutual agreement procedure

1. A person shall have the right to apply to the authorized body with an application to conduct a procedure for mutual agreement with the competent authority of a foreign state with which the Republic of Kazakhstan has concluded an international treaty:

1) to consider the application of provisions of an international treaty if it considers that the actions of one or both contracting states result or will result in taxation that is not in accordance with the provisions of such international treaty;

2) to determine residency status.

2. The application shall indicate the circumstances on which the person's claims are based .

The person shall be obliged to attach to the application submitted in accordance with subparagraph 1) of paragraph 1 of this Article the copies of accounting documents confirming the amounts of income received (to be received) and (or) taxes withheld (if withheld), as well a s notarized copies of:

1) contracts (agreements) for the performance of works, provision of services or for other purposes;

2) the following documents

for legal entities:

constituent documents or extracts from the trade register indicating the founders (participants) and majority shareholders of the legal entity;

a document confirming the presence in the Republic of Kazakhstan of a place of effective management (location of the actual management body) of a legal entity (minutes of the general meeting of the board of directors or a similar body indicating the place where it is held, or other documents confirming the place of management and (or) control, as well as the adoption of commercial decisions necessary for the conduct of entrepreneurial activities of a legal entity;

for individuals:

identity cards or passports of the Republic of Kazakhstan;

foreign passport or stateless person certificate;

permit for residence in the Republic of Kazakhstan (if available);

a document confirming the period of stay in the Republic of Kazakhstan (visa or other documents);

3) a decision of a court of the Republic of Kazakhstan and (or) a foreign state (if any) that has entered into legal force.

A person shall have the right to submit other documents, not specified in this paragraph, necessary for carrying out the mutual agreement procedure.

To the application submitted in accordance with subparagraph 2) of paragraph 1 of this Article, a person shall be obliged to attach the documents specified in subparagraphs 2) and 3) of part two of this paragraph.

3. The authorized body shall have the right to require the person to submit additional documents necessary for the mutual agreement procedure.

4. The authorized body, within five working days from the date of submission of the application, shall send the person a decision to refuse to accept the application in the following cases:

1) submission of an application for the implementation of a mutual agreement procedure with the competent authority of a state with which the Republic of Kazakhstan has not concluded an international treaty;

2) failure to submit the documents specified in paragraph 3 of this Article.

In the event that the authorized body refuses to accept the application on the grounds provided for in subparagraph 2) of part one of this paragraph, the person shall have the right to re-submit the application if he or she corrects the violations committed.

5. The authorized body shall consider the application within forty-five calendar days from the date of its receipt, except for the cases specified in part one of paragraph 4 of this Article.

6. Based on the results of the application review, the authorized body shall make one of the following decisions:

1) on refusal to carry out the mutual agreement procedure;

2) on the implementation of the mutual agreement procedure.

7. A decision on refusal to carry out the mutual agreement procedure shall be made by the authorized body in the following cases:

1) inconsistency of the grounds specified in the application with the provisions of the international treaty of the Republic of Kazakhstan;

2) submission of false information by a person;

3) failure by the person, during the consideration of the application, to submit additional documents at the request of the authorized body in accordance with paragraph 3 of this Article.

The decision to refuse to conduct the mutual agreement procedure shall be submitted to the person within two working days from the date of its adoption.

When a decision on refusal to carry out the mutual agreement procedure is made due to dual residency, refusal on the grounds established by subparagraph 1) of part one of this paragraph shall not apply.

8. In the event of a decision to conduct a mutual agreement procedure, the authorized body shall submit a request to the competent body of the foreign state to conduct such a procedure.

9. The authorized body shall terminate the initiated procedure of mutual agreement with the competent body of a foreign state in the following cases:

1) submission by a person of an application to terminate the mutual agreement procedure;

2) identification during the mutual agreement procedure of the fact that a person has provided false information;

3) failure by a person, during the mutual agreement procedure, to submit additional documents at the request of the authorized body in accordance with paragraph 3 of this Article.

10. The authorized body shall send the person information about the decision taken following the mutual agreement procedure within seven working days from the date of adoption of such decision.

11. A decision taken following the results of a mutual agreement procedure conducted in the manner specified by this Article, as well as a decision taken following the results of a mutual agreement procedure conducted on the basis of a request from a competent authority of a foreign state, shall be binding on tax authorities.

SECTION 5. CORPORATE INCOME TAX Chapter 23. GENERAL PROVISIONS

Article 233. Payers

1. Payers of corporate income tax shall be legal entities that are residents of the Republic of Kazakhstan, as well as legal entities that are non-residents operating in the Republic of Kazakhstan through a permanent establishment or receiving income from sources in the Republic of Kazakhstan.

2. Government agencies are not payers of corporate income tax.

Article 234. Peculiarities of calculation and payment of corporate income tax by certain categories of taxpayers

Taxpayers applying a special tax regime shall calculate and pay corporate income tax on income taxed within the framework of the specified regimes in accordance with Section 16 of this Code.

Article 235. Objects of taxation

The objects of taxation by corporate income tax shall be:

1) taxable income;

2) income taxed at the source of payment;

3) net income of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

4) taxable income of controlled foreign companies and permanent establishments of controlled foreign companies.

Chapter 24. TAXABLE INCOME OR LOSS

Article 236. Taxable income or loss

1. Taxable income and loss shall be determined according to the following formula:

TI/L = TAI – RD + (–) IA – D + (–) DA, where:

TI – taxable income, if the value is positive;

L – loss from entrepreneurial activities, if the value is negative;

TAI – total annual income determined in accordance with this section;

RD - reduction in the total annual income in accordance with Article 255 of this Code;

IA – income adjustment in accordance with Article 256 of this Code;

D – deductions determined in accordance with this section;

DA – deductions adjustment in accordance with Article 288 of this Code.

2. A positive value obtained by applying the formula in accordance with paragraph 1 of this Article shall be recognized as taxable income.

3. A negative value obtained by applying the formula in accordance with paragraph 1 of this Article shall be recognized as a loss from entrepreneurial activity.

The procedure for further tax accounting of losses from entrepreneurial activity for the tax period shall be established by Articles 339 and 344 of this Code.

Chapter 25. TOTAL ANNUAL INCOME Section 1. General provisions

Article 237. Total annual income

1. The total annual income of a legal entity – resident of the Republic of Kazakhstan consists of income to be received (received) during the tax period by this entity:

1) from sources in the Republic of Kazakhstan;

2) from sources outside the Republic of Kazakhstan.

For the purposes of this section, income from sources outside the Republic of Kazakhstan, regardless of the place of payment, shall be recognized as all types of income that are not income from sources in the Republic of Kazakhstan.

The total annual income of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall consist of the income specified in Article 688 of this Code.

2. The total annual income includes all types of income without including the amount of value added tax and excise tax, including:

1) income from sales;

2) income from capital gains;

3) income from doubtful liabilities;

4) income from writing off liabilities;

5) income from the assignment of a claim;

6) income from the disposal of fixed assets;

7) income from joint activities;

8) forfeits (fines, penalties) awarded or recognized by the debtor;

9) compensation received;

10) net income from trust management of property received (to be received) by the founder of the trust management;

11) income in the form of property received free of charge;

12) dividends;

13) remuneration on a deposit, debt security, bill of exchange, Islamic lease certificate;

14) income from an investment deposit placed in an Islamic bank;

15) excess of the amount of positive exchange rate difference over the amount of negative exchange rate difference;

16) winnings;

17) income from the sale of an enterprise as a property complex;

18) income from the misuse of funds from the liquidation fund of waste disposal sites;

19) income of a state enterprise arising in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting in connection with the depreciation of fixed assets assigned to such enterprise on the basis of the right of economic management or operational management;

20) income from derivative financial instruments;

21) income from insurance and reinsurance contracts;

22) income from the transfer of hydrocarbons in the event of fulfillment of the tax obligation in kind;

23) income from adjusting expenses for geological exploration and preparatory works for the extraction of minerals, as well as other expenses of subsoil users;

24) income from the excess of the amount of deductions to the fund for the liquidation of consequences of the deposits development over the amount of actual expenses for the liquidation of consequences of the deposits development;

25) income from a reduction in the size of provisions (reserves) created by a taxpayer who has the right to deduct provisions (reserves) in accordance with Article 323 of this Code;

26) income of the person carrying out digital mining;

27) income of a digital mining pool;

28) income of a digital asset exchange;

29) positive difference when applying the new method of inventory valuation;

30) income received from the full or partial return of the amount of the bank deposit collateral formed by the subsoil user to ensure the fulfillment of obligations to eliminate the consequences of subsoil use of hydrocarbons;

31) other income not specified in subparagraphs 1) – 30) of this paragraph.

The total annual income of the trust manager and the founder of the trust management from the activity of trust management of property shall be determined taking into account the provisions of Articles 66 , 68 , 69 , 70 and 71 of this Code.

3. In the event that the same income can be reflected in several income items, the specified income shall be included in the total annual income once.

For the purposes of this section, recognition of income, including the date of its recognition, shall be carried out in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

In the event of a difference in the procedure for determining and recognizing income in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting from the procedure for determining and recognizing income in accordance with this Code, such income shall be accounted for tax purposes in the manner determined by this Code.

4. The amount of the bank deposit security formed by the subsoil user to ensure the fulfillment of obligations to eliminate the consequences of subsoil use for hydrocarbons, received by the subsoil user in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, in part or in full, shall be subject to inclusion in the total annual income of the tax period in which such return was made.

5. This section shall establish the specifics of determining income in the following cases:

1) for derivative financial instruments – Chapter 27 of this section;

2) for long-term contracts – Chapter 28 of this section;

3) subsoil users – Chapter 29 of this section;

4) persons engaged in financial activities – Chapter 30 of this section;

5) persons carrying out transactions with digital assets – Chapter 31 of this section.

6. The taxpayer shall adjust income in accordance with Article 256 of this Code. In this case, the total annual income, taking into account adjustments in accordance with Article 256 of this Code, may have a negative value.

Section 2. Economic benefits not recognized as income

Article 238. Economic benefits not recognized as income for corporate income tax purposes

1. For tax purposes, the following shall not be considered as income:

1) the value of property received as a contribution to the authorized capital, as well as an additional contribution of a participant in a legal entity to the property of such legal entity;

2) the value of property received (obtained) by a shareholder or participant, founder, including when received in exchange for what was previously contributed, when distributing property:

in case of liquidation of a legal entity or reduction of the authorized capital;

when a legal entity - issuer - buys out shares issued by this issuer from a shareholder;

when a legal entity buys out a share or part of a share in this legal entity from a founder or participant.

The provisions of this subparagraph shall apply within the limits of:

the amount of paid-up authorized capital per number of shares for which the property is distributed, taking into account additionally paid-up capital in the form of the excess of the value of the property received by the issuer from the placement of the shares issued by it over the par value of such shares;

the amount of the paid-up authorized capital attributable to the share of participation, to which the property is distributed, taking into account additional contributions of a participant in a legal entity to the property of such legal entity and an increase in the amount of the authorized capital at the expense of the legal entity's own capital, but not more than the initial value of such share of participation, determined in the manner prescribed by paragraph 3 of Article 251 of this Code, for such participant, founder;

3) for the issuer of shares – the value of the property received by the issuer from the placement of shares issued by it;

4) for a taxpayer transferring property – the value of the property transferred free of charge;

5) the amount of written-off tax debt in accordance with the legislation of the Republic of Kazakhstan;

6) the cost of goods received free of charge for advertising purposes (including as a gift), if the cost of one unit of such goods does not exceed 5 times the monthly calculation index in effect on the date of such receipt of the goods;

7) the amount of reduction of the tax liability in cases provided for by this Code;

8) income recognized in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, arising:

when the value of assets and (or) liabilities changes, except for those to be received (received) from another person, unless otherwise provided by this Code;

in connection with the recognition of an obligation in accounting in the form of a positive difference between the amount of the obligation actually subject to fulfillment and the value of this obligation recognized in accounting;

in the amount of the received (receivable) remuneration, which reduces the value of the unfinished construction project within the limits of the amount of remuneration to be paid (paid), which increases the value of such project;

9) an increase in retained earnings due to a decrease in reserves for asset revaluation in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

10) the received insurance payment within the amount by which the value balance of the group was reduced in accordance with paragraph 12 of Article 279 of this Code, taking into account the positive result from the disposal of fixed assets provided for in paragraph 1 of Article 244 of this Code and income from the disposal of fixed assets provided for in paragraph 2 of Article 244 of this Code, if any;

11) the cost of goods received, works performed, services rendered to eliminate defects during the warranty period established by the transaction, if the terms of the transaction provide for the provision of a guarantee of the quality of goods, works, services;

12) cost of electrical networks (parts and (or) parts of electrical networks):

recognized as ownerless in accordance with the civil legislation of the Republic of Kazakhstan, accepted by the energy transmission organization into ownership free of charge;

accepted free of charge by an energy transmission organization onto its balance sheet from state or local executive bodies, other energy transmission organizations or owners of electrical networks that do not carry out activities related to the transmission of electrical energy;

13) obtained man-made mineral formations, transferred free of charge from state ownership;

14) an increase in the value balances of objects of Group I and (or) the value balances of groups of depreciable assets, resulting from the application of a conditional coefficient by a subsoil user under a contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land) in accordance with paragraph 5 of Article 277 and (or) paragraph 5 of Article 305 of this Code;

15) the value of property, the cost of major repairs, reconstruction of state-owned objects received free of charge as part of charitable assistance by a legal entity with 100% state participation in the authorized capital from a non-profit organization created in the form of a foundation in accordance with the civil legislation of the Republic of Kazakhstan;

16) the value of property received free of charge in the form of a quota for greenhouse gas emissions, received in accordance with the National carbon quota plan, in the manner determined by the authorized body in the field of environmental protection;

17) income of a law firm under an agreement on the provision of legal assistance concluded by the law firm at the expense and in the interests of lawyers operating in the law firm, subject to the requirements established by Article 497 of this Code;

18) forfeits (fines, penalties) awarded to a legal entity that was previously a bank for loans (credits) and (or) debt related to a loan (credit), the debt for which is subject to forgiveness, according to the list approved by the management body before July 1, 2019, which is submitted to the authorized body no later than August 1, 2019;

19) subsidies allocated from the reserve of the Government of the Republic of Kazakhstan and local executive bodies, receipt of grants or other gratuitous assistance for energy producing organizations, which one hundred percent of shares (interests in the authorized capital) belong to the state, which are in municipal ownership and simultaneously carry out activities for the production of electric energy, water (distillate) and thermal energy.

2. For tax purposes, certain economic benefits shall not be recognized as income by taxpayers specified in this paragraph:

1) income of an organization implementing mandatory guarantee of deposits, forming its special reserve in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", with the exception of income received from the placement of its own assets;

2) received by the Single operator of housing construction in accordance with the Law of the Republic of Kazakhstan "On shared participation in housing construction":

the amount of guarantee contributions – within the limits of funds allocated to increase the reserve for settlement of guarantee cases,

the amount of money in order to satisfy the requirements for payments upon completion of the construction of multi-apartment residential buildings,

investment income – within the limits of funds directed towards increasing the reserve for settlement of warranty cases;

3) received by the insurance payments guarantee Fund in accordance with the Law of the Republic of Kazakhstan "On the insurance payments guarantee Fund":

the amount of mandatory, additional and extraordinary contributions of insurance organizations - participants,

investment income – within the limits of funds directed towards increasing the reserve for compensation for damage and the reserve for guaranteeing insurance payments;

the amount of money received in order to satisfy claims for reimbursed deposits and made guarantee and compensation payments;

4) investment income from pension assets received by the unified accumulative pension fund and (or) voluntary accumulative pension funds as a result of investing pension assets in accordance with the legislation of the Republic of Kazakhstan on social protection;

5) investment income received in accordance with the legislation of the Republic of Kazakhstan on social protection in an amount aimed at increasing the assets of the State Social Insurance Fund;

6) investment income received in accordance with the legislation of the Republic of Kazakhstan on compulsory social health insurance and aimed at increasing the assets of the social health insurance fund;

7) investment income received by:

joint-stock investment funds from investment activities in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds and recorded by the custodian of the joint-stock investment fund;

investment funds from investment activities registered in accordance with the current law of the AIFC and recorded by the custodian or management company of the investment fund.

The provisions of this subparagraph shall not apply to the income of real estate funds operating in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds or the current law of the AIFC;

8) investment income received by mutual investment funds in accordance with the legislation of the Republic of Kazakhstan on investment and venture funds and recognized as such by the custodian of the mutual investment fund, with the exception of remuneration of the management company that carries out trust management of the assets of the mutual investment fund on the basis of a license for investment portfolio management - for such a management company;

9) the amount of compensation to be received (received) in payment of the tax obligation to pay excise duty on gasoline (except for aviation fuel) and diesel fuel by the person who produced such gasoline and diesel fuel from customer-supplied raw materials;

10) received by the fund to guarantee the fulfillment of obligations under grain receipts:

the amount of annual mandatory contributions from grain receiving enterprises,

the amount of money – in order to satisfy the requirements for the guarantee payments made;

11) the value (monetary value) of minerals received from a subsoil user in payment of a tax obligation to pay taxes in kind – for the recipient on behalf of the state;

12) income from the write-off prior to commercial discovery during the exploration period by a strategic partner of the obligation of a national subsoil use company or a legal entity which shares (interests in the authorized capital) are directly or indirectly owned by such a national subsoil use company, and from remuneration for investment financing in accordance with the Code of the Republic of Kazakhstan "On Subsoil and Subsoil Use" - in the amount of remuneration that has been accrued but not paid and is subject to accounting for the purposes of forming a separate group of depreciable assets in accordance with Article 305 of this Code;

13) income received by an Islamic bank in the process of managing money in the form of investment deposits, directed to the accounts of depositors of these investment deposits and located in them. Such income does not include the remuneration of the Islamic bank;

14) income from the sale of minerals received from a subsoil user in payment of a tax obligation in kind, by the recipient on behalf of the state or by a person authorized by the recipient on behalf of the state to carry out such sale;

15) commission remuneration of the recipient on behalf of the state or a person authorized by the recipient on behalf of the state, expressed in the reimbursement of expenses associated

with the sale of minerals received from a subsoil user in payment of the tax obligation in kind ;

16) the value of property received free of charge by a venture fund created in accordance with the legislation of the Republic of Kazakhstan and intended for free transfer to participants of Astana Hub;

17) financing from budgetary funds, voluntary donations and contributions from individuals and legal entities, as well as income from the operator's activities in the field of official development assistance, as defined in Article 12 of the Law of the Republic of Kazakhstan "On Official Development Assistance";

18) income of a railway carrier engaged in the transportation of passengers, baggage, unloaded baggage, and postal items, arising in connection with the receipt of services of the main railway network for the transportation of passengers by rail on a gratuitous basis, from the National infrastructure operator, including with the application of a temporary reduction coefficient of 0 to the tariff for regulated services of the main railway network for the transportation of passengers by rail in accordance with the legislation of the Republic of Kazakhstan;

19) received by a special fund for the development of entrepreneurship, created by a decision of the Government of the Republic of Kazakhstan, the controlling stake of which belongs to the national management holding in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, and intended for making payments on the obligations of private entrepreneurship entities that arose within the framework of the system of guaranteeing the obligations of private entrepreneurship entities:

the amount of mandatory and voluntary contributions within the framework of participation in the system of guaranteeing the obligations of private business entities;

income arising from the allocation of funds from the republican and local budgets;

income received as a result of the placement of assets of the guarantee fund, provided that the specified income is directed towards increasing the guarantee fund.

Section 3. Certain types of income

Article 239. Income from sales

1. Income from sales shall be recognized as the amount of income arising from the sale of goods, works, services, except for income included in the total annual income in accordance with subparagraphs 2) – 31) of paragraph 2 of Article 237 of this Code.

The income specified in paragraph 1 of Article 310 of this Code shall not be recognized as income from sales in a part not exceeding the amount of expenses specified in paragraph 1 of Article 305 of this Code.

2. Income from sales shall be determined in the amount of the cost of goods, works, and services sold, without including the amount of value added tax and excise tax.

3. The date of recognition of income from sales shall be determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. For the purposes of this section, income from the provision of services shall also include:

1) income in the form of interest on a loan (credit, microloan), on repo transactions;

2) income in the form of remuneration for the transfer of property under a leasing agreement;

3) royalties;

4) income from the lease (rental) of property, except for leasing.

5. In cases and in the manner established by the legislation of the Republic of Kazakhstan on transfer pricing, income from sales shall be subject to adjustment.

Article 240. Forfeits (fines, penalties) awarded or recognized by the debtor

Income in the form of awarded or recognized forfeits (fines, penalties) shall be recognized as a sum of money awarded or recognized by the debtor, which the debtor, in cases stipulated by the legislation of the Republic of Kazakhstan or a foreign state or by an agreement, shall be obliged to pay to the creditor in the event of failure to fulfill or improper fulfillment of the obligation.

At the same time, fines that were unreasonably withheld and returned from the budget shall not be recognized as income if these amounts were not previously attributed to deductions.

Article 241. Income from doubtful liabilities

1. Liabilities arising from purchased goods, works, services, as well as from accrued income of employees, not satisfied within a three-year period, shall be recognized as doubtful.

The income from doubtful liabilities on received loans (credits, microloans) does not include the amount of the received credit (loan, microloan).

Doubtful liabilities shall be subject to inclusion in the taxpayer's total annual income, except for value added tax, which is subject to exclusion from offset.

For the purposes of applying this Article, the employee’s income shall be determined in accordance with Article 426 of this Code.

2. Income from doubtful liabilities shall be recognized in the tax period in which the three-year period has expired calculated:

1) for doubtful liabilities arising under credit (loan, microcredit) agreements - from the day following the day of the due date for payment of remuneration in accordance with the terms of the credit (loan, microcredit) agreement;

2) for doubtful liabilities arising under leasing agreements – from the day following the day of the maturity date of the leasing payment in accordance with the terms of the leasing agreement;

3) for doubtful liabilities arising from the accrued income of employees - from the date of accrual of income of employees;

4) for doubtful liabilities not specified in subparagraphs 1) – 3) of this paragraph:

from the day following the day of the end of the term for fulfilling the liability for purchased goods, works, services, the term of fulfillment of which is determined;

from the date of transfer of goods, performance of works, rendering services under the liability for purchased goods, works, services, the term of performance of which is not determined.

3. The provisions of this Article shall not apply to remuneration for loans (credits) that are not deductible, taking into account the provisions of paragraph 3 of Article 263 of this Code.

Article 242. Income from writing off liabilities

1. Income from writing off liabilities includes:

1) the amount of the liability for which the creditor has terminated the demand on the taxpayer for its fulfillment;

2) the amount of the liability not claimed by the creditor on the date of submission of the liquidation tax report upon liquidation of the taxpayer, unless otherwise provided by this subparagraph.

In the event that, in the course of liquidation of a taxpayer, in accordance with this Code, it is envisaged to conduct a liquidation tax audit or issue a conclusion based on the results of a desk audit, the amount of such liability shall be determined as:

the amount of liabilities (except for the amount of value added tax) subject to payment in accordance with the primary documents of the taxpayer and subject to reflection (reflected) in the interim liquidation balance sheet, on the date of approval of such balance sheet

minus

the amount of liabilities that will be satisfied in the period from the date of approval of the interim liquidation balance sheet until the date of completion of the liquidation tax audit or desk audit.

Based on the results of the liquidation tax audit, the amount of the liability shall be determined by the tax authority based on the actual amount of satisfied obligations for the specified period. The amount of such an obligation shall be reflected in the tax audit report.

Based on the results of the desk audit, the amount of the liability shall be determined by the tax authority based on the actual amount of satisfied liabilities for the specified period and shall be reflected in the notification on elimination of violations identified as a result of the desk audit;

3) the amount of the liability for which the limitation period established by the laws of the Republic of Kazakhstan has expired during the tax period;

4) the amount of the liability, the fulfillment of which the creditor does not have the right to demand on the basis of a judicial act that has entered into legal force.

2. The amount of income from writing off liabilities is equal to the amount of liabilities (except for the amount of value added tax) subject to payment in accordance with the primary documents of the taxpayer:

1) on the day of termination of the claim – in the event of termination of the claim;

2) on the day of expiration of the limitation period established by the laws of the Republic of Kazakhstan – in the event of expiration of the limitation period;

3) on the day the judicial act comes into legal force – in the event that the creditor, on the basis of the judicial act, does not have the right to demand fulfillment of the liability.

paragraphs 1 and 2 of this Article shall not apply to liabilities recognized as doubtful in accordance with this Code.

4. Income from writing off liabilities does not include a reduction in the amount of liabilities in connection with their transfer under a contract for the sale and purchase of an enterprise as a property complex.

Article 243. Income from the assignment of a claim

Unless otherwise provided by Article 321 of this Code, income from the assignment of a claim shall be:

1) for a taxpayer acquiring a right of claim – the positive difference between the amount to be received from the debtor upon claim of the principal debt, including the amount in excess of the principal debt on the date of assignment of the right of claim, and the cost of acquiring the right of claim;

2) for a taxpayer who has assigned the right of claim – the positive difference between the value of the right of claim for which the assignment was made and the value of the claim to be received from the debtor on the date of assignment of the right of claim, according to the primary documents of the taxpayer.

Income from the assignment of a claim shall be recognized in the tax period in which the assignment of the claim is made.

Article 244. Income from disposal of fixed assets

1. The result from the disposal of fixed assets of group I shall be determined according to the following formula:

value of the disposed fixed asset

minus

the amount of the value balance of such an object at the beginning of the tax period

minus

the total amount of subsequent expenses incurred during the tax period, attributed to an increase in the value balance of such an object.

The result obtained can have a positive or negative value.

If the total amount of results from the disposal of all retired fixed assets of group I for the tax period has a positive value, then such value shall be recognized as income from the disposal of fixed assets of group I.

If the total amount of results from the disposal of all retired fixed assets of group I has a negative value, then such value shall be recognized as a loss from the disposal of fixed assets of group I.

2. Income from the disposal of fixed assets of the group (for groups II, III and IV) shall be recognized as a positive value obtained using the following formula:

the total value of all fixed assets of the group disposed during the tax period

minus

the amount of the value balance of such a group at the beginning of the tax period

minus

the total value of all fixed assets received in the tax period in such a group,

minus

the total amount of subsequent expenses incurred in the tax period, attributed to an increase in the value balance of such a group.

3. For the purposes of applying this Article, the value of a disposed fixed asset shall be the value by which the value balance of objects of group I and (or) groups (for groups II, III and IV) is reduced in accordance with Article 279 of this Code.

4. Income from the disposal of fixed assets shall be recognized in the tax period in which the disposal of such assets occurred.

Article 245. Compensation received

1. Income in the form of compensation includes:

1) the amounts of compensation for claims, including through the assignment of rights previously recognized as doubtful and attributed to deductions;

2) amounts received from the state budget to cover costs (expenses);

3) amounts of compensation for damage paid to the policyholder, the insured person, the beneficiary under the insurance (reinsurance) contract, or the person who caused the damage, with the exception of insurance payments for the loss or damage of insured fixed assets;

4) the amount of insurance premiums subject to return or returned to the policyholder under the insurance (reinsurance) contract in accordance with the civil legislation of the Republic of Kazakhstan under non-cumulative insurance contracts and previously attributed to deductions by the policyholder;

5) the amount of reimbursement by an individual for expenses on his/her training to a taxpayer who, in previous tax periods, reduced taxable income by the amount of such expenses;

6) other compensation received to reimburse expenses that were previously deductible.

2. Income in the form of compensation shall be recognized in the tax period in which such compensation is received.

Article 246. Property received free of charge

1. Unless otherwise provided by Article 242 of this Code, the value of any property, including works and services, received by a taxpayer free of charge shall be his/her income.

Income in the form of property received free of charge from a participant in a legal entity includes, among other things, an increase in the contribution to the authorized capital of such a legal entity by increasing the authorized capital of the legal entity due to an increase in value from revaluation as part of the equity capital of such a legal entity.

2. Income in the form of property received free of charge, including works and services, shall be recognized in the tax period in which such property is received, works are performed, services are rendered.

3. The amount of income in the form of property received free of charge, including works and services, shall be determined based on accounting data in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, but not less than the value specified in the document issued in connection with the transfer of such property, taking into account the value added tax specified in the documents of the transferring party.

Article 247. Income from the sale of an enterprise as a property complex

Income from the sale of an enterprise as a property complex shall be recognized as a positive result from the sale of an enterprise as a property complex. Such a result shall be determined on the basis of accounting data on the date of sale of the enterprise according to the following formula:

the cost of sale under the contract of sale of the enterprise (part of the enterprise) as a property complex

minus

book value of assets transferred

plus

book value of the transferred liabilities.

If the result obtained is negative, it shall be subject to deduction in accordance with paragraph 11 of Article 258 of this Code.

Article 248. Positive difference when applying the new method of inventory valuation

In the event that a taxpayer switches to a different inventory valuation method in accounting than the one used in the previous tax period, the amount of the positive difference resulting from such a switch shall be recognized as income.

Article 249. Income from the misuse of funds from the liquidation fund of waste disposal sites

The amount of the taxpayer’s misuse of the waste disposal site liquidation fund established by the authorized body in the field of environmental protection shall be recognized as income from the misuse of the waste disposal site liquidation fund and shall be included in the taxpayer’s total annual income for the tax period in which such use was permitted.

The authorized body in the field of environmental protection shall establish the amount of misuse of funds from the liquidation fund of waste disposal sites and send information to taxpayers and the tax authority.

Section 4. Income from capital gains

Article 250. General provisions

1. Income from capital gains shall be generated when:

1) sale of assets not subject to depreciation;

2) transfer of assets not subject to depreciation as a contribution to the authorized capital;

3) disposal of assets not subject to depreciation as a result of reorganization through merger, acquisition, division or separation.

2. For the purposes of this paragraph, assets that are not subject to depreciation include the following types of assets:

1) land plots;

2) unfinished construction projects;

3) uninstalled machines and equipment;

4) assets with a service life of more than one year that are not classified as fixed assets, inventories or digital assets. The assets provided for in this subparagraph include, among other things, long-term assets intended for sale;

5) investment gold;

6) securities;

7) share of participation;

8) assets which value is fully deductible.

3. The procedure for determining income from the increase in the value of assets not subject to depreciation is established:

by share of participation – Article 251 of this Code;

for securities – Article 252 of this Code;

for assets which value is fully deductible – Article 253 of this Code;

for other assets not subject to depreciation – Article 254 of this Code.

4. Income from capital gains shall be recognized in the tax period:

1) in which the sale of an asset not subject to depreciation was carried out;

2) in which an asset not subject to depreciation is transferred as a contribution to the authorized capital;

3) for which liquidation tax reporting is submitted upon disposal of an asset not subject to depreciation as a result of reorganization through merger, accession, or division;

4) in which the separation balance sheet is approved upon the disposal of an asset not subject to depreciation as a result of reorganization through separation.

5. The cost at which an asset not subject to depreciation is transferred as a contribution to the authorized capital shall be determined on the basis of a document confirming the

acceptance and transfer of such an asset, but not more than the amount in payment for which this asset was transferred.

6. For the purposes of this Code, a contribution to the authorized capital includes an additional contribution to the authorized capital.

7. Income from the increase in the value of digital assets shall be determined in accordance with Article 326 of this Code.

8. If the value of the asset referred to in paragraph 2 of this article is expressed in a foreign currency and (or) the transaction is carried out in a foreign currency, the increase in value shall be determined in the currency, in which the value of the asset is expressed and (or) the transaction is conducted, and then such increase in value shall be converted into tenge at the official exchange rate in effect as of the corresponding day, indicated in paragraph 4 of this article.

Article 251. Income from increase in value of a share of participation

1. The result from the disposal of a shareholding may have a positive or negative value and shall be determined for each disposal transaction in the following order:

1) upon sale – the difference between the sale price and the initial value of the share;

2) when transferring a share as a contribution to the authorized capital – the difference between the value of the share at which it was transferred as a contribution to the authorized capital and the initial value of this share;

3) in the event of disposal as a result of the reorganization of a legal entity through merger , accession, division or separation – the difference between the value of the participating interest reflected in the transfer deed or separation balance sheet and its original value.

The total amount of results from all transactions for the disposal of participating interests, except for preferential participating interests, for the tax period shall be recognized as:

income from capital gains, if such amount has a positive value;

loss from the disposal of participation interests, if such amount has a negative value, and is taken into account in the manner established by Articles 338, 341 and 344 of this Code.

2. If the total amount of results from all disposal transactions for each type of preferential participation interests for the tax period has a positive value, then such amount shall be recognized as income from the increase in the value of preferential participation interests, which is included in the total annual income and shall be taken into account in the manner established by paragraph 2 of Article 337 of this Code.

If the total amount of results from all disposal transactions for each type of preferential participation interest for the tax period has a negative value, then such value shall not be taken into account when calculating corporate income tax.

Preferential participation shares shall be the participation shares specified in subparagraphs 7) and 10) of paragraph 2 of Article 337 of this Code.

3. The initial cost of the share of participation shall be proportionally related to the size of the share of participation being disposed of:

1) the totality of actual costs for its acquisition, costs associated with the acquisition and increasing the value of the share in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting,

and (or)

2) the value of an asset transferred as a contribution to the authorized capital, an additional contribution of a participant of a legal entity to the property of such legal entity, but not more than the amount in payment for which the asset was transferred. In this case, such value shall be determined on the basis of documents (an acceptance certificate and (or) other documents) confirming the contribution and the value at which the asset was transferred

,

and (or)

3) the amount of money contributed as a contribution to the authorized capital, an additional contribution of a participant in a legal entity, but not more than the amount for which the money was transferred,

and (or)

4) the value of the share at which it was received as a contribution to the authorized capital, an additional contribution of a participant in a legal entity, but not more than the amount for which it was received, if the share was received as a contribution to the authorized capital. In this case, such value shall be determined on the basis of documents (an acceptance certificate and (or) other documents) confirming the receipt of the contribution and the value at which the share was received,

and (or)

5) the value indicated in the transfer act or separation balance sheet, if the share was received as a result of reorganization,

and (or)

6) the book value of the shareholding received (obtained) by a shareholder, participant, founder upon distribution of property, including that received (obtained) in exchange for previously contributed property, subject to reflection (reflected) in the accounting records of the transferring party on the date of transfer, excluding revaluation and impairment, reflected in the document confirming the transfer of the shareholding and certified by the signatures of the parties - if the shareholding was received by the shareholder (participant, founder) as a result of distribution of property upon liquidation of a legal entity or reduction of the authorized capital, as well as the buyout by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the buyout by a legal entity - issuer from a shareholder of shares issued by this issuer,

and (or)

7) the value included in the total annual income in the form of the value of property received free of charge in accordance with this Code, if the share was received free of charge,

and (or)

the increase in the contribution to the authorized capital of a legal entity was made by increasing the authorized capital of a legal entity due to the increase in value from revaluation as part of the equity capital of such legal entity.

Article 252. Income from increase in value of securities

1. The result from the disposal of securities, except for debt securities, may have a positive or negative value and shall be determined for each disposal transaction for the tax period in the following order:

1) sale – the difference between the selling price of a security and its original cost;

2) transfer as a contribution to the authorized capital – the difference between the value of the security at which it is transferred as a contribution to the authorized capital and its initial value;

3) disposal as a result of the reorganization of a legal entity through merger, accession, division or separation – the difference between the value of the security reflected in the transfer act or separation balance sheet and its original value.

2. The result from the disposal of debt securities may have a positive or negative value and shall be determined for each disposal transaction for the tax period in the following order:

1) sale, including redemption, - the difference, excluding the coupon, between the sale price, redemption price of the debt security and its original cost, taking into account the amortization of the discount and (or) premium on debt securities on the date of sale;

2) transfer as a contribution to the authorized capital - the difference, excluding the coupon, between the value of the debt security for which it is transferred as a contribution to the authorized capital and its initial value, taking into account the amortization of the discount and (or) premium on debt securities on the date of transfer;

3) disposal as a result of reorganization of a legal entity through merger, accession, division or separation - a positive difference, excluding the coupon, between the value of the debt security reflected in the transfer act or separation balance sheet and its initial value, taking into account the amortization of the discount and (or) premium on debt securities on the date of disposal.

3. The total amount of results from all transactions involving the disposal of securities, except for preferential securities, for the tax period shall be recognized as:

income from capital gains, if such amount has a positive value;

loss from disposal, if such amount has a negative value, and shall be taken into account in the manner established by Articles 338, 341 and 344 of this Code.

4. If the total amount of results from all disposal transactions for each type of preferential securities for the tax period has a positive value, then such amount shall be recognized as income from the increase in the value of preferential securities, which is included in the total annual income and shall be taken into account in the manner established by paragraph 2 of Article 337 of this Code.

If the total amount of results from all disposal transactions for each type of preferential securities for the tax period has a negative value, then such value shall not be taken into account when calculating corporate income tax.

Preferential securities shall be the securities specified in subparagraphs 5), 6), 7), 8), 9), 10) and part three of paragraph 2 of Article 337 of this Code.

5. The initial cost of securities shall be determined as the sum of the following indicators:

1) the total cost of acquisition included in the cost of securities in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting,

or

if the securities were received as a contribution to the authorized capital, the value of the securities at which they were received as a contribution to the authorized capital, but not more than the amount for which they were received. At the same time, such value shall be determined on the basis of documents confirming receipt of the deposit and the value at which the securities were received (acceptance certificate and (or) other documents),

or

if the securities were received as a result of reorganization, the value indicated in the transfer act or separation balance sheet,

or

if the securities were received by a shareholder (participant, founder) as a result of the distribution of property during the liquidation of a legal entity or a reduction in the authorized capital, as well as the redemption by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the redemption by a legal entity - issuer from a shareholder of shares issued by this issuer - the book value of the securities received (obtained) by the shareholder, participant, founder during the distribution of property, including those received (obtained) in exchange for previously contributed property, subject to reflection (reflected) in the accounting of the transferring person on the date of transfer, excluding revaluation and depreciation, reflected in the document confirming the transfer of such securities and certified by the signatures of the parties,

or

if the securities were received free of charge, the value included in the total annual income in the form of the value of the property received free of charge in accordance with this Code;

2) other expenses that increase the value of securities, including after their acquisition, in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for the costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and Article 287 of this Code.

The initial cost of a unit of securities upon their disposal shall be determined by the initial cost of the securities that were first received.

Article 253. Income from increase in value of assets, the value of which is fully attributed to deductions

1. For the purposes of this Article, assets which value is fully deductible shall be:

1) fixed assets, the cost of which is fully deductible in accordance with the tax legislation of the Republic of Kazakhstan in force before January 1, 2000;

2) assets put into operation within the framework of an investment project under contracts concluded before January 1, 2009, in accordance with the legislation of the Republic of Kazakhstan on investments, the cost of which is fully deductible.

2. Income from increase in value of assets, the value of which is fully attributed to deductions, shall be recognized for each asset in the following amount:

1) upon sale – the cost of selling the asset;

2) when transferred as a contribution to the authorized capital – the value at which the asset is transferred as a contribution to the authorized capital;

3) in the event of disposal as a result of reorganization of a legal entity through merger, acquisition, division or separation – the value of the asset reflected in the transfer act or separation balance sheet.

Article 254. Income from increase in value of other assets not subject to depreciation

1. The provisions of this Article shall apply to the following assets not subject to depreciation:

1) land plots;

2) unfinished construction projects;

3) uninstalled machines and equipment;

4) assets with a service life of more than one year that are not classified as fixed assets or inventories. The assets provided for in this subparagraph include, among other things, long-term assets intended for sale;

5) investment gold.

2. The result from the disposal of an asset may have a positive or negative value and shall be determined for each disposal operation for each type of asset in the following order:

1) sale – the difference between the selling price of an asset and its original cost;

2) transfer as a contribution to the authorized capital – the difference between the value of the asset at which it was transferred as a contribution to the authorized capital and its initial value;

3) disposal as a result of reorganization of a legal entity through merger, accession, division or separation – the difference between the value of the asset reflected in the transfer act or separation balance sheet and its original value.

3. For the purposes of calculating corporate income tax, the negative value of the result from the disposal of an intellectual property object during the implementation of priority types of activities by participants of Astana Hub shall not be taken into account.

4. The total amount of results for the tax period from all disposal transactions for each type of asset, with the exception of those specified in paragraph 3 of this Article, shall be recognized as:

income from capital gains, if such amount has a positive value;

loss from disposal, if such amount has a negative value and is taken into account in the manner established by Articles 338, 340, 341, 343 and 344 of this Code.

5. Unless otherwise provided in paragraph 6 of this Article, the initial value of assets shall be determined as the sum of the following indicators:

1) the total cost of acquisition, production, construction included in the cost of assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting

or

if the assets were received as a contribution to the authorized capital, the value of the asset at which it was received as a contribution to the authorized capital, but not more than the amount for which it was received. Such value shall be determined on the basis of documents confirming the receipt of the contribution and the value at which the asset was received (the acceptance certificate and (or) other documents),

or

if the assets were received as a result of a reorganization, the value of the asset indicated in the transfer act or separation balance sheet,

or

in the event that assets were received by a shareholder (participant, founder) as a result of distribution of property during the liquidation of a legal entity or a reduction in the authorized capital, as well as the redemption by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the redemption by a legal entity - issuer from a shareholder of shares issued by this issuer - the book value of the asset received (obtained) by the shareholder, participant, founder during the distribution of property, including that received (obtained) in exchange for that previously contributed, subject to reflection (reflected) in the accounting records of the transferring person on the date of transfer, excluding revaluation and impairment, reflected in the document confirming the acceptance and transfer of such asset and certified by the signatures of the parties,

or

if the assets were received free of charge, the value included in the total annual income in the form of the value of the property received free of charge in accordance with this Code,

2) other expenses that increase the value of assets, including after their recognition, in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for:

costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and Article 287 of this Code;

depreciation charges.

6. If the asset specified in subparagraph 4) of paragraph 1 of this Article was previously included in fixed assets, then its initial cost shall be determined in the following order:

the book value of such an asset, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, on the date of disposal from fixed assets without taking into account revaluation and impairment

plus

other expenses that increase the value of this asset in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting after its exclusion from the composition of fixed assets, except for:

costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and Article 287 of this Code;

depreciation charges.

Section 5. Reductions and adjustments to income

Article 255. Reduction of total annual income

1. For the purposes of determining taxable income, the taxpayer's total annual income shall be reduced by the following income:

1) dividends, except for those received by a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan, that do not meet the conditions specified in subparagraph 7) of Article 681 of this Code;

2) income of a person engaged in digital mining from the sale of digital assets for which income from digital mining activities is determined in accordance with paragraph 1 of Article 325 of this Code;

3) net income from trust management of property received (to be received) by the founder of the trust management;

4) income of a non-profit organization, as provided for in paragraph 1 of Article 329 of this Code;

5) the cost of services received at the expense of budgetary funds in the form of state non-financial support for business entities in accordance with the state program in the field of development of the agro-industrial complex of the Republic of Kazakhstan, programs approved by the Government of the Republic of Kazakhstan, the operator of which is the NCE.

2. For the purposes of determining taxable income, the total annual income shall be reduced by taxpayers specified in this paragraph by the following income:

1) income of an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of

Kazakhstan, specified in Article 5-1 of the Law of the Republic of Kazakhstan “On banks and banking activities in the Republic of Kazakhstan”;

2) income from the assignment of a claim received by a second-tier bank in connection with the purchase from an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, of claims on loans (credits) previously assigned to such organization .

Article 256. Adjustment of income

1. An adjustment is recognized as an increase or decrease in the amount of income for the reporting tax period within the amount of previously recognized income in the cases established by this Article.

2. Income shall be subject to adjustment in the following cases:

1) full or partial return of goods;

2) changes in the terms of the transaction;

3) changes in price, compensation for sold goods, works, services. The provisions of this subparagraph shall also apply when changing the amount payable in national currency for sold goods, performed works, rendered services based on the terms of the contract;

4) price discounts, sales discounts.

3. Adjustment of income shall be made in the tax period in which the cases specified in paragraph 2 of this Article occurred.

Chapter 26. DEDUCTIONS Section 1. General provisions

Article 257. General provisions

1. The taxpayer’s expenses in connection with the implementation of activities aimed at generating income shall be subject to deduction when determining taxable income, taking into account the provisions established by this Article, Articles 258–273, Chapters 27–31 of this Code, with the exception of costs (expenses) that are not subject to deduction in accordance with this Code.

The provisions of this paragraph shall apply to the taxpayer’s expenses incurred both in the Republic of Kazakhstan and outside of it.

2. The taxpayer’s expenses for construction, acquisition of fixed assets and other capital expenses shall be deductible in accordance with Articles 273–285 of this Code.

3. Expenses of future periods, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, shall be subject to deduction in the tax period to which they relate.

4. Deductions shall be made by the taxpayer based on actual expenses incurred upon availability of documents confirming such expenses related to his/her activities aimed at generating income.

5. Unless otherwise provided by this Article, Articles 258–273 and chapters 27–31 of this Code, for the purposes of this section, the recognition of expenses, including the date of their recognition, shall be carried out in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

In the event that the procedure for recognizing expenses in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting differs from the procedure for determining deductions in accordance with this Code, the specified expenses shall be accounted for tax purposes in the manner determined by this Code.

6. Unless otherwise provided by paragraph 4 of Article 204 of this Code, expenses arising in accounting in connection with a change in the value of assets and (or) liabilities when applying international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for those subject to payment (paid), shall not be considered as expenses for taxation purposes.

7. An adjustment (indexation) of a liability, payable in tenge due to a change in the exchange rate shall be recognized as an expense (cost) for taxation purposes if such adjustment is payable and is recognized as an expense (cost) in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

In this case, the amount of expenses (costs) resulting from the adjustment (indexation) of a liability payable in tenge due to a change in the exchange rate is accounted for as part of the type of expense (cost) to which it is attributed in accounting records, except for cases provided for in Article 288 of this Code.

Such costs (expenses) shall be deductible taking into account the provisions of this section .

8. If the same types of expenses are provided for in several expense items, then when calculating taxable income, the specified expenses shall be deducted only once.

9. Expenses of a taxpayer in connection with the implementation of activities in a foreign state through a permanent establishment shall be subject to deduction in accordance with this Code.

When determining the taxable income of a permanent establishment of a legal entity - resident in a foreign state, a deduction shall be allowed for management and general administrative expenses incurred both in the Republic of Kazakhstan and outside it for the purpose of obtaining such taxable income, in accordance with the provisions of the tax legislation of such foreign state or international treaty.

The amount of management and general administrative expenses shall be deductible in the foreign state from the sources of which the income was received by a legal entity - a resident, in the manner determined by the tax legislation of such foreign state.

In the event that the tax legislation of a foreign state from which sources income was received by a resident legal entity, or an international treaty allows the deduction of management and general administrative expenses, but the tax legislation of the foreign state does not provide for the procedure for deducting such expenses, the resident taxpayer shall deduct management and general administrative expenses in the specified foreign state in the manner determined by Articles 708–711 of this Code.

10. The taxpayer shall adjust the deductions in accordance with Article 288 of this Code. In this case, the amount of deductions taking into account these adjustments may have a negative value.

11. The amount of the negative difference that arose in accounting when switching to a different inventory valuation method than the one used by the taxpayer in the previous tax period shall be subject to deduction.

12. This section establishes the specifics of determining deductions in the following cases:

1) for derivative financial instruments – Chapter 27 of this section;

2) for long-term contracts – Chapter 28 of this section;

3) subsoil users – Chapter 29 of this section;

4) persons engaged in financial activities – Chapter 30 of this section;

5) persons carrying out transactions with digital assets – Chapter 31 of this section.

Section 2. Certain types of deductions

Article 258. Deductions for certain types of expenses

1. The following losses shall be subject to deduction:

1) losses incurred by a natural monopoly entity for the purpose of providing regulated goods, works, services, within the limits of regulatory technical losses and (or) taking into account the restrictions established in accordance with the legislation of the Republic of Kazakhstan;

2) losses incurred by the taxpayer (except for a natural monopoly entity), within the limits of natural loss standards established by the legislation of the Republic of Kazakhstan;

3) expenses for the production and (or) acquisition of goods that were not previously included in deductions, in connection with the loss or damage of which compensation for damage was received from the person who caused the damage - in the amount of the book value of the goods within the amount of compensation received;

4) expenses for the production and (or) acquisition of goods that were not previously included in deductions, for which, in connection with the occurrence of an insured event, insurance payments were received from the insurance organization - in the amount of the book value of the goods within the amount of the insurance payment received.

For the purposes of this section:

spoilage of goods means deterioration of all or individual qualities (properties) of goods, as a result of which the goods cannot be used in activities aimed at generating income;

loss of goods means an event as a result of which the destruction or loss of goods occurred. The loss of goods incurred by the taxpayer within the limits of the natural loss standards established by the legislation of the Republic of Kazakhstan is not considered a loss .

Losses are included in deductions accordingly in the period in which the date of recording the loss or the date of receiving the amount of compensation for damage or insurance payment falls.

2. The following expenses of the taxpayer shall be subject to deduction, as provided for by an agreement, collective agreement, or employer's act in cases stipulated by the legislation of the Republic of Kazakhstan:

1) mandatory, periodic (during employment) medical examinations;

2) pre-shift, post-shift and other medical examination (inspection) of workers;

3) maintenance or services for organizing medical centers;

4) ensuring that employees have working conditions that meet the requirements of occupational safety, health and hygiene, including sanitary and epidemiological requirements;

5) providing workers with the opportunity to rest and eat in a specially equipped place;

6) implementation of activities to organize meals for employees.

3. Expenses on awarded or recognized forfeits (fines, penalties) shall be subject to deduction, with the exception of:

forfeits (fines, penalties) under a loan agreement between related parties, deductible in accordance with Article 263 of this Code;

forfeits (fines, penalties) that are not deductible on the basis of Article 286 of this Code.

4. The taxpayer's actual expenses for eliminating defects in sold goods, completed works, and rendered services, produced during the warranty period established by the transaction, shall be subject to deduction.

5. The following expenses of the taxpayer for the payment of membership fees of private entrepreneurship shall be subject to deduction:

1) in associations of private entrepreneurship entities in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship in an amount not exceeding the monthly calculation indicator in effect on the last day of the tax period per employee based on the average headcount of employees for the year;

2) in the NCE in an amount not exceeding the maximum amount of mandatory membership fees approved by the central authorized body for state planning.

The provisions of subparagraphs 1) and 2) of this paragraph shall also apply in the event of payment of membership fees in the reporting tax period for the previous and (or) preceding the previous tax periods.

6. The taxpayer's expenses shall be subject to deduction in the amount determined by the legislation of the Republic of Kazakhstan for:

1) deductions to the State Social Insurance Fund;

2) contributions to the social health insurance fund;

3) mandatory pension contributions of the employer in favor of the employee.

The amount of expenses provided for in this paragraph, deductible for the reporting tax period, shall be determined in the amount of deductions and contributions paid in accordance with the legislation of the Republic of Kazakhstan:

1) in the reporting tax period, within the limits of those calculated, withheld, accrued for the reporting tax period and (or) tax periods preceding the reporting tax period;

2) in tax periods preceding the reporting tax period, within the limits of those calculated, withheld, and accrued for the reporting tax period.

7. The taxpayer's expenses in the amount of the book value of goods transferred free of charge for advertising purposes (including as a gift) shall be subject to deduction if the cost of one unit of such goods does not exceed 5 times the monthly calculation indicator in effect on the date of transfer of the goods.

The allocation to deductions shall be made in the tax period in which the transfer of such goods took place.

8. The following payments to individuals shall be subject to deduction:

1) compensation for harm caused to the life and health of an individual, in accordance with the legislation of the Republic of Kazakhstan, with the exception of moral damage;

2) amounts of compensation for material damages awarded under a judicial act that has entered into legal force, as well as legal costs.

9. A taxpayer engaged in the production and (or) sale of goods under a trade name, trademark and (or) service mark which such taxpayer owns and (or) uses (including on the basis of a license or sub-license agreement (contract)) in the manner determined by the legislation of the Republic of Kazakhstan and (or) international treaties ratified by the Republic of Kazakhstan, shall deduct expenses on activities aimed at maintaining and (or) increasing sales volumes of such goods, regardless of whether such taxpayer has ownership rights to them.

10. For the purposes of this section, in the event that a trustee is assigned by this Code to fulfill a tax liability for activities related to the trust management of property, the expenses of such a trustee for the purposes of attributing them to deductions shall be determined taking into account the provisions of Articles 66, 68, 69, 70 and 71 of this Code.

11. The negative result from the sale of an enterprise as a property complex, obtained using the formula in accordance with Article 247 of this Code, shall be subject to deduction.

12. The freight carrier shall have the right to deduct expenses on the temporary balancing fee paid in accordance with the legislation of the Republic of Kazakhstan on railway transport . The deduction of such expenses shall be carried out within the limits of the amounts established by the state body exercising management in the relevant areas of natural monopolies.

13. Expenses incurred by the National infrastructure operator in connection with the provision of services of the main railway network for the carriage of passengers by rail to a railway carrier engaged in the carriage of passengers, baggage, unloaded baggage, and postal items, free of charge, shall be subject to deduction, including with the application of a temporary reduction coefficient of 0 to the tariff for regulated services of the main railway network for the carriage of passengers by rail in accordance with the legislation of the Republic of Kazakhstan.

14. A subsoil user operating on the basis of a contract for subsoil use of hydrocarbons, concluded in the manner determined by the legislation of the Republic of Kazakhstan on subsoil and subsoil use, shall include in deductions when determining taxable income, the amount of deductions for the formation of security for the subsoil user's fulfillment of liabilities to eliminate the consequences of subsoil use of hydrocarbons in the form of a bank deposit pledge.

The specified deduction shall be made in the amount of deductions actually made by the subsoil user for the tax period to a bank deposit placed in a second-tier bank of the Republic of Kazakhstan or with the National postal operator.

The amount and procedure for such deductions shall be established by basic design documents in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

In the event that a subsoil user receives, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, funds to ensure the fulfillment by the subsoil user of obligations to eliminate the consequences of subsoil use for hydrocarbons in the form of a bank deposit pledge from another subsoil user upon transfer of a subsoil use contract, such funds:

for the subsoil user who received them are not included in the total annual income, provided that the funds to ensure the subsoil user’s fulfillment of liabilities to eliminate the consequences of subsoil use for hydrocarbons are placed in the form of a bank deposit pledge in accordance with the procedure established by the legislation of the Republic of Kazakhstan on subsoil and subsoil use, in the year of their receipt or within thirty calendar days from the date of their receipt;

the subsoil user who transfers them shall not be subject to deductions.

Expenses of a subsoil user actually incurred during the tax period to eliminate the consequences of subsoil use of hydrocarbons and for which no security is formed for the subsoil user's fulfillment of obligations to eliminate the consequences of subsoil use of hydrocarbons in the form of a bank deposit pledge (progressive liquidation) shall be deductible in the tax period in which they were incurred.

Expenses of a subsoil user actually incurred to eliminate the consequences of subsoil use of hydrocarbons after the completion of the exploration and (or) production period within the limits of the means of ensuring the fulfillment by the subsoil user of obligations to eliminate

the consequences of subsoil use of hydrocarbons in the form of a bank deposit pledge shall be deductible in the tax period in which they were incurred.

Article 259. Deduction of value added tax by value added tax payers

1. This Article shall determine the procedure for deducting amounts of value added tax by a taxpayer for which the value added tax payer as been registered in the taxpayer database, including that taken into account in the cost of purchased goods, works, and services.

2. Unless otherwise provided by this Article, the following costs for value added tax shall be included in the cost of purchased goods, works, and services:

1) the amount of value added tax that is not deductible in accordance with paragraph 1 of Article 482 of this Code;

2) the amount of value added tax that is not permitted to be offset in accordance with subparagraph 2) of paragraph 2 of Article 489 of this Code;

3) the amount of the adjustment of value added tax, credited towards reduction in the cases specified in subparagraphs 1) and 4) of paragraph 2 of Article 484 of this Code.

3. A payer of value added tax shall have the right to deduct the amount of value added tax that is not permitted to be offset in accordance with Article 488 and subparagraph 3) of paragraph 2 of Article 489 of this Code, if such tax is not included in the cost of purchased goods, performed works, or rendered services in accounting. The deduction shall be made in the tax period in which the value added tax that is not permitted to be offset arises.

4. The payer of value added tax shall have the right to deduct the amount of the adjustment of value added tax, creditable, downwards, made in accordance with:

1) subparagraph 1) of paragraph 2 of Article 484 of this Code for goods, works, services used for purposes other than taxable turnover, if such goods, works, services were used (are used) in the implementation of activities aimed at generating income;

2) subparagraph 4) of paragraph 2 of Article 484 of this Code on property transferred as a contribution to the authorized capital, with the exception of the transfer of assets not subject to depreciation as a contribution to the authorized capital.

The deduction shall be made in the tax period in which the amount of value added tax to be credited is subject to adjustment.

5. The amounts of the adjustment of value-added tax, credited, downwards in accordance with subparagraphs 1) and 4) of paragraph 2 of Article 484 of this Code for assets not subject to depreciation, used for purposes other than taxable turnover or transferred as a contribution to the authorized capital, shall be taken into account in the initial cost of the said assets in accordance with Articles 253 and 254 of this Code.

6. The provisions of this Article shall not apply to value added tax on goods, works, and services, the cost of which is subject to deductions in accordance with Article 314 of this Code.

Article 260. Deduction of compensation amounts for business trips

1. Compensation for business trips shall be deductible in the form of expenses for:

1) travel to the destination and back, including payment of expenses for reservations and baggage;

2) accommodation outside the employee's permanent place of work during the time spent on a business trip, including payment of accommodation costs;

3) daily allowances in the amount established by the decision of the taxpayer, paid to the employee for the time spent on a business trip;

4) registration of entry and exit permits (visas) (cost of visa, consular services, compulsory medical insurance).

The deduction shall be made on the basis of documents confirming the expenses specified in subparagraphs 1) – 4) of this paragraph, including those issued in electronic form.

Travel expenses within one locality do not apply to expenses provided for in this Article.

In the event of temporary disability of a seconded employee, the costs of his/her accommodation and daily allowances (except in cases where the seconded employee is undergoing inpatient treatment) shall be subject to deductions.

2. For the purposes of paragraph 1 of this Article:

1) the place of business trip is the destination specified in the order or instruction of the employer on sending the employee on a business trip, in which the employee performs his/her work duties, undergoes training, advanced training or retraining;

2) the time spent on a business trip shall be determined on the basis of:

an order or instruction from the employer to send an employee on a business trip;

the number of days of the business trip, based on the dates of departure to the place of the business trip and arrival back, specified in the documents confirming the trip, including the dates of departure and arrival. In the absence of such documents, the number of days of the business trip shall be determined based on other documents confirming the date of departure to the place of the business trip and (or) the date of arrival back, stipulated by the tax accounting policy of the taxpayer.

Article 261. Deduction of compensation for trips of members of the board of directors or other governing body

1. Deductions shall be subject to compensation for expenses incurred for travel by members of the board of directors or other governing body of the taxpayer that is not the highest governing body, in connection with the performance of assigned management duties.

These expenses include:

1) travel expenses to and from the place where management duties are performed, including payment of expenses for reservations and baggage;

2) accommodation expenses during the time spent on travel to perform management duties, including payment of booking expenses;

3) the amount of money paid to a member of the board of directors or other management body that is not the highest management body, for the time spent on a trip to perform management duties in the amount established by decision of the taxpayer;

4) registration of entry and exit permits (visas) (cost of visa, consular services, compulsory medical insurance).

The deduction shall be made on the basis of documents confirming the expenses specified in subparagraphs 1) – 4) of this paragraph, including those issued in electronic form.

2. For the purposes of paragraph 1 of this Article:

1) the place of performance of management duties is the place of appointment specified in a document prepared by the taxpayer independently, which contains an invitation to a member of the board of directors or another management body that is not the highest management body, to an event for the performance of management duties, the place and date of such event;

2) the time spent on a trip to perform management duties is determined on the basis of the number of days based on the dates of departure to the place of performance of management duties and arrival back, indicated in the documents confirming the travel, including the dates of departure and arrival.

Article 262. Deduction of entertainment expenses

1. Entertainment expenses include expenses for receiving individuals, including those not on the taxpayer's staff, incurred during the following entertainment events, regardless of where they are held:

1) to establish or maintain mutual cooperation;

2) on the organization and (or) holding of meetings of the board of directors or other governing body of the taxpayer, except for executive bodies.

Representative expenses include, among other things, expenses for:

1) transportation support for persons participating in entertainment events, with the exception of expenses related to compensation for business trips;

2) meals for such persons during entertainment events;

3) payment for the services of translators who are not on the organization's staff;

4) rent and (or) decoration of premises for holding entertainment events.

2. The grounds for deducting entertainment expenses shall be:

1) an order or instruction of the taxpayer to hold a representative event, indicating the purpose of its holding and the persons responsible for holding it;

2) an estimate of expenses for such an event approved by the taxpayer;

3) a report from responsible persons on the entertainment event held, indicating the date and place of the event, the results of the event, the composition of the participants, the program of events, and the actual expenses incurred;

4) primary and other documents confirming the grounds and implementation of entertainment expenses.

3. Entertainment expenses shall be deductible in an amount not exceeding 1 percent of the employer's expenses on employees' income subject to taxation, as specified in subparagraph 1) of Article 426 of this Code, for the tax period.

4. Expenses for transportation by rail, sea and air of invited persons, their accommodation , visa processing, as well as for organizing leisure, entertainment and recreation of persons participating in representative events shall not be considered entertainment expenses and shall not be subject to deduction.

Article 263. Deduction for remuneration

1. For the purposes of this Article, remuneration shall be recognized as:

1) remuneration specified in Article 12 of this Code;

2) forfeit (fine, penalty) under a loan agreement between related parties;

3) payment for the guarantee to the related party.

2. Unless otherwise provided in paragraph 3 of this Article, the amount of remuneration subject to deductions shall be determined using the accrual method.

3. Remuneration for liabilities to the person specified in part one of this paragraph shall be deductible in the amount actually paid by the taxpayer or a third party towards the liabilities of such taxpayer:

1) in the reporting tax period within the amount of expenses recognized by the taxpayer in the reporting tax period and (or) in the tax periods preceding the reporting tax period;

2) in tax periods preceding the reporting tax period, within the limits of the amount of expenses recognized by the taxpayer in the reporting tax period.

The provisions of part one of this paragraph shall apply in relation to remuneration for liabilities to the following persons:

second-tier banks, with the exception of a bank that is a national development institution, the controlling stake of which belongs to a national management holding;

an organization carrying out microfinance activities (except for a pawnshop) in accordance with the Law of the Republic of Kazakhstan “On Microfinance Activities”;

a taxpayer specified in the laws of the Republic of Kazakhstan “On banks and banking activities in the Republic of Kazakhstan” and “On microfinance activities”, who has acquired the right to claim loans (credits, microloans).

4. The deduction of remuneration shall be made taking into account the provisions established by paragraphs 2 and 3 of this Article, within the limits of the amount calculated according to the following formula:

(A + D) + (AC/AAL) x (MC) x (B + V + G),

where:

A – the amount of remuneration, excluding the amounts included in indicators B, V, G, D;

B – the amount of remuneration paid (to be paid) taking into account the provisions of paragraph 3 of this Article to a related party, with the exception of amounts included in indicator D;

V – the amount of remuneration paid (to be paid) taking into account the provisions of paragraph 3 of this Article to persons registered in a state with preferential taxation, with the exception of amounts included in indicator B;

G – the amount of indicators G1 and G2, taking into account the provisions of paragraph 3 of this Article, with the exception of the amounts included in indicator V;

G1 – the amount of remuneration paid (to be paid) to an independent party for loans provided against the deposit of a related party;

G2 – the amount of remuneration paid (to be paid) to an independent party for loans provided under a secured guarantee, surety or other form of security for related parties, in the event of the fulfillment of liabilities under the guarantee, surety or other form of security (payments on the loan) by the related party in the reporting tax period;

D – amount of remuneration:

for loans (credits) issued by a credit partnership established in the Republic of Kazakhstan , a bank that is a national development institution, the controlling stake of which belongs to a national management holding;

in the form of a discount or coupon (taking into account the discount or premium on debt securities from the initial placement price and (or) acquisition price) on debt securities held by a single accumulative pension fund;

MC – marginal coefficient;

AC – average annual amount of equity capital;

AAL – average annual amount of liabilities.

When calculating the amounts A, B, V, G and D remuneration included in the cost of the construction project in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall be excluded. For the purposes of this Article, an independent party is a party that is not related one.

5. For the purposes of paragraph 4 of this Article:

1) the average annual amount of equity capital is equal to the arithmetic mean amount of equity capital at the end of each month of the reporting tax period. A negative value of the average annual amount of equity capital for the purposes of this Article is recognized as equal to zero;

2) the average annual amount of liabilities is equal to the average arithmetic maximum amount of liabilities in each month of the reporting tax period. When calculating the average annual amount of liabilities, the following accrued liabilities shall not be taken into account:

taxes and payments to the budget;

wages and other income of employees;

income of future periods, except for income from a related party;

remuneration and commissions;

dividends;

estimated liabilities accrued in accounting according to international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) the marginal coefficient for financial organizations (except for organizations carrying out microfinance activities) is equal to 7, for other legal entities, including organizations carrying out microfinance activities – 4.

6. For the purposes of paragraph 4 of this Article, the amount of equity capital of a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan shall be determined as the difference between the assets and liabilities of such permanent establishment.

In this case, for the purposes of applying this paragraph, the amount of equity capital of a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan shall be considered as if this permanent establishment were a separate and distinct legal entity and acted independently of the non-resident legal entity of which it is a permanent establishment.

Article 264. Features of deductions for mutual settlements with a non-resident – a related party

1. Management, consulting, advisory, auditing, design, legal, accounting, advocacy, advertising, marketing, franchising, financial (except for remuneration expenses), engineering , agency services, royalties, rights to use intellectual property acquired from a related party registered in a state with preferential taxation shall be subject to deduction in the amount of a total sum not exceeding 3 percent of the taxable income of the reporting tax period, determined before deducting the expenses provided for in this Article.

2. For the purposes of this Article, related parties shall be:

1) persons specified in Article 14 of this Code;

2) a legal entity that, together with another legal entity, is part of the same group of companies.

In this case, a group of companies is understood to be a structure of commercial and non-commercial organizations, including a parent company and companies which shares, participation interests and other equity instruments such parent company directly or indirectly owns;

3) individuals and/or legal entities, if the relations between such persons have signs of interconnection regardless of the conditions specified in this part. In this case, if the taxpayer does not recognize the interconnection, such recognition shall be established by the court on the basis of a claim by the tax authority.

Article 265. Deduction for paid liabilities

1. The amount of payment made by the taxpayer for his/her liabilities recognized in previous tax periods as income from doubtful liabilities or income from writing off liabilities shall be subject to deduction, within the limits of the amount of previously recognized income

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In this case, the amount of the payment shall be determined after deducting the amount of the adjustment of the value-added tax, which is credited, upward in accordance with paragraph 2 of Article 485 of this Code.

2. The deduction shall be made in the tax period in which the payment was made.

Article 266. Deduction for a written-off claim

1. Unless otherwise provided by this Article, the following shall be subject to deduction:

1) the amount of the claim not claimed by the creditor on the date of approval of the liquidation balance of the taxpayer-debtor upon its liquidation or termination of operations, but not more than the amount of previously recognized income on such claim;

2) the amount of the write-off of a claim under a court decision that has entered into legal force, but not more than the amount of previously recognized income under such claim;

3) the amount of the claim arising in connection with the sale of goods, performance of works, rendering services, written off in connection with the recognition of the debtor as bankrupt, but not more than the amount of previously recognized income on such claim.

2. The deduction for the written-off claim shall be made in the tax period in which, in accordance with the primary documents of the taxpayer - creditor, the latest of the following dates falls:

1) the day of write-off in accounting;

2) the day of approval of the liquidation balance sheet – upon liquidation of the debtor;

3) the day of entry into force of the court ruling on the completion of the bankruptcy procedure or the day of the decision of the state body exercising management in the sphere of public administration for the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan on the completion of the extrajudicial bankruptcy procedure and recognition of the debtor as bankrupt - if the debtor is recognized as bankrupt.

3. The deduction shall be made if the following conditions are met simultaneously:

1) availability of primary documents confirming the occurrence of the claim;

2) reflection of the requirement in accounting in the tax period in which the write-off date falls, or attribution to expenses (write-off) in accounting in previous tax periods.

4. The provisions of this Article shall not apply:

1) to claims recognized as questionable in accordance with this Code;

2) when the amount of claims is reduced in connection with their transfer under the contract of sale of an enterprise (part of an enterprise) as a property complex.

Article 267. Deduction for doubtful claims

1. Unless otherwise established by paragraph 6 of this Article, doubtful claims are those claims that are not satisfied within a three-year period:

1) arising in connection with the sale of goods, performance of works, rendering services to legal entities - residents and individual entrepreneurs, as well as legal entities - non-residents operating in the Republic of Kazakhstan through a permanent establishment, a structural subdivision of a legal entity;

2) in connection with the inclusion in the total annual income of fines and penalties on the basis of a court decision that has entered into legal force on bank loan (credit) agreements and microloan agreements, on the rights of claim of an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan.

2. Doubtful claims shall be subject to deduction for the person who has carried out:

1) the sale of goods, performance of works, rendering services and the failure to assign the right to such claim;

2) the sale of goods, performance of works, rendering services and the assignee of the right to such claim;

3) acquisition of the right to claim for goods sold, works performed, services rendered from the person specified in subparagraph 2) of this paragraph;

4) inclusion in the total annual income of fines and penalties on the basis of a court decision that has entered into legal force under bank loan (credit) agreements and microloan agreements, under the rights of claim of an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan.

3. Doubtful claims shall be subject to deduction for a person:

1) specified in subparagraph 1) of paragraph 2 of this Article, in an amount that includes the cost of goods sold, work performed, services rendered, as well as the amount of other claims that arose in connection with such sale of goods, performance of works, rendering services, including the amount of forfeits (fines, penalties), but not more than the amount of previously recognized income;

2) specified in subparagraph 2) of paragraph 2 of this Article, in the amount of the positive difference between the amount of the claim and the value of the right of claim for which the assignment was made. In this case, the amount of the claim includes the value of the sold goods, performed works, rendered services and the amounts of other claims that arose in connection with such sale of goods, performance of works, rendering services, including the amount of forfeits (fines, penalties), but not more than the amount of previously recognized income;

3) specified in subparagraph 3) of paragraph 2 of this Article, in an amount that includes the cost of goods sold, works performed, services rendered, as well as the amount of other claims that arose in connection with such sale of goods, performance of works, rendering services, including the amount of forfeits (fines, penalties), but not more than the amount of previously recognized income in accordance with Article 243 of this Code, increased by the cost of acquiring the right of claim;

4) specified in subparagraph 4) of paragraph 2 of this Article, in the amount of sums of recognized income in the form of awarded or recognized forfeits (fines, penalties).

4. In the cases provided for in subparagraph 1) of paragraph 1 of this Article, doubtful claims shall be subject to deduction in the tax period in which the three-year period calculated :

1) for persons specified in subparagraphs 1) and 2) of paragraph 2 of this Article:

for doubtful claims arising under credit (loan) agreements - from the day following the day of the due date for payment of remuneration in accordance with the terms of the credit (loan) agreement;

for doubtful claims arising under leasing agreements – from the day following the day on which the lease payment is due in accordance with the terms of the leasing agreement;

in other cases – from the day:

following the day of the end of the period for fulfilling the requirement for sold goods, works, services, the period for fulfillment of which is determined;

transfer of goods, performance of works, rendering services upon request for sold goods, works, services, the term of performance of which is not determined;

2) for persons specified in subparagraph 3) of paragraph 2 of this Article:

for doubtful claims arising under credit (loan) agreements - from the day following the day of the due date for payment of remuneration in accordance with the terms of the credit (loan) agreement;

for doubtful claims arising under leasing agreements – from the day following the day on which the lease payment is due in accordance with the terms of the leasing agreement;

in other cases – from the latest of the following dates:

the day following the day of the end of the period for fulfilling the requirement for sold goods, works, services, the period for fulfillment of which is determined;

the day of assignment of the right of claim for sold goods, performed works, rendered services, the execution period of which is not determined.

5. In the cases provided for in subparagraph 2) of paragraph 1 of this Article, doubtful claims shall be subject to deduction in the tax period in which the three-year period calculated from the date of entry into legal force of the judicial act has expired.

6. The claims of taxpayers who have the right to deduct the amount of expenses for the creation of provisions (reserves) in accordance with paragraph 1 of Article 323 of this Code for the payment of accrued after December 31, 2012 shall not be recognized as doubtful:

1) remuneration on deposits, including balances on correspondent accounts, placed in other banks;

2) remuneration for loans (except for financial leasing) provided to other banks and clients;

3) accounts receivable for documentary settlements and guarantees;

4) contingent liabilities under uncovered letters of credit, issued or confirmed guarantees.

7. The taxpayer shall attribute doubtful claims to deductions subject to the simultaneous fulfillment of the following conditions:

1) availability of documents confirming the occurrence of claims;

2) reflection of claims in accounting at the time of allocation to deductions or allocation of such claims to expenses in accounting in previous periods.

Article 268. Deductions for expenses on liquidation of waste disposal sites and amounts of contributions to the liquidation fund of waste disposal sites

1. The taxpayer shall deduct the amount of deductions to the liquidation fund of waste disposal sites, transferred to a special deposit account in second-tier banks in the territory of the Republic of Kazakhstan in the manner and amounts established by the authorized body in the field of environmental protection in agreement with the authorized body in the field of tax policy.

2. The taxpayer's expenses actually incurred during the tax period for the liquidation of waste disposal sites shall be deductible in the tax period in which they were incurred.

The taxpayer's expenses incurred using liquidation fund placed in a special deposit account shall not be deductible.

Article 269. Deduction for expenses on scientific-research, scientific-technical and experimental design works, acquisition of exclusive rights to intellectual property and the creation of scientific centers

1. Expenses on scientific-research, scientific-technical and experimental design works, except for expenses on the acquisition of fixed assets, their installation and other capital expenses, shall be deductible if there are notifications from the authorized body in the field of science on scientific-research, scientific-technical and experimental design works in accordance with the legislation of the Republic of Kazakhstan on science and technology policy.

The basis for classifying such expenses as deductions shall be:

for expenses on the implementation of scientific-research, scientific-technical and experimental design works - a report on scientific and (or) scientific and technical activities, as well as documents confirming expenses associated with such activities;

for expenses on the acquisition of scientific-research, scientific-technical and experimental design works - the actual completed technical assignment and acceptance certificates for the completed stages of such works.

2. Expenses on the acquisition of exclusive rights to intellectual property from higher education institutions, scientific organizations, autonomous educational organizations, start-up companies under a license agreement or an agreement to assign exclusive rights, aimed at their further commercialization, shall be deductible.

The basis for classifying such expenses as deductions shall be a license agreement or an assignment agreement (partial assignment) registered by an authorized government body in the manner determined by the legislation of the Republic of Kazakhstan.

3. Unless otherwise provided by Article 302 of this Code, financing of the creation of scientific centers at research universities shall be deductible if there is notification from the

authorized body in the field of science about the creation of a scientific center in accordance with the legislation of the Republic of Kazakhstan on science and technology policy.

Article 270. Deduction of expenses on accrued income of employees and individual expenses of the employer that are not the income of an individual

1. The following shall be subject to deduction: the employer's expenses on the employee' s income subject to taxation, specified in subparagraph 1) of Article 426 of this Code (including the employer's expenses on the employee's income specified in subparagraphs 23), 25), 26, and 27 of paragraph 1 of Article 679 of this Code), with the exception of:

1) included in the initial cost:

fixed assets;

objects of preference;

assets not subject to depreciation;

2) included in the cost of inventories and subject to deductions through the cost of such inventories, which is determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) recognized as subsequent expenses in relation to fixed assets and objects of preference during the control period;

4) the taxpayer's expenses provided for in paragraph 2 of this Article.

Deductions include the employer's actual expenses for employee training, advanced training and/or retraining of the employee.

2. The following expenses of the employer shall be subject to deduction that are not the income of an individual, as specified in subparagraphs 1), 5), 7), 8), 9), 10), 11), 12), 13), 18), and 20) of Article 366 of this Code.

Article 271. Deduction for exchange rate differences

The amount of the excess of the negative exchange rate difference over the positive exchange rate difference shall be subject to deduction.

Article 272. Deduction of taxes and payments to the budget

1. Unless otherwise provided by this Article, in the reporting tax period, taxes and payments to the budget paid to the budget of the Republic of Kazakhstan or another state shall be subject to deduction:

1) in the reporting tax period within the limits of those accrued and (or) calculated for the reporting tax period and (or) tax periods preceding the reporting tax period;

2) in tax periods preceding the reporting tax period, within the limits of those accrued and (or) calculated for the reporting tax period.

In this case, the amounts of taxes and payments paid to the budget shall be determined taking into account the offsets carried out in the manner determined by Articles 122 and 123 of this Code.

Calculation and accrual of taxes and payments to the budget shall be carried out in accordance with the tax legislation of the Republic of Kazakhstan or another state (for taxes and payments paid to the budget of another state).

2. The following shall not be subject to deduction:

1) taxes excluded before determining the total annual income;

2) corporate income tax and taxes on income (profit), similar to the corporate income tax of legal entities, paid in the territory of the Republic of Kazakhstan and in other states;

3) taxes paid in countries with preferential taxation;

4) excess profit tax;

5) alternative tax on subsoil use.

Article 273. Deduction of subsequent expenses

1. Subsequent expenses shall be recognized as costs of operation, repair, reconstruction, modernization, maintenance, liquidation and other costs, including those from the taxpayer's reserve funds, incurred in relation to the following property:

1) fixed assets in accordance with Article 281 of this Code;

2) assets that are not classified as fixed assets in accordance with paragraph 2 of Article 275 of this Code, except for those specified in paragraph 2 of this Article;

3) property received under a property lease agreement (rental agreement), except for a leasing agreement;

4) assets specified in Article 316 of this Code.

2. The provisions of this Article shall not apply to the following assets:

1) fixed assets and intangible assets put into operation by a subsoil user prior to the commencement of production after commercial discovery and taken into account for tax purposes in accordance with Article 305 of this Code – in the period prior to the commencement of production after commercial discovery;

2) unfinished construction projects.

3. Subsequent expenses shall be subject to deductions in the tax period in which they were incurred, except for:

1) subsequent expenses on fixed assets, which are taken into account in accordance with paragraph 3 of this chapter;

2) subsequent expenses incurred in relation to assets not subject to depreciation, which, in accordance with paragraph 4 of Chapter 25 of this Code, shall be subject to inclusion in the initial cost of such assets;

3) subsequent expenses in relation to property received under a property rental (lease) agreement, except for a leasing agreement, which, in accordance with subparagraph 4) of paragraph 1 of Article 275 of this Code, are a fixed asset;

4) expenses of subsoil users incurred from the liquidation fund, deductions to which are included in deductions in accordance with Article 301 of this Code;

5) subsequent expenses specified in paragraph 4 of this Article.

4. For fixed assets and intangible assets put into operation by a subsoil user prior to the date of commencement of production after commercial discovery and taken into account for tax purposes in accordance with Article 305 of this Code, the amount of subsequent expenses incurred from the date of commencement of production after commercial discovery of minerals, subject to attribution in accounting to an increase in the book value of such assets, increases the amount of accumulated expenses for the group of depreciable assets provided for in paragraph 1 of Article 305 of this Code, at the end of the tax period, including in the case when such amount at the end of the tax period is zero.

Subsequent expenses provided for in this paragraph shall be recognized for tax purposes in the tax period in which they are attributed in accounting to an increase in the book value of assets.

5. For the purposes of this Code, expenses for reconstruction and modernization are a type of expenses, the results of which are simultaneously:

change, including renewal of the structure of the property;

increasing the service life of the property by more than three years;

improvement of the technical characteristics of the property in comparison with its technical characteristics at the beginning of the calendar month in which the given property was temporarily taken out of operation for reconstruction or modernization.

Section 3. Deductions for fixed assets

Article 274. Deductions for fixed assets

Deductions for fixed assets shall be:

1) depreciation charges on fixed assets, calculated in accordance with Article 280 of this Code;

2) subsequent expenses on fixed assets in accordance with Article 281 of this Code;

3) the value balance of the object of group I and (or) the group at the end of the tax period in accordance with paragraphs 2, 4 and 5 of Article 282 of this Code.

Article 275. Fixed assets

1. Unless otherwise provided by this Article, fixed assets shall include:

1) fixed assets, investments in real estate, intangible and biological assets, recorded upon receipt in the accounting records of the taxpayer in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and intended for use in activities aimed at generating income in the reporting and (or) future periods, with the exception of the assets specified in subparagraph 2) of this paragraph;

2) assets with a service life of more than one year, received by the concessionaire for possession and use from the grantor under the concession agreement.

For the purposes of this Code, a concessionaire is a person recognized as a concessionaire in accordance with the Law of the Republic of Kazakhstan "On Concessions", as well as a

private partner who has entered into a concession agreement in accordance with the Law of the Republic of Kazakhstan "On Public-Private Partnership", a legal successor or a legal entity specifically created exclusively by the concessionaire for the implementation of the concession agreement;

3) assets with a service life of more than one year, which are intended for use for more than one year in activities aimed at generating income, received by the trustee under trust management;

4) subsequent expenses incurred in relation to property received under a property lease agreement, except for a leasing agreement, and recognized in accounting as a long-term asset;

5) for the lessor - property transferred under a property lease agreement (rental agreement), not taken into account in accounting after transfer under such agreement as fixed assets, investments in real estate, intangible or biological assets, except for property transferred under a leasing agreement.

2. Fixed assets shall not include:

1) fixed assets and intangible assets put into operation by a subsoil user prior to the start of production after commercial discovery and accounted for tax purposes in accordance with Article 305 of this Code;

2) assets for which depreciation charges are not calculated in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, with the exception of:

assets specified in subparagraphs 2) and 4) of paragraph 1 of this Article;

biological assets, investments in real estate, for which depreciation charges are not calculated due to the accounting of such assets at fair value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) public facilities (except for those that are objects of a concession, created and (or) received by the concessionaire under a concession agreement): highways, sidewalks, boulevards, squares;

4) fixed assets, the cost of which was previously fully attributed to deductions in accordance with the tax legislation of the Republic of Kazakhstan;

5) intangible assets with an indefinite useful life, recognized as such and accounted in the balance sheet of the taxpayer in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

6) objects of investment tax preferences during the control period without their cancellation;

7) depreciable assets of the subsoil user specified in Article 316 of this Code;

8) for the lessee - assets received for temporary possession and use under a property lease agreement (rental agreement), accounted in accounting after receipt under such agreement as

fixed assets, investments in real estate, intangible or biological assets, except for assets received under a leasing agreement.

Article 276. Accounting for fixed assets

1. Accounting of fixed assets shall be carried out in groups formed in accordance with the classifier of fixed assets, in the following order:

Item №	Group №	Name of fixed assets
1	2	3
1.	I	Buildings, structures, with the exception of oil and gas wells, as well as transmission devices
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas production, as well as computers and information processing equipment
3.	III	Computers, software and equipment for information processing
4.	IV	Fixed assets not included in other groups, including oil and gas wells, transmission devices, machinery and equipment for oil and gas production

2. Accounting of fixed assets shall be carried out in the form of accounting:

1) value balances of objects of group I and (or) value balances of groups at the beginning and end of the tax period;

2) receipt of fixed assets for the tax period;

3) disposal of fixed assets during the tax period;

4) the residual value of objects of group I;

5) subsequent expenses on fixed assets.

3. The value balances of groups shall be determined at the beginning and end of the tax period by:

for group I – for each object. The total amount of cost balances for each object constitutes the cost balance of group I;

for groups II, III and IV – for each group.

4. The value balance of an object of group I and (or) the value balances of groups at the beginning of the tax period shall be determined as the positive value of the sum obtained by applying the following formula:

the value balance of the object of group I and (or) the value balance of the group at the end of the previous tax period

minus

the sum of depreciation charges calculated in the previous tax period,

minus

deductions and adjustments in accordance with Article 282 of this Code.

5. The value balance of objects of group I and (or) the value balances of groups at the end of the tax period shall be determined as:

the value balance of the object of group I and (or) the value balance of the group at the beginning of the tax period

plus

received during the tax period at a value determined in accordance with Article 277 of this Code,

minus

disposed during the tax period at a value determined in accordance with Article 279 of this Code,

plus

subsequent expenses on fixed assets, attributed to the increase or formation of the value balance of the object of group I or the value balance of the group (for groups II, III or IV), in accordance with Article 281 of this Code.

6. The residual value of a group I object at the end of the tax period shall be determined as :

value balance of the object of group I at the beginning of the tax period

plus

subsequent expenses on fixed assets in accordance with Article 281 of this Code, attributed to an increase in the value balance of a given object or to the formation of the value balance of an object of group I.

7. The trust manager shall form separate value balances of objects of group I and (or) value balances of groups (for groups II, III or IV) for fixed assets specified in subparagraph 3) of paragraph 1 of Article 275 of this Code, and shall maintain separate tax records for such assets on the basis of Articles 210 and 211 of this Code.

Article 277. Receipt of fixed assets

1. The receipt of fixed assets shall be:

1) recognition in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting of fixed assets, investments in real estate, intangible and biological assets intended for use in activities aimed at generating income in the reporting and (or) future periods;

2) the receipt of possession and use under a concession agreement by the concessionaire from the grantor of assets with a service life of more than one year;

3) receipt by the trust manager of assets for trust management with a service life of more than one year, which are intended for use in activities aimed at generating income for more than one year;

4) recognition in accounting as a long-term asset of subsequent expenses incurred in relation to property received under a property rental agreement (lease), except for a leasing agreement;

5) for a lessor - the transfer by the lessor under a property lease (rental) agreement of property not recorded in accounting records prior to such transfer as fixed assets, investments in real estate, intangible or biological assets. The provisions of this subparagraph shall not apply to the transfer of property under a leasing agreement;

6) commissioning of a group I facility for use in activities aimed at generating income, after the temporary cessation of its use, for which disposal was previously reflected in tax accounting in accordance with paragraph 18 of Article 279 of this Code;

7) transfer to fixed assets in the tax period following the control period of an object for which investment tax preferences were applied without their cancellation during the control period.

2. Recognition for tax purposes of the receipt of fixed assets means the inclusion of the received assets in the composition of fixed assets.

The inclusion of received assets in the composition of fixed assets shall be carried out by increasing the corresponding value balance of objects of group I and (or) groups at the beginning of the tax period by the initial value of the received fixed assets.

The inclusion of subsequent expenses incurred in relation to property received under a property lease agreement (rental agreement), except for a leasing agreement, and recognized in accounting as a long-term asset, in the composition of fixed assets shall be carried out by increasing the initial cost:

the value balance of the object of group I at the beginning of the tax period or its formation in the absence of such value balance - if the object of property lease (rental) in accordance with paragraph 1 of this Article belongs to group I;

the corresponding value balance of the group at the beginning of the tax period - if the object of property lease (rental) in accordance with paragraph 1 of this Article belongs to groups II, III or IV.

3. Unless otherwise provided by this Article, the initial cost of fixed assets shall be determined as the sum of the following expenses incurred by the taxpayer up to the date of receipt of the fixed asset:

1) costs for acquiring a fixed asset;

2) costs for producing a fixed asset;

3) costs for constructing a fixed asset;

4) costs for installation and assembly of a fixed asset;

5) other expenses that increase the value of the asset in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. For the purposes of this Article, the initial cost of a fixed asset shall not include:

costs (expenses) specified in subparagraphs 2), 13), and 16) of Article 286 and Article 287 of this Code;

depreciation charges;

costs (expenses) arising in accounting and not considered as expenses for tax purposes in accordance with paragraph 6 of Article 257 of this Code.

5. A subsoil user under a contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land) shall determine the initial value of assets in the manner established by this Article, using the appropriate coefficient provided for in paragraph 5 of Article 305 of this Code.

6. The initial cost of a fixed asset received by transfer from inventories or assets intended for sale shall be determined in the amount of the book value of the asset on the date of such receipt in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

If such assets were previously transferred from fixed assets to inventory or assets intended for sale, then when they are transferred back to fixed assets, the initial value of such an asset may not exceed the value specified in paragraph 4 of Article 279 of this Code.

7. The initial cost of a fixed asset received free of charge shall be determined as the sum of:

1) the value of the property received free of charge, included in the total annual income in accordance with Article 246 of this Code; and

2) actual costs that increase the value of the asset received upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

8. The initial cost of fixed assets received by a state enterprise from a state institution is the book value of the assets received, taking into account the actual costs that increase the value of such assets upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The book value of assets shall be determined on the basis of the asset acceptance certificate.

9. The initial cost of a fixed asset received as a contribution to the authorized capital shall be determined as the sum of:

1) the value of the asset received as a contribution to the authorized capital, but not more than the amount for which the asset was received. Such value shall be determined on the basis of documents confirming the receipt of the contribution and the value at which the asset was received (the acceptance certificate and (or) other documents); and

2) actual costs that increase the value of the asset received upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

10. Unless otherwise provided by part two of this paragraph, the initial value of a fixed asset received in connection with a reorganization by merger, accession, division or separation of a taxpayer shall be determined as the sum of:

1) the book value indicated in the transfer deed or separation balance sheet;

and

2) actual costs that increase the value of such an asset upon initial recognition in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The value balance of objects of group I and (or) the value balances of groups (by groups II, III or IV) of a newly created legal entity created by merger, separation, or a legal entity that has been joined by another legal entity, shall be increased by the value of the transferred fixed assets according to the tax accounting data of the transferring party if such value is reflected in the transfer act in accordance with paragraph 9 of Article 279 of this Code.

11. The initial value of fixed assets received by the trustee for trust management shall be:

1) if the transferor had fixed assets, the value determined in accordance with paragraph 14 of Article 279 of this Code;

2) in other cases – the value determined according to the data of the acceptance certificate for the specified assets.

12. The initial value of fixed assets received from the trustee in connection with the termination of trust management obligations shall be:

1) if the trust manager had fixed assets, the value determined in accordance with paragraph 15 of Article 279 of this Code;

2) in other cases – the value determined in accordance with paragraph 14 of Article 279 of this Code, reduced by the amount of depreciation charges. In this case, depreciation charges shall be calculated using the following formula:

the value determined in accordance with paragraph 14 of Article 279 of this Code,

multiply

the marginal depreciation rate provided for by this Code for the relevant group of fixed assets,

multiply

the number of tax periods preceding the reporting tax period during which the asset was held in trust.

13. The initial cost of fixed assets received by the concessionaire under the concession agreement shall be the cost of the received concession object, indicated in the acceptance certificate for the concession object, drawn up and signed by the grantor and the concessionaire.

In the absence of the value specified in part one of this paragraph, the initial value of the concession objects recognized as fixed assets of group I, II, III or IV shall be determined for each such object separately in the form of expenses incurred by the concessionaire under the concession agreement prior to the date of putting the fixed assets into operation:

for the acquisition, construction, assembly and installation to create a concession facility; and

other expenses to create a concession object that increase its value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, taking into account the provisions of Articles 257–273 of this Code.

14. The initial cost of a Group I facility, put into operation after the temporary cessation of its use, for which disposal was previously reflected in tax accounting in accordance with paragraph 18 of Article 279 of this Code, shall be determined as the sum of:

1) the disposal value determined in accordance with paragraph 18 of Article 279 of this Code; and

2) subsequent expenses on fixed assets, if they are attributed to an increase in the value balance of this object in accordance with Article 281 of this Code.

15. Assets for which investment tax preferences have been cancelled shall be accounted as fixed assets from the date of commencement of application of investment tax preferences in accordance with this paragraph.

16. The initial cost of a fixed asset received in accordance with paragraph 5 of Article 284 of this Code by including in the composition of fixed assets an object for which investment tax preferences were applied without their cancellation during the control period is equal to zero.

17. The initial cost of a fixed asset in the form of subsequent expenses recognized as a long-term asset, incurred in relation to property received under a property rental (lease) agreement, except for a leasing agreement, shall be the costs of repair, reconstruction, modernization, maintenance and other expenses incurred by the taxpayer in relation to property received under a property rental (lease) agreement, except for a leasing agreement.

In accordance with this paragraph, expenses incurred up to the date of their recognition in accounting as a long-term asset shall be accounted, increasing its value in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

18. The initial cost of a fixed asset received under a lease agreement shall be the cost at which the leased asset was received.

19. The initial cost of a fixed asset, previously the subject of a lease, when it is returned by the lessee to the lessor is the positive difference between:

the cost at which the leased item was previously transferred to the lessee under the lease agreement, and

the cost of the leased item included in the amount of lease payments for the period from the date of transfer to the date of return of this leased item.

Article 278. Features of the application of deductions for fixed assets by taxpayers who applied special tax regimes

1. Unless otherwise provided by this Article, when a taxpayer who applies a special tax regime based on a simplified declaration or a special tax regime for peasant or farming households switches to the generally established taxation procedure, the initial cost of fixed assets shall be their acquisition cost, reduced by the calculated depreciation amount.

Unless otherwise provided by this Article, the acquisition cost is the total cost of acquisition, production, construction, assembly, installation, reconstruction and modernization, completed before the start of operation of the asset, except for the costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and Article 287 of this Code.

If an asset was previously received free of charge, for the purposes of this Article, the cost of acquisition of such an asset shall be its cost included in the object of taxation in accordance with paragraph 2 of Article 724 of this Code in the form of property received free of charge.

For assets received in the form of charitable assistance, inheritance, except for the case provided for in part two of this paragraph, the cost of acquisition of the asset shall be the market value of the asset on the date of occurrence of the ownership right for this asset, determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities.

The calculated amount of depreciation shall be determined as the product of the following values:

cost of the asset determined in accordance with this paragraph;

the marginal monthly depreciation rate provided for in paragraph 3 of this Article;

the number of months that have passed since the date of the first commissioning of the asset by such taxpayer.

2. Unless otherwise provided by this Article, expenses for the reconstruction and modernization of a fixed asset incurred after the start of its operation shall be recognized as a separate fixed asset with an initial cost equal to the sum of such expenses, except for the costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and article 287 of this Code, reduced by the estimated depreciation amount.

The calculated amount of depreciation shall be determined as the product of the following values:

the amount of expenses for reconstruction and modernization determined in accordance with this paragraph;

the marginal monthly depreciation rate provided for in paragraph 3 of this Article;

the number of months that have passed since the completion of reconstruction or modernization.

For the purposes of this paragraph, paragraph 3 of Article 390 and paragraph 6 of Article 591 of this Code, reconstruction and modernization shall be recognized as reconstruction and modernization, the results of which are simultaneously:

change, including renewal, of the design of a fixed asset;

increasing the service life of a fixed asset by more than three years;

improvement of the technical characteristics of a fixed asset compared to its technical characteristics at the beginning of the calendar month in which the fixed asset was temporarily taken out of operation for reconstruction and modernization.

3. Depending on the group to which a fixed asset is subject to inclusion in accordance with paragraph 1 of Article 276 of this Code, the following monthly depreciation rates shall apply:

Item №	Group №	Name of fixed assets	Monthly depreciation rate, %
1.	I	Buildings, structures, with the exception of oil and gas wells, as well as transmission devices	0.83
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas production , as well as computers and information processing equipment	2.08
3.	III	Computers, software and equipment for information processing	3.33
4.	IV	Fixed assets not included in other groups, including oil and gas wells, transmission devices, machinery and equipment for oil and gas production	1.25

For the purposes of applying paragraph 2 of this Article, a fixed asset created as a result of reconstruction and modernization shall be included in the group in which the fixed asset that has undergone reconstruction and modernization is to be included.

4. The initial cost of fixed assets shall be determined in accordance with this paragraph subject to the simultaneous fulfillment of the following conditions:

a taxpayer who applies a special tax regime based on a simplified declaration or a special tax regime for peasant or farm households switches to the generally established taxation procedure;

the taxpayer applied a special tax regime based on a simplified declaration or a special tax regime for peasant or farm households for less than 12 calendar months;

the taxpayer, prior to the transition to a special tax regime based on a simplified declaration or a special tax regime for peasant or farm households, applied the generally established taxation procedure.

The initial cost of fixed assets shall be determined based on the amount of the value balance of the object of group I and (or) the value balance of the group (for groups II, III or IV) on the day preceding the day of the start of application of the special tax regime based on a simplified declaration or a special tax regime for peasant or farming enterprises, and deductions for fixed assets determined in accordance with Articles 275–277 and 279–282 of this Code, during the period of application of the special tax regime based on a simplified declaration or a special tax regime for peasant or farming enterprises.

Article 279. Disposal of fixed assets

1. Unless otherwise provided by paragraph 2 of this article, the disposal of fixed assets shall be the following:

1) termination of recognition of these assets in accounting as fixed assets, investments in real estate, intangible and biological assets, except in cases of termination of recognition as a result of full depreciation and/or impairment, transfer under a property lease agreement (rent);

2) transfer of these assets under a leasing agreement;

3) transfer of these assets to assets intended for sale, inventories;

4) for the lessor - termination of the property lease agreement (rental agreement), under which:

during the period of its validity the property transferred to the lessee was a fixed asset of the lessor; and

after the termination of the contract, an asset that is not related to fixed assets shall be recognized in the accounting records of the lessor.

2. The disposal of fixed assets shall not include the following:

1) termination of recognition in accounting of an uninsured asset included in groups II, III , and IV of fixed assets, due to its loss or damage;

2) temporary cessation of use in activities aimed at generating income of fixed assets of group I used in seasonal production;

3) temporary cessation of use in activities aimed at generating income of fixed assets of group I if the tax periods of temporary decommissioning of the asset and its commissioning after temporary cessation of use coincide;

4) temporary cessation of use in activities aimed at generating income of fixed assets of groups II, III and IV.

For the purposes of this paragraph:

to the temporary withdrawal of fixed assets from operation without ceasing to recognize such assets in accounting as fixed assets, investments in real estate, intangible and biological assets;

fixed assets of group I used in seasonal production are fixed assets of group I that simultaneously meet the following conditions:

cannot be used at the end of the reporting period due to the requirements specified in the technical documentation for operation in certain temperature conditions;

participate in the production process due to climatic, natural or technological conditions during a certain period of the calendar year, but not less than three months;

were used in activities aimed at generating income during the reporting tax period.

3. Recognition for tax purposes of the disposal of fixed assets means the exclusion of the disposed assets from the composition of fixed assets.

The exclusion of retired assets from the composition of fixed assets shall be carried out by reducing the corresponding value balance of objects of group I and/or groups at the beginning of the tax period by the value of the retirement of fixed assets.

4. Unless otherwise provided by this article, the disposal value of fixed assets shall be their book value on the date of disposal, determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

5. The disposal value of fixed assets upon their sale, except for transfer under a lease agreement, shall be the following:

1) the cost of realizing fixed assets, excluding value-added tax, if the sale and purchase agreement, including the sale and purchase agreement of an enterprise as a property complex, determines the cost of realizing fixed assets;

2) the book value of the sold fixed assets on the date of sale, determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, if the sale and purchase agreement, including the sale and purchase agreement of an enterprise as a property complex, does not determine the sale value in terms of fixed assets.

6. The cost of disposal of fixed assets when they are transferred under a lease agreement shall be the cost at which the leased asset is transferred in accordance with such agreement.

7. The cost of disposal of fixed assets upon their gratuitous transfer shall be the cost of the transferred assets specified in the act of their acceptance and transfer, but not less than their book value according to accounting data on the date of transfer.

8. The cost of disposal of fixed assets when they are transferred as a contribution to the authorized capital shall be the cost determined in accordance with the civil legislation of the Republic of Kazakhstan.

9. The cost of disposal of fixed assets of a reorganized legal entity during reorganization by merger, accession or spin-off shall be the following:

the book value of the transferred assets of the reorganized legal entity, specified in the transfer deed; or

the value of the transferred fixed assets according to the tax accounting data of the reorganized legal entity, reflected in the transfer act. For this purpose, taxpayers shall have the right to reflect in the transfer act the following value of the transferred fixed assets:

1) for fixed assets of group, I - the residual value of the object of group I at the end of the tax period;

2) for fixed assets of groups II, III, IV, subject to the transfer of all fixed assets of the group - the amount of the corresponding value balance of the group at the end of the tax period.

10. The cost of disposal of fixed assets of a reorganized legal entity during reorganization by separation shall be the book value of the transferred assets, indicated in the separation balance sheet.

11. The disposal cost of fixed assets in the event of their loss or damage, which results in the derecognition of the asset in accounting records, shall be the value determined by agreement of the founders or participants.

12. The disposal value of fixed assets, in the event of their loss or damage, in connection with which the recognition of the asset in accounting ceases, shall be the following:

1) the cost equal to the amount of insurance payments to the policyholder, the insured person, the beneficiary in accordance with the insurance (reinsurance) contract, if there is insurance;

2) the residual value of group I objects at the end of the tax period - in the absence of insurance.

13. For the lessee, the disposal value of a fixed asset that is the subject of a lease, upon its return to the lessor, is the positive difference between the initial cost at which the asset was included in the composition of fixed assets and the cost of the lease subject included in the amount of lease payments for the period from the date of receipt to the date of return of the lease subject.

14. The cost of disposal of fixed assets when they are transferred to trust management under a property trust management agreement shall be the following:

1) for group I - the residual value of fixed assets at the end of the tax period;

2) for groups II, III and IV - the book value on the date of transfer, determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

15. The cost of disposal of fixed assets from the trust manager upon termination of the trust management obligations shall be the following:

1) for group I - the residual value of fixed assets at the end of the tax period;

2) by groups II, III and IV:

when transferring all assets of a group - the value of the balance of the group at the end of the tax period;

in other cases - the initial cost of the transferred assets, at which they were included in the composition of fixed assets, reduced by the amount of depreciation charges. In this case, depreciation charges shall be calculated for each tax period of trust management preceding the reporting tax period, based on the maximum depreciation rate provided for by this Code for the relevant group of fixed assets, applied to the initial cost, reduced by the amount of depreciation charges for previous periods.

16. The cost of disposal of fixed assets upon their transfer to the grantor in the event of termination of the concession agreement shall be the following:

1) for group I - the residual value of the object of group I at the end of the tax period;

2) by groups II, III and IV:

when transferring all assets - the value of the group's balance at the end of the tax period;

in other cases - the initial cost of the transferred assets, at which they were included in the fixed assets, reduced by the amount of depreciation charges. In this case, depreciation charges are calculated for each tax period preceding the reporting tax period, based on:

rates established in the concessionaire's tax register for recording fixed assets for tax periods during which the concession facilities were operated, if such depreciation rates are established. The depreciation rates established by the concessionaire must not exceed the maximum depreciation rates provided for by this Code for the relevant group of fixed assets;

the maximum depreciation rate provided for by this Code for the relevant group of fixed assets - in the absence of depreciation rates established by the concessionaire.

17. For a lessor, the cost of disposal of a fixed asset upon termination of a property lease (rent) agreement, under which during the period of its validity the transferred property was a fixed asset for the lessor, and after the termination of the agreement, an asset that is not related to fixed assets shall be recognized in the accounting records of the lessor, shall be the book value of the asset recognized in accounting records on the date of termination of such an agreement, determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

18. The disposal value of a fixed asset of group I upon temporary cessation of its use in activities aimed at generating income, except for cases provided for in paragraph 2 of this article, shall be its residual value at the end of the tax period.

19. The cost of disposal of a fixed asset from a subsoil user under a contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land) shall be its book value on the date of disposal, determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, taking into account the previously applied conditional coefficient established by paragraph 5 of Article 305 of this Code.

Article 280. Calculation of depreciation charges

1. Depreciation charges on fixed assets calculated in accordance with this article are subject to deduction.

2. Unless otherwise provided by this article, depreciation charges shall be calculated for each asset of group I and/or as a whole for each group (for groups II, III and IV) by applying the depreciation rates established by the taxpayer in the tax register for recording fixed assets to the value balance of the asset of group I and the group (for groups II, III and IV) at the end of the tax period.

Such depreciation rates established by the taxpayer must not exceed the following maximum depreciation rates:

Item №	Group №	Name of fixed assets	Maximum depreciation rate (%)
1	2	3	4
1.	I	Buildings, structures, except for oil and gas wells, as well as transmission devices	10
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas production, as well as computers and information processing equipment	25
3.	III	Computers, software and equipment for information processing	40
4.	IV	Fixed assets not included in other groups, including oil and gas wells, transmission devices, machinery and equipment for oil and gas production	15

3. Depreciation charges shall be adjusted for the period of activity for:

1) a legal entity being liquidated in the tax period for which liquidation tax reporting is prepared;

2) legal entities in the event of reorganization by merger, accession, division and spin-off in the tax period in which the disposal and receipt of fixed assets in connection with the reorganization take place;

3) a legal entity when switching from the application of a special tax regime to the calculation of corporate income tax in accordance with this section in the tax period in which such a transition is made.

4. For fixed assets put into operation for the first time in the territory of the Republic of Kazakhstan, the subsoil user shall have the right to calculate depreciation charges in the first tax period of operation at double depreciation rates, provided that these fixed assets are used to obtain a total annual income of at least three years. These fixed assets in the first tax period

of operation shall be accounted for separately from the value balance of the group. In the subsequent tax period, these fixed assets are subject to inclusion in the value balance of the relevant group.

In the event of disposal of a fixed asset put into operation for the first time, for which depreciation charges were calculated in accordance with this paragraph, before the expiration of three years, the excess amount of the deduction made for the said fixed asset over the amount of depreciation charges determined according to the maximum depreciation rates provided for in this article shall be included in the total annual income of the tax period in which the double depreciation rate was applied.

The provisions of this paragraph shall apply only to fixed assets that simultaneously meet the following conditions:

1) are assets that, due to the specific nature of their use, have a direct cause-and-effect relationship with the implementation of activities under a subsoil use contract(s);

2) in tax accounting, subsequent expenses incurred by the subsoil user on these assets are not subject to distribution between activities under the subsoil use contract(s) and non-contractual activities.

For the purposes of this paragraph, a contract for the extraction of groundwater shall not be recognized as a subsoil use contract, provided that the subsoil user extracting groundwater is a subsoil user solely due to the possession of such a right to extract groundwater and uses the extracted groundwater for the production of soft drinks, as well as a contract for exploration and extraction or extraction of hydrocarbons under complex projects (except for gas projects on land).

5. Taking into account the specifics stipulated by paragraph 4 of Article 756 of this Code, depreciation charges for each object of group I or groups (for groups II, III and IV) shall be determined by the subsoil user under a contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land) by applying the depreciation rates specified in the tax register for recording fixed assets, which must not exceed the maximum rates established by this paragraph, to the value balance of the object of group I or the value balance of the group (for groups II, III and IV) at the end of the tax period:

Item №	Group №	Name of fixed assets	Maximum depreciation rate (%)
1	2	3	4
1.	I	Buildings, structures, except for oil, gas wells and transmission devices	15
2.	II	Machinery and equipment, except for machinery and equipment for oil and gas	37.5

		production, as well as computers and information processing equipment	
3.	III	Computers, software and equipment for information processing	60
4.	IV	Fixed assets not included in other groups, including oil and gas wells, transmission devices, machinery and equipment for oil and gas production	22.5

Article 281. Deduction of subsequent expenses on fixed assets

1. Subsequent expenses on fixed assets shall be recognized as subsequent expenses, except for expenses specified in paragraph 2 of this article, incurred concerning:

fixed assets after recognition for tax purposes of their receipt;

an asset for which disposal was reflected in tax accounting in accordance with paragraph 18 of Article 279 of this Code, during the period of temporary cessation of its use.

2. Subsequent expenses on fixed assets do not include expenses of subsoil users incurred from the liquidation fund, deductions to which are included in deductions in accordance with Article 301 of this Code.

3. The taxpayer shall have the right to choose to attribute the amount of subsequent expenses on fixed assets in the tax period in which they were incurred to:

1) deductions;

2) an increase in the value balance of an object of group I or the value balance of a group (for groups II, III and IV) corresponding to the type of asset concerning which such subsequent expenses were incurred;

3) formation of the cost balance of the object of group I or the cost balance of the group (for groups II, III and IV) corresponding to the type of asset concerning which such subsequent expenses were incurred, in the absence of a cost balance of the object of group I or the group (for groups II, III and IV) corresponding to the type of asset.

Article 282. Other deductions for fixed assets

1. Upon disposal, except for a gratuitous transfer, of an object of group I, the amount equal to the balance sheet value of such an object at the end of the tax period shall be recognized as the result of the disposal of a fixed asset of group I and shall be accounted for in the manner established by paragraphs 2 and 6 of Article 340 of this Code.

In this case, in tax accounting, the value balance of the Group I object at the end of the tax period shall be adjusted to zero. In this case, the amount of the adjustment shall not be deductible.

2. Upon disposal, except for gratuitous transfer, of all fixed assets of a group (by groups II , III and IV), the value balance of the relevant group (by groups II, III and IV) at the end of the tax period is subject to deduction, unless otherwise provided by this article.

3. In the case of a gratuitous transfer of an object of group I or all fixed assets of a group (for groups II, III and IV), the value balance of the relevant group at the end of the tax period shall be adjusted to zero. In this case, the amount of the adjustment is not subject to deduction .

4. The taxpayer shall have the right to deduct the amount of the value balance of an object of group I or the value balance of a group (for groups II, III and IV) at the end of the tax period, which is an amount less than 300 times the monthly calculation indicator in effect on the last day of the tax period.

5. A subsoil user engaged in the extraction of solid minerals shall have the right to deduct the amount of the value balance of a group I object or the value balance of a group (for groups II, III and IV) at the end of the tax period. The deduction shall be made in the tax period in which the work to eliminate the consequences of the development of all deposits under the extraction contract is completed.

In the absence of total annual income or the presence of a loss under the specified production contract, the deduction shall be made under another production contract of such subsoil user.

In this case, the amount of the deduction must not exceed 150,000 times the monthly calculation indicator in effect on the last day of the tax period.

Section 4. Investment tax preferences

Article 283. Investment tax preferences

1. Legal entities of the Republic of Kazakhstan shall have the right to apply investment tax preferences, except for legal entities that meet one or more of the following conditions:

1) the taxpayer is a participant of Astana Hub;

2) the taxpayer is a participant of the AIFC;

3) the taxpayer produces and/or sells all types of alcohol, alcoholic beverages, and tobacco products;

4) the taxpayer applies the special tax regime provided for in Section 16 of this Code.

2. Investment tax preferences (hereinafter in this paragraph referred to as Preferences) shall be applied at the choice of the taxpayer and consist of deducting expenses included in the initial cost of the object of preferences, in accordance with this paragraph.

3. The following assets are subject to preferences in accordance with the classifier of fixed assets:

buildings;

constructions;

machines;

equipment;

software.

Such assets must simultaneously meet the following conditions during the control period:

1) are assets:

which shall be recognized in accounting as fixed assets, investments in real estate or intangible assets in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

and/or

which are transferred by the lessor under a property lease agreement (rent) and are not taken into account in accounting after transfer under such an agreement as fixed assets, investments in real estate, intangible assets, except for property transferred under a leasing agreement;

or

received by the concessionaire for possession and use from the grantor within the framework of the concession agreement;

2) are located on the territory of the Republic of Kazakhstan. This condition shall not apply to intangible assets, machinery and equipment;

3) are used by the taxpayer who has applied the preferences in activities aimed at generating income, including through the transfer of assets under a property lease agreement (rent), except for assets transferred under a leasing agreement;

4) in tax accounting, depreciation charges and subsequent expenses on these assets are not direct, indirect or general expenses associated with the implementation of activities under a subsoil use contract(s), except for a contract for the extraction of groundwater from a person who is a subsoil user solely due to the possession of the right to extract groundwater;

5) are not assets intended for use (used) within the framework of agreements concluded in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship :

investment priority project under an investment contract,

investment agreements;

6) are not assets intended for use (used) within the framework of priority activities carried out by participants in special economic zones.

4. Unless otherwise established by this clause, the initial cost of the object of preferences for the purposes of this paragraph shall be determined as the sum of the costs incurred by the taxpayer up to the date of its recognition. Such costs shall include the costs of acquiring the object, its production, construction, assembly and installation, as well as other costs that increase its value in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for:

costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and Article 287 of this Code;

depreciation charges;

costs (expenses) arising in accounting and not considered as expenses for tax purposes in accordance with paragraph 6 of Article 257 of this Code.

The initial cost of the preferential objects received by the concessionaire from the grantor for possession and use within the framework of the concession agreement shall be determined in accordance with paragraph 13 of Article 277 of this Code.

5. The day of recognition of the object of preferences shall be one of the following dates:

the date of recognition of an asset in accounting as a fixed asset, investment in real estate or intangible asset in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

the date of receipt of the asset for possession and use by the concessionaire from the grantor under the concession agreement.

6. To apply preferences, the control period shall be a period of at least three tax periods following the tax period in which the day of recognition of the object of preferences falls.

Article 284. Application of preferences

1. The application of preferences shall be carried out using one of the following methods:

1) the method of deduction after recognition of the object;

2) the method of deduction before recognition of the object.

The choice of method shall be carried out in the tax register for investment tax preferences for each preference object.

2. The application of the deduction method after recognition of the object shall consist of attributing to deductions the initial cost of the preferential objects in the tax period in which the day of recognition of the object falls.

3. The application of the deduction method before the recognition of an object shall consist of attributing to deductions the costs included in the initial cost of the object in the tax period in which such costs were incurred.

4. During the control period, the taxpayer shall keep records of preferential objects separately from fixed assets.

Preference objects shall be taken into account in the context of each object for which the preference is applied.

5. An object of preferences for which preferences have not been cancelled, in the tax period following the control period, subject to the provisions of paragraph 1 of Article 275 of this Code, shall be included in the value balance of the group of fixed assets corresponding to the type of such asset in the manner determined by Articles 276 and 277 of this Code.

Article 285. Cancellation of preferences

1. Preferences shall be cancelled from the date of their commencement of application, and the taxpayer shall be obliged to reduce deductions by the amount of preferences for each tax period in which they were applied, if any of the following cases occurred during the control period:

1) the taxpayer has violated the provisions of Article 283 of this Code;

2) a case has arisen where the taxpayer who applied the preferences meets any of the conditions of paragraph 1 of Article 283 of this Code;

3) the taxpayer that applied the preferences was reorganized by merger, accession, division or spin-off.

2. Assets for which preferences have been cancelled shall be recognized as fixed assets from the date of their recognition in accounting in accordance with the provisions of paragraph 1 of Article 275 of this Code and shall be included in the value balance of the group corresponding to the type of such asset in the manner determined by Articles 276 and 277 of this Code.

Section 5. Expenses not subject to deduction

Article 286. Expenses not subject to deduction

The following shall not be subject to deduction:

1) expenses not related to activities aimed at generating income;

2) expenses for transactions carried out without the actual performance of work, provision of services, or shipment of goods;

3) penalties (fines, interest) subject to payment (paid) to the budget, except for penalties (fines, interest) subject to payment (paid) to the budget under public procurement contracts;

4) the amount by which expenses for which deduction standards are established by this Code exceed the maximum deduction amount calculated using the specified standards;

5) the amount of taxes and payments to the budget, calculated (accrued) and paid more than the amounts established by the legislation of the Republic of Kazakhstan or another state (for taxes and payments paid to the budget of another state);

6) the value of property transferred by the taxpayer free of charge, unless otherwise provided by this Code. The value of work performed or services rendered free of charge shall be determined in the amount of expenses incurred in connection with such performance of work or provision of services;

7) an excess of the amount of value-added tax credited over the amount of accrued value-added tax for the tax period, which arose for a taxpayer applying Article 490 of this Code;

8) deductions to reserve funds, except for deductions provided for in Articles 268, 301 and 323 of this Code;

9) the book value of inventories transferred under a contract of sale of an enterprise as a property complex;

10) the taxpayer’s expenses included in accordance with paragraph 4 of Chapter 25 of this Code in the initial cost of assets not subject to depreciation;

11) the book value of assets transferred for temporary possession and use under a property lease agreement (rental agreement), except for a leasing agreement;

12) expenses of a non-profit organization incurred from the income specified in paragraph 1 of Article 329 of this Code;

13) expenses of an individual entrepreneur registered as a payer of value-added tax, or a legal entity in favor of another individual entrepreneur registered as a payer of value-added tax, or a legal entity under a civil-law transaction, payment for which was made in cash, taking into account value-added tax, regardless of the frequency of payment, in an amount exceeding 1000 times the monthly calculation indicator in effect on the date of payment;

14) expenses of the taxpayer aimed at obtaining income from the transportation of goods and/or the provision of services under bareboat charter and time charter agreements by a sea vessel registered in the international ship registry of the Republic of Kazakhstan when applying subparagraph 14) of paragraph 2 of Article 337 of this Code;

15) expenses of the copyright holder of a film recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography from the distribution and screening in cinemas of such a national film on the territory of the Republic of Kazakhstan in the presence of an exclusive right in accordance with the Law of the Republic of Kazakhstan "On Copyright and Related Rights" when applying subparagraph 15) of paragraph 2 of Article 337 of this Code;

16) the taxpayer’s expenses for the acquisition of goods, works, services from persons applying a special tax regime based on a simplified declaration on the date of receipt of such goods, works, services.

The date of receipt of goods shall be recognized as the date of actual transfer of goods to the buyer based on supporting documents.

The date of receipt of works and services shall be recognized as the date of signing the certificate of completion of works, services rendered or other document confirming the fact of completion of works and provision of services;

17) expenses incurred at the expense of subsidies allocated from the reserve of the Government of the Republic of Kazakhstan and local executive bodies, grants or other gratuitous assistance for energy-producing organizations, one hundred percent of whose shares (interests in the authorized capital) belong to the state, which are in municipal ownership and simultaneously carry out activities for the production of electric energy, water (distillate) and thermal energy.

Article 287. Costs (expenses) subject to exclusion from costs (expenses) taken into account for tax purposes

The costs (expenses) of the taxpayer, taken into account for tax purposes in the tax periods preceding the reporting period, shall be subject to exclusion in the following cases:

1) for transactions carried out without the actual performance of work, provision of services, shipment of goods with a taxpayer, the director and/or founder (participant) of which is not involved in the registration (re-registration) and/or implementation of financial and economic activities of such a legal entity, established by a judicial act that has entered

into legal force, except for transactions for which the court has established the actual receipt of goods, work, services from such a taxpayer;

2) for transactions with a taxpayer recognized as inactive in accordance with the procedure specified in paragraph 6 of Chapter 7 of this Code, from the date of the decision to recognize it as inactive;

3) for the amount specified in the invoice and/or other document, the extract of which shall be recognized as a judicial act that has entered into legal force or a decision of the criminal investigation body to terminate the pre-trial investigation on non-rehabilitating grounds committed by a private business entity without the actual performance of work, provision of services, or shipment of goods;

4) expenses for a transaction recognized as invalid based on a court decision that has entered into legal force.

Section 6. Adjustment of deductions

Article 288. Adjustment of deductions

1. An adjustment of deductions shall be recognized as an increase or decrease in the amount of deductions for the reporting tax period within the amount of a previously recognized deduction in the cases established by this article.

2. Deductions shall be subject to adjustment in the following cases:

1) full or partial return of goods;

2) changes in the terms of the transaction;

3) changes in price, compensation for purchased goods, works, services. The provisions of this subparagraph shall also apply when changing the amount payable in national currency for purchased goods, performed works, rendered services based on the terms of the contract;

4) price discounts, sales discounts.

3. Adjustment of deductions shall be made in the tax period in which the cases specified in paragraph 2 of this article occurred.

Chapter 27. FEATURES OF DETERMINING INCOME AND DEDUCTIONS ON DERIVATIVE FINANCIAL INSTRUMENTS

Article 289. General Provisions

1. For tax purposes, derivative financial instruments shall be divided into derivative financial instruments used:

1) for hedging purposes;

2) for the purpose of delivery of the underlying asset;

3) for other purposes.

2. For each derivative financial instrument, income or loss shall be determined in accordance with Articles 290, 291 and Article 342 of this Code.

3. In the event of the use of a derivative financial instrument for the purposes of hedging or delivery of the underlying asset, tax accounting of the derivative financial instrument shall be carried out in accordance with Articles 292 and 293 of this Code.

4. Income from derivative financial instruments shall be formed from income from derivative financial instruments used for purposes other than hedging or delivery of the underlying asset, and shall be determined in the following order:

the total amount of income from derivative financial instruments used for purposes other than hedging or delivery of the underlying asset, determined in accordance with Articles 290 and 291 of this Code,

minus

the total amount of losses on derivative financial instruments used for purposes other than hedging or delivery of the underlying asset for the reporting tax period

minus

losses on derivative financial instruments carried forward from previous tax periods.

Article 290. Income from a derivative financial instrument, except for a derivative financial instrument with a long maturity

1. Income from a derivative financial instrument, except for a derivative financial instrument, the income from which is determined in accordance with Article 291 of this Code, shall be defined as the excess of receipts over expenses from the derivative financial instrument.

For tax accounting purposes, such income shall be recognized on the date of execution, early or other termination of the rights or obligations of the taxpayer under the derivative financial instrument, as well as on the date of the transaction with the derivative financial instrument, the requirements for which compensate in full or in part for the obligations under a previously concluded transaction with the derivative financial instrument.

2. Receipts from a derivative financial instrument shall be receivable (received) payments on this derivative financial instrument during interim settlements during the term of the transaction, as well as on the date of execution or early termination.

3. Expenses on a derivative financial instrument are payments due (paid) on this derivative financial instrument during interim settlements during the term of the transaction, as well as on the date of execution or early termination.

Article 291. Income from a derivative financial instrument with a long maturity

1. Income from a swap, as well as another derivative financial instrument, the term of which exceeds twelve months from the date of its conclusion and the execution of which provides for the making of payments before the end of the term of the financial instrument, the amount of which depends on the change in price, exchange rate, interest rate indicators, indices and other indicator established by such a derivative financial instrument, shall be determined as the excess of receipts over expenses, taking into account the provisions established by this article.

For tax accounting purposes, income from a derivative financial instrument specified in this paragraph shall be recognized in each tax period in which the excess specified in this paragraph occurs.

2. Receipts from a derivative financial instrument specified in paragraph 1 of this article shall be receivable (received) payments on this derivative financial instrument during the reporting tax period.

3. Expenses on the derivative financial instrument specified in paragraph 1 of this article shall be payments due (paid) during the reporting tax period on this derivative financial instrument.

Article 292. Features of tax accounting for hedging transactions

1. Hedging is transactions with derivative financial instruments performed to reduce potential losses as a result of an unfavourable change in the price, exchange rate, interest rate or other indicator of the hedged object and recognised as hedging instruments in the accounting records of the taxpayer in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting. Hedging objects shall be recognised as assets and/or liabilities, as well as cash flows associated with the said assets and/or liabilities or with expected transactions.

2. To confirm the validity of classifying transactions with derivative financial instruments as hedging transactions, the taxpayer prepares a calculation confirming that the performance of these transactions leads (may lead) to a reduction in the amount of possible losses (loss of profit) on transactions with the hedging object.

3. Income or loss on a derivative financial instrument for which a specific transaction is the hedging object shall be accounted for in accordance with the provisions of this Code established for the hedging object on the date of recognition in tax accounting of the result of the hedged transaction.

4. Income or loss on a derivative financial instrument for which the hedging object is not a specific transaction shall be included in the total annual income or attributed to deductions in the tax period in which such income or loss shall be recognized in accordance with Articles 290 and 291 of this Code.

Article 293. Features of tax accounting in case of execution by delivery of the underlying asset

1. If a derivative financial instrument is used to acquire or sell an underlying asset, the expenses payable (incurred) and payments payable (received) as a result of acquiring or selling the specified underlying asset shall not be related to expenses and receipts on derivative financial instruments.

2. Income and expenses from the transactions specified in paragraph 1 of this article shall be taken into account for tax accounting purposes in accordance with the provisions of this Code established for the underlying asset.

Chapter 28. FEATURES OF DETERMINING INCOME AND DEDUCTIONS FOR LONG-TERM CONTRACTS

Article 294. General Provisions

1. A long-term contract is a construction contract, the term of which is more than 12 calendar months.

For the purposes of this paragraph, the expiration date of a long-term contract shall be the later of the following dates:

1) the date of signing the certificate of completion of work for the last stage or the entire volume of work under such a contract;

2) date of signing the act of acceptance of the facility into operation.

2. Tax accounting shall be carried out for each long-term contract separately.

3. Income from a long-term contract for a taxpayer who is a contractor under such a contract shall be determined at his/her option by the actual method or the completion method for each long-term contract separately.

The chosen method of determining income shall be indicated in the tax register, intended to reflect the methods applied for each long-term contract and cannot be changed during the term of the long-term contract.

In the absence of such a tax register or information in it on the selected method, the actual method shall be recognized as such method.

4. The amount of expenses incurred under a long-term contract shall be subject to deductions in accordance with Chapter 26, taking into account the features established by Chapters 29, 30 and 31 of this section.

5. The amount of expenses under a long-term contract incurred after the date of termination of such contract shall not be taken into account for the purposes of this paragraph.

6. When the amounts of income and expenses change during the term of a long-term contract, such changes shall be taken into account for the purposes of this paragraph, starting from the tax period in which such changes occurred.

Article 295. Procedure for determining income under a long-term contract when applying the actual method

1. According to the actual method, income under a long-term contract for the reporting tax period shall be recognized as receivable (received) income for the reporting tax period, but not less than the amount of expenses attributed to deductions for such period under the long-term contract.

2. If, during the term of a long-term contract, the income under such contract, determined in accordance with paragraph 1 of this article, exceeds the total amount of income under the long-term contract, determined for the entire period of its term, the following shall be recognized as income under the long-term contract:

1) in the tax period in which such excess occurred - income in the amount of the positive difference between the total amount of income under the long-term contract, determined for the entire period of its validity, and the amount of income under such contract included in the total annual income in the previous tax periods of validity of the long-term contract;

2) in subsequent tax periods of the long-term contract - an amount equal to zero.

Article 296. Procedure for determining income under a long-term contract when applying the completion method

1. Income from a long-term contract for tax purposes when applying the completion method for the reporting tax period shall be determined in the following order:

the product of the total amount of income under a long-term contract to be received under this contract for the entire period of its validity and the share of performance of such contract at the end of the current tax period

minus

income from such contract for tax purposes for previous tax periods.

2. Unless otherwise provided by this article, the share of performance of a long-term contract shall be calculated according to the following formula:

A/(A+B), where:

A - the amount of expenses under a long-term contract, recognized as such in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, for previous and reporting tax periods of the long-term contract;

B - the amount of expenses under a long-term contract that must be incurred in subsequent tax periods during the validity of the long-term contract to complete work under such a contract.

The amount of expenses included in indicator B shall be determined based on the types and volumes of work that must be performed in subsequent tax periods of the long-term contract in accordance with the design and estimate documentation (or other documents containing information on such types and volumes of work and agreed upon with the customer).

3. In the tax period in which the term of a long-term contract expires, the share of the execution of such a contract is equal to one.

Chapter 29. FEATURES OF DETERMINING INCOME AND DEDUCTIONS BY SUBSOIL USERS Section 1. Income

Article 297. Income from adjusting expenses for geological exploration and preparatory work for the extraction of minerals, as well as other expenses of subsoil users

If the amount of sums adjusting the cost balance of a group for expenses before the start of production in accordance with Article 310 of this Code exceeds the amount of the latter at the beginning of the tax period, taking into account the expenses incurred in the tax period,

the amount of the excess shall be subject to inclusion in the total annual income. The size of this group at the end of the tax period shall become equal to zero.

Article 298. Income from the excess of the amount of deductions to the fund for the liquidation of the consequences of the development of deposits over the amount of actual expenses for the liquidation of the consequences of the development of deposits

If the actual expenses of a subsoil user for the liquidation of the consequences of the development of deposits for the entire period of the subsoil use contract, incurred at the expense of the fund for the liquidation of the consequences of the development of deposits, formed for the entire period of the subsoil use contract, are lower than the deductions made to the said fund, then the difference shall be subject to inclusion in the total annual income of the tax period in which the subsoil use contract terminates.

In this case, the amount of such difference subject to inclusion in the total annual income shall be reduced by the amount of the adjustment to the total annual income made by the subsoil user during the period of validity of the subsoil use contract in accordance with Article 301 of this Code in connection with the subsoil user's misuse of liquidation fund funds.

Article 299. Features of determining the amount of total annual income and deductions for corporate income tax purposes when transferring hydrocarbons in the event of fulfillment of the tax obligation in kind

In the event that the subsoil user fulfills the tax obligation to pay taxes in kind on the date of transfer of minerals to the recipient on behalf of the state:

1) the amount of the fulfilled tax obligation to pay taxes, fulfilled in kind, shall be subject to inclusion in the total annual income;

2) the cost of minerals transferred in kind to pay taxes shall be deductible;

3) the amount of the fulfilled tax obligation for payment of taxes in kind shall be attributed to deductions in the manner determined by Article 272 of this Code.

Section 2. Deductions

Article 300. Features of value added tax deduction

If the payer of corporate income tax is a subsoil user operating under a production sharing agreement (contract) as part of a simple partnership (consortium), and the fulfillment of tax obligations for the preparation and submission of tax forms for value added tax is assigned to the operator in accordance with paragraph 3 of Article 507 of this Code, then the value added tax provided for in paragraph 3 of Article 259 of this Code shall be deductible in the amount attributable to the share of the said subsoil user according to the operator's declaration for value added tax.

The provisions of this article shall not apply to value-added tax on goods, works, and services, the cost of which is subject to deductions in accordance with Article 314 of this Code.

Article 301. Deductions for expenses on liquidation of consequences of development of deposits and amounts of deductions to liquidation funds

1. A subsoil user operating based on a subsoil use contract concluded in the manner prescribed by the legislation of the Republic of Kazakhstan shall deduct from its total annual income the amount of deductions to the liquidation fund. The said deduction shall be made in the amount of deductions actually made by the subsoil user for the tax period to a special deposit account in any second-tier bank in the territory of the Republic of Kazakhstan.

The amount and procedure for deductions to the liquidation fund shall be established by the subsoil use contract or the field development project in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

If the authorized body in the field of hydrocarbons or the field of solid minerals establishes the fact of misuse of liquidation fund funds by a subsoil user, the amount of misuse funds shall be included in the total annual income of the subsoil user of the tax period in which it was committed, except for the fact of misuse identified in a tax period exceeding the limitation period, for which the amount of misuse funds shall be included in the total annual income of the subsoil user of the tax period for which the limitation period expires in the subsequent tax period following the current tax period.

If a subsoil user receives, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, funds from the liquidation fund from another subsoil user upon transfer of a subsoil use contract, such funds from the subsoil user who received them:

1) shall not be included in the total annual income, provided that they are placed in a special deposit account in any second-tier bank in the territory of the Republic of Kazakhstan to form a liquidation fund in the year of their receipt or within thirty calendar days from the date of their receipt;

2) shall not be subject to deductions.

2. Expenses of the subsoil user incurred during the tax period to eliminate the consequences of the development of deposits shall be included in the deductions in the tax period in which they were incurred, except for expenses incurred from the funds of the liquidation fund placed in a special deposit account.

Article 302. Deduction of expenses of a subsoil user in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use

1. The subsoil user shall have the right to deduct for contractual activities the costs of financing (transferring money) scientific research in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use:

1) organizations operating in the field of science, accredited by the authorized body in the field of science, as well as autonomous educational organizations;

2) an autonomous cluster fund for financing projects of Astana Hub participants.

2. The deduction of expenses specified in paragraph 1 of this article must not exceed the amount of the positive difference determined in the following order:

an amount equal to 1 percent of the total annual income from contractual activities based on the results of the tax period preceding the reporting tax period,

minus

expenses attributed to deductions in accordance with Article 269 of this Code in the reporting tax period.

Section 3. Deduction of expenses for geological study, exploration and preparatory work for the extraction of natural resources

Article 303. Procedure for applying the provisions of this paragraph

1. Unless otherwise provided by paragraph 3 of this article, the provisions of this paragraph shall establish individual issues of the procedure for tax accounting of expenses before the start of production, specified in subparagraph 5) of paragraph 1 of Article 304 of this Code, and the determination by the subsoil user of the amount of deductions for such expenses.

2. The provisions of this paragraph shall apply to the activities of a subsoil user carried out under the following subsoil use contracts for:

1) reconnaissance;

2) state geological exploration of the subsoil;

3) geological study of the subsoil;

4) combined exploration and production;

5) extraction, which includes preparatory work for extraction;

6) construction and/or operation of underground structures related to exploration and/or production.

3. The provisions of this paragraph shall not apply to the activities of a subsoil user carried out under the following subsoil use contracts:

1) for the exploration and/or extraction of common minerals, non-metallic solid minerals specified in line 13 of the table of subparagraph 1) of paragraph 1 of Article 781 of this Code, groundwater, therapeutic mud, except for cases when operations under the contracts specified in this subparagraph are part of activities under contracts (licenses) for the exploration and/or extraction of hydrocarbons or solid minerals;

2) for the construction and/or operation of underground structures not related to exploration and/or production;

3) specified in paragraph 1 of Article 755 of this Code.

Article 304. Basic concepts defined for use in this paragraph

1. The following basic concepts shall be used in this paragraph:

1) a group of transferred assets - a group of depreciable assets formed by a subsoil user in a contract with expenses before the start of production to account for expenses (part of

expenses) before the start of production in the manner and under the conditions established by Article 312 of this Code;

2) approved reserves - reserves, the approval (acceptance) of which was made in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use in the following order:

for hydrocarbons - approval of reserves by the authorized body for subsoil study by a positive conclusion of the state subsoil examination concerning the report on the calculation of geological reserves, which establishes the volume of approved reserves (balance reserves). At the same time, the conclusion of the state subsoil examination concerning the report on the operational calculation of geological reserves of hydrocarbons, which establishes the volume of preliminary estimated reserves, does not constitute approval of hydrocarbon reserves;

for solid minerals:

approval of reserves according to the classification of the authorized body for subsoil study by a positive conclusion of the state subsoil examination concerning the report on the calculation of geological reserves, which establishes the volume of approved reserves (balance reserves);

acceptance by the authorized body for subsoil study of a report on the assessment of resources and/or reserves of solid minerals, prepared by a competent person in accordance with the Kazakhstan Code of Public Reporting on the Results of Geological Exploration, Mineral Resources and Mineral Reserves (hereinafter referred to as the KAZRC Code);

3) another subsoil use contract - a contract for production or combined exploration and production, other than:

contract from which the group's pre-production cost balance is transferred;

continuing contract for subsoil use;

4) a continuing subsoil use contract - a subsoil use contract concluded based on the results of activities in the contract territory (subsoil area) of the contract with expenses before the start of production.

The continuing contract for subsoil use shall include a contract for:

extraction, including that concluded as a result of the allocation of a subsoil plot and the conclusion of a separate contract for extraction for such a plot;

exploration, concluded as a result of activities in a contract area (subsoil plot) of a contract with expenses before the start of production, including in connection with the transformation of a subsoil plot;

combined exploration and production;

5) expenses before the start of production - expenses of the subsoil user under a contract with expenses before the start of production, incurred before the start date of production after discovery, including the following:

expenses for geological study, exploration (except for operational exploration), including assessment;

expenses for preparatory work for the extraction of minerals;

expenses for field development;

general administrative expenses;

the amount of the signed bonus paid;

amounts of commercial discovery bonus paid;

expenses (costs) for the acquisition and/or creation of fixed assets and intangible assets, except for assets specified in subparagraphs 2) - 6) of paragraph 2 of Article 275 of this Code. Such expenses (costs) include expenses (costs) subject to inclusion in the initial cost of fixed assets and intangible assets in accordance with paragraph 3 of Article 277 of this Code, as well as subsequent expenses on such assets incurred in accordance with Article 273 of this Code;

the value of the right (part of the right) to use subsoil and/or a group of expenses before the start of production, previously formed by another subsoil user, as well as fixed assets and intangible assets contributed by such other subsoil user before the start date of production after discovery in the authorized capital of a person for further implementation of activities under a subsoil use contract;

expenses before the start of production of another subsoil user and/or the cost of fixed assets and intangible assets of another subsoil user under a contract with expenses before the start of production, received in exchange for the provision of compensation, offset of a counter homogeneous claim and/or other grounds for termination of the obligation of one person to another in accordance with the civil legislation of the Republic of Kazakhstan;

expenses before the start of production, incurred under a contract with expenses before the start of production by another subsoil user and included in the cost of intangible assets acquired from such person in connection with the acquisition of the right to subsoil use or the conclusion of a contract for subsoil use (obtaining a license for the extraction of solid minerals);

other expenses.

For the purposes of this paragraph, pre-production expenses shall also include subsequent expenses incurred after the date of commencement of production after discovery on fixed assets and intangible assets put into operation by the subsoil user before the date of commencement of production after discovery, subject to attribution in accounting to an increase in the book value of such assets, specified in paragraph 4 of Article 273 of this Code;

6) a group of expenses before the start of production - a group of depreciable assets consisting of expenses specified in subparagraph 5) of this article, formed by the subsoil user in the manner and under the conditions established by Article 305 of this Code;

7) a contract with expenses before the start of production - a subsoil use contract to which the provisions of this paragraph apply and under which the subsoil user incurs expenses before the start of production, specified in subparagraph 5) of this paragraph;

8) the date of commencement of production after discovery - the calendar day on which, within the framework of activities under a subsoil use contract:

for hydrocarbons the following event shall occur first:

have been approved by the authorized body for subsoil study and hydrocarbon production is underway; or

was carried out after approval of hydrocarbon reserves by the authorized body for subsoil study or in the presence of approved reserves;

for solid minerals:

has been carried out after the completion of mining and preparatory work for extraction; or

was sent to the authorized body indicating the month and year of commencement of production.

The date of commencement of production after discovery of solid minerals, established by this subparagraph, shall be determined at the discretion of the subsoil user;

9) group value balance - total amounts for the group for expenses before the start of production and for the group of transferred assets, determined at the beginning and end of the tax period.

2. The concepts defined in subparagraphs 2) and 5) of paragraph 1 of this article shall be used in other articles of this Code in the meanings defined by this article.

Article 305. General provisions on deductions of expenses before the start of production

1. Pre-production expenses incurred by a subsoil user under a contract with pre-production expenses shall form a separate group for pre-production expenses.

2. The amount of expenses before the start of production when included in the group for expenses before the start of production must not exceed the standard for classifying such expenses as deductions established by Articles 258-272, 286 and 287 of this Code.

3. The expenses specified in paragraph 1 of this article shall be deducted from the total annual income for:

contract that produces after discovery, or

non-contractual activities

in the manner and under the conditions established by this paragraph, in the form of depreciation deductions or in accordance with paragraph 3 of Article 310 of this Code.

4. The group of pre-production expenses formed in accordance with paragraph 1 of this article may be transferred in whole or in part for tax accounting purposes from a contract with pre-production expenses to:

continuing the subsoil use contract - in the manner prescribed by Article 308 of this Code; or

another contract for subsoil use or non-contractual activity - in the manner provided for in Article 311 or 312 of this Code.

5. Taking into account the specifics provided for in paragraph 4 of Article 756 of this Code, the amount of expenses before the start of production for inclusion in the group of expenses before the start of production, concerning a contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land) shall be determined by applying the following conditional coefficient to such expenses:

1.5 - under a contract for exploration and production or production of hydrocarbons under complex projects on land;

2.0 - under a contract for exploration and production or production of hydrocarbons for complex offshore projects.

6. Unless otherwise established by Article 309 of this Code, the subsoil user shall maintain tax records of expenses arising after the start date of production following discovery under a contract with expenses before the start of production, in the manner established by Articles 257-282, 286-288 of this Code.

Article 306. Procedure for calculating depreciation charges

1. Depreciation charges for a group of expenses before the start of production shall be determined by applying the depreciation rates established by the subsoil user in the tax register for recording expenses before the start of production to the cost balance of the group of expenses before the start of production at the end of the tax period.

Such depreciation rates established by the subsoil user must not exceed the following maximum depreciation rates:

1) 37.5 percent - to determine the amount of depreciation charges for deduction from the total annual income under a contract for exploration and production or production of hydrocarbons under complex offshore projects for the period specified in paragraph 4 of Article 756 of this Code;

2) 25 percent - to determine the amount of depreciation charges for deduction from the total annual income for:

other contracts for subsoil use, including under a contract for exploration and production or production of hydrocarbons under complex offshore projects, after the expiration of the period provided for in subparagraph 1) of this paragraph;

non-contractual activities in the event of the transfer of the cost balance of the group by expenses before the start of production in accordance with paragraph 1 of Article 312 of this Code.

2. The calculation of depreciation charges to determine the deduction for expenses before the start of production in accordance with this article shall begin:

1) under a contract with expenses before the start of production - starting from the tax period in which the start date of production occurred after discovery;

2) under a continuing subsoil use contract or another subsoil use contract - starting from the tax period in which the cost balance of the group for expenses before the start of

production or the cost balance of the group of transferred assets was transferred from the contract with expenses before the start of production and:

increased the cost group before the start of production;

in the absence of a group on expenses before the start of production, it forms such a group ;

3) for non-contractual activities - starting from the tax period in which the cost balance of the group for pre-production expenses was transferred from the contract with pre-production expenses to tax accounting for non-contractual activities and:

increased the cost group before the start of production;

in the absence of a group on expenses before the start of production, it forms such a group .

Article 307. Determination of cost balances of a group by expenses before the start of production

1. The cost balance of the group for expenses before the start of production at the beginning of the tax period shall be determined by the subsoil user as:

cost balance of the group by expenses before the start of production at the end of the previous tax period

minus

the amount of depreciation charges calculated in the previous tax period.

2. The cost balance of the group for expenses before the start of production at the end of the tax period shall be determined by the subsoil user as:

cost balance of the group by expenses before the start of production at the beginning of the tax period

plus

the amount of expenses or costs of the subsoil user incurred under a contract with pre-production costs during the tax period before the production start date, after discovery and subject to inclusion in the pre-production cost group,

plus

the amount of subsequent expenses incurred after the date of commencement of production, after discovery on fixed assets and intangible assets put into operation by the subsoil user before the date of commencement of production after discovery, subject to attribution in accounting to an increase in the book value of such assets specified in paragraph 4 of Article 273 of this Code,

plus

the amount of expenses of the subsoil user transferred to the group of expenses before the start of production from the value balance of the group of transferred assets,

plus

the cost balance of the pre-production cost group or part thereof transferred from the pre-production cost contract in accordance with Article 308 or 312 of this Code,

plus

the amount of the value balances of groups of fixed assets and losses from entrepreneurial activities specified in Article 309 of this Code,

minus

adjustments in accordance with Article 310 of this Code,

minus

the amount of expenses transferred by the subsoil user from the cost balance of the group of expenses before the start of production to the cost balance of the group of transferred assets

,

minus

the cost balance of a group of expenses before the start of production, fully or partially transferred by the subsoil user to another subsoil use contract in accordance with Article 312 of this Code.

Article 308. Transfer of the cost balance of a group for expenses before the start of production to determine the deduction for expenses before the start of production under a continuing subsoil use contract

1. In the event of the conclusion of a continuing contract for subsoil use, the cost balance of the group for expenses before the start of production, formed in accordance with paragraph 1 of Article 305 of this Code, shall be transferred to the continuing contract(s).

2. The transfer from the contract with expenses before the start of production of the cost balance of the group for expenses before the start of production shall be carried out at the discretion of the subsoil user in whole or in part, simultaneously:

1) by reducing the cost balance of the group for pre-production costs under the contract with pre-production costs; and

2) through:

increasing the cost balance of the group based on expenses before the start of production;

formation of such a group in the absence of a cost balance of the group for expenses before the start of production in tax accounting under a continuing subsoil use contract.

3. If a subsoil user concludes several continuing subsoil use contracts, the amount of the carried-over cost balance of the group by expenses before the start of production shall be distributed and transferred in the relevant part to tax accounting for such continuing subsoil use contracts. Such distribution between continuing subsoil use contracts shall be made based on the method of maintaining separate tax accounting adopted in the tax accounting policy for such a case, or, if it is not available in the tax accounting policy, based on the specific weight of the volumes of approved reserves under each continuing subsoil use contract in the total volume of approved reserves under all continuing subsoil use contracts, to the tax accounting of which these expenses shall be transferred.

4. The transfer of the cost balance of the group for expenses before the start of production, in full or in part, from a contract with expenses before the start of production to a continuing

subsoil use contract shall be carried out by the subsoil user in the tax period in which the continuing subsoil use contract was concluded.

5. The amount of the transferred cost balance of the group for expenses before the start of production shall be determined on the date of transfer in the manner established by Article 307 of this Code.

6. The transfer of the cost balance of the group for expenses before the start of production for the purposes of deduction under the continuing contract(s) for subsoil use shall be carried out by the subsoil user based on the subsoil user's tax register.

7. If, on the date of termination of a contract with expenses before the start of production, the subsoil user does not have a continuing subsoil use contract and/or if the subsoil user has not discovered the right to conclude a continuing subsoil use contract, the subsoil user, to attribute expenses to deductions, shall transfer expenses in the manner established by Article 312 of this Code.

Article 309. Procedure for transferring and attributing to deductions in a continuing subsoil use contract the cost balances of fixed asset groups, losses from entrepreneurial activity formed under the contract, with expenses before the start of production

Upon completion of subsoil use activities under a contract with expenses before the start of production, under which the start date of production has arrived after discovery, the resulting value balances of groups of fixed assets and losses from entrepreneurial activity shall be subject to:

1) inclusion in the cost balance of the group according to expenses before the start of production;

2) transfer to a continuing contract(s) for subsoil use in the manner established by Article 308 of this Code;

3) attributing to deductions in such continuing subsoil use contract in the manner established by Article 306 of this Code.

Article 310. Adjustments to the cost balance of the group for expenses before the start of production

1. The cost balance of the group for expenses before the start of production (except for accrued but unpaid remuneration for investment financing in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use) shall be reduced by the following amounts:

1) income related to a contract with expenses before the start of production, received by the subsoil user before the start date of production after discovery, including income from the sale of minerals, as well as income from the disposal of assets included in the group by expenses before the start of production;

2) income received from the sale of the right to use subsoil or part of it under this contract with expenses before the start of production;

3) the value of assets recorded in the group by expenses before the start of production, when they are transferred as a contribution to the authorized capital of another legal entity. In this case, such value shall be determined based on the value of the contribution specified in the constituent documents of the legal entity;

4) the value of assets transferred free of charge, recorded in the group by expenses before the start of production, specified in the act of acceptance and transfer of the said assets to another person, in an amount not less than the book value of such assets according to the accounting data of the subsoil user on the date of transfer.

2. Under contracts for exploration and production or production of hydrocarbons under complex projects (except for onshore gas projects), the amounts of expenses in the form of the value of assets provided for in subparagraphs 3) and 4) of paragraph 1 of this article shall be determined taking into account the previously applied conditional coefficient established by paragraph 5 of Article 305 of this Code.

3. In the event of termination of activities under a subsoil use contract, the subsoil user shall have the right to attribute to tax accounting deductions under such a subsoil use contract the amount of the cost balance of the group for expenses before the start of production, which was formed at the end of the last tax period in which the subsoil use contract was terminated, except for the case of termination of the subsoil use contract in connection with the re-registration of the subsoil use right to a licensed subsoil use regime. The size of this group at the end of the tax period shall become equal to zero.

Article 311. Deduction of a group for expenses before the start of production upon termination of a subsoil use contract

In the event of the termination of the taxpayer's activities under a subsoil use contract, the taxpayer shall have the right to attribute to deductions in tax accounting under such a subsoil use contract the amount of the cost balance of the group for expenses before the start of production, which was formed at the end of the last tax period in which the subsoil use contract was terminated.

Article 312. Transfer of the cost balance of a group for expenses before the start of production to determine the deduction for expenses before the start of production in the absence of a continuing subsoil use contract

1. If on the date of termination of a contract with expenses before the start of production, the subsoil user does not have a concluded continuing contract for subsoil use and/or there is no discovery of minerals for the subsoil user to use the right to conclude a continuing contract for subsoil use, the subsoil user shall have the right to transfer the cost balance of the group for expenses before the start of production to tax accounting at the choice of the subsoil user for activities carried out under another contract for subsoil use, or non-contractual activities.

2. The transfer of the cost balance of a group for expenses before the start of production from a contract with expenses before the start of production to tax accounting under another subsoil use contract or for non-contractual activities shall be carried out simultaneously:

1) in tax accounting under a contract with expenses before the start of production - by reducing the cost balance of the group for expenses before the start of production under such a contract at the beginning of the tax period, taking into account:

expenses before the start of production;

expenses after the termination of such contract, which are the performance of obligations under such contract; and

adjustments to the group's cost balance for expenses before the start of production;

2) in tax accounting under another subsoil use contract or for non-contractual activities - by:

increasing the cost balance of the group based on expenses before the start of production;

formation of such a group in the absence of a cost balance of the group based on expenses before the start of production.

3. In the event of transfer to more than one tax accounting under another subsoil use contract and/or under non-contractual activities, the transferred cost balance of the group by expenses before the start of production shall be distributed and transferred between such tax accountings based on one of the distribution methods established for the distribution of general expenses by paragraph 12 of Article 757 of this Code and specified in the tax accounting policy of the subsoil user.

4. The transfer established by this article shall be carried out based on the tax register of the subsoil user.

Article 313. Features of deducting expenses before the start of production under other subsoil use contracts

1. For expenses that formed a group of expenses before the start of production, the subsoil user shall have the right to form a group of transferred assets to transfer and attribute them to deductions under another (other) contract (contracts) for subsoil use of this subsoil user in any tax period.

2. The formation of a group of transferred assets shall be carried out by the subsoil user by reducing the size of the group by expenses before the start of production, with a simultaneous increase by the amount of the reduction in the size of the group of transferred assets based on the tax register of the subsoil user.

In the event of the cases established by paragraph 8 of this article, the part of the value balance of the group of transferred assets that is not transferred to another (other) subsoil use contract (contracts) shall be included in the value balance of the group according to expenses before the start of production.

3. The transfer of the value balance of a group of assets being transferred from a contract with expenses before the start of production to another subsoil use contract shall be carried out simultaneously:

1) in tax accounting under a contract with expenses before the start of production - by reducing the value balance of the group of assets transferred under such a contract;

2) in tax accounting under another subsoil use contract - by:

increasing the cost balance of the group based on expenses before the start of production;

formation of such a group in the absence of a cost balance of the group based on expenses before the start of production.

4. The transfer established by this article shall be carried out based on the tax register of the subsoil user.

The amount of the value balance of the group of transferred assets transferred to another (other) subsoil use contract (contracts) shall be determined on the date of transfer at the choice of the taxpayer in full or in part.

5. If the subsoil user has two or more other subsoil use contracts, the transferred value balance of the group of transferred assets shall be distributed and transferred in the relevant part to tax accounting under such other subsoil use contracts. The distribution of the value balance of the group of transferred assets between other subsoil use contracts shall be made based on the method of maintaining separate tax accounting adopted in the tax accounting policy for such a case, or, if it is not available in the tax accounting policy, based on the specific weight of direct income attributable to each other subsoil use contract in the total amount of direct income received by the subsoil user under such contracts for the tax period.

6. The allocation to deductions in another (other) contract (contracts) for subsoil use of the cost balance of the group for expenses before the start of production shall be carried out in the manner established by Article 306 of this Code.

7. The subsoil user shall be obliged to maintain separate tax records for the group of transferred assets and the group of expenses before the start of production.

8. The value of the balance sheet value of the group of transferred assets that was not previously transferred to another (other) subsoil use contract (contracts) shall be included in the balance sheet value of the group for expenses before the start of production and deducted from the total annual income in the manner established by this paragraph for the group for expenses before the start of production:

in the tax period in which the production period under a contract with pre-production costs began or in which a production contract was concluded based on the discovery and evaluation of a deposit under a contract with pre-production costs;

on the date of termination of the contract, with expenses up to the start of production.

Article 314. Deduction of expenses for unproductive wells

If a well is liquidated since, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, no industrial flow of hydrocarbon raw materials was obtained during its testing (hereinafter, for the purposes of this paragraph, a Non-productive well), then the actual costs incurred for the construction and liquidation of such a well are deductible in the following order:

1) expenses for the construction and/or liquidation of a non-productive well or part of such expenses incurred before the date of commencement of production after discovery are subject to deduction in the manner established by Article 305 of this Code;

2) expenses for the construction and/or liquidation of an unproductive well or a portion of such expenses incurred after the date of commencement of production following discovery shall be deductible in the tax period in which such well is liquidated.

Article 315. Peculiarities of classifying expenses as non-contractual activities

The following types of expenses related to the subsoil use contract shall be considered as taxpayer expenses for tax accounting for non-contractual activities:

1) expenses of the taxpayer related to the conclusion of a contract for subsoil use and the acquisition of the right to subsoil use, incurred before the date of conclusion of the contract, except for the amounts of the paid signature bonus;

2) expenses transferred to tax accounting for non-contractual activities from a contract with expenses before the start of production in accordance with paragraph 1 of Article 312 of this Code.

Article 316. Deductions for expenses on preparatory work for uranium mining by the method of underground well leaching after the start of mining, after commercial discovery

1. Costs (expenses) for the acquisition and/or creation of depreciable assets incurred by the subsoil user in the preparation of production blocks (polygons) for uranium extraction by the method of underground well leaching in the period after the start of extraction following commercial discovery shall form a separate group of depreciable assets within the framework of the relevant subsoil use contract.

The depreciable assets referred to in this paragraph shall include:

1) pumping, injection and observation technological wells, production and exploration wells constructed on blocks (test sites), including costs for geophysical studies on them;

2) process pipelines constructed from production blocks (landfills) to a sand settling pond at the industrial site of the productive solution processing area, including injection and pumping manifolds at the blocks (landfills);

3) process pipelines constructed between blocks (sections of the landfill);

4) process pipelines constructed on blocks (polygons);

acidification technological units constructed on blocks (polygons);

6) productive solution distribution units constructed on blocks (polygons);

7) technical solution receiving units constructed on blocks (polygons);

8) acid receiving units and liquid reagent storage facilities, as well as acid pipelines, constructed on blocks (test sites);

9) technological pumping stations with equipment and control and measuring equipment installed at blocks (test sites);

10) pumps for pumping solutions with equipment and control and measuring equipment, installed at blocks (test sites) at the stage of mining preparatory work;

11) submersible pumps with control cabinets installed in constructed wells at the stage of mining preparation works;

12) energy supply facilities installed or constructed on blocks (test sites): transformer substations, compressor stations, overhead power lines, cable lines;

13) equipment for monitoring and automating processes installed at blocks (testing sites);

14) air ducts on blocks (polygons);

15) access technological roads to blocks (polygons) and inside the blocks;

16) sand settling tanks or tanks for productive solutions and leaching solutions on blocks (landfills);

17) protection against sand blowing on blocks (polygons);

18) sulfuric acid for acidification.

The cost of depreciable assets specified in this paragraph shall include costs (expenses) for the acquisition and/or creation of assets, as well as other costs (expenses) subject to inclusion in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting in the cost of such assets.

In this case, in the cases provided for by this Code, the amount of expenses specified in this paragraph, attributed to a separate group of depreciable assets, must not exceed the established standards for attributing such expenses to deductions for corporate income tax purposes.

2. The costs (expenses) specified in paragraph 1 of this article shall be deducted from the total annual income in the form of depreciation charges from the moment of commencement of production after the commercial discovery of minerals.

In this case, the amount of depreciation charges calculated in accordance with this article is deductible within the limits of the amount of depreciation charges for such a group of assets calculated according to the taxpayer's accounting data.

The amount of depreciation charges for a group of depreciable assets in accordance with this article shall be calculated using the following formula:

$$S = \frac{C1+C2+C3}{V1+V2+V3}\ V4,$$

Where:

S - the sum of depreciation charges;

C1 - the value of a group of depreciable assets at the beginning of the tax period;

C2 - the cost of depreciable assets prepared for production in the tax period;

C3 - the value of a separate group of depreciable assets specified in paragraph 3 of this article, acquired from third parties or received as a contribution to the authorized capital in connection with the acquisition of the right to use subsoil;

V1 - the physical volume of uranium reserves ready for mining at the beginning of the tax period;

V2 - physical volume of uranium reserves prepared for production in the tax period;

V3 - the physical volume of uranium reserves ready for mining, acquired from third parties or received as a contribution to the authorized capital in connection with the acquisition of subsoil use rights;

V4 - the physical volume of mined uranium, taking into account the standardized losses in the subsoil for the tax period.

For the tax period of 2026, the value of a separate group of depreciable assets at the beginning of the tax period shall be recognized as the amount of accumulated costs (expenses) for preparation for uranium mining, determined in accordance with paragraph 1 of this article as of January 1, 2026.

For the tax period of 2026, the physical volume of uranium reserves ready for mining at the beginning of the tax period shall be recognized as the physical volume of uranium reserves ready for mining as of January 1, 2026.

Indicator C2 for 2026 shall be defined as the value of assets prepared for production and on which production has commenced in the reporting tax period, minus the value of assets that were included in a separate group of depreciable assets in periods preceding January 1, 2026, and on which production had not commenced as of December 31, 2026.

The V2 indicator for 2026 shall be defined as the physical volume of uranium reserves ready for mining in prepared areas (blocks) of the landfill where mining has begun in the tax period, minus the physical volume of reserves ready for mining in previous periods in areas (blocks) of the landfill where mining has not begun as of December 31, 2026.

In subsequent tax periods after 2026, the value of a separate group of depreciable assets at the beginning of the tax period shall be the value of the specified group of assets at the end of the previous tax period, determined in the following order:

the value of a separate group of depreciable assets at the beginning of the tax period

plus

the value of depreciable assets prepared for production in the tax period,

plus

expenses for the acquisition from third parties of a group of depreciable assets specified in paragraph 3 of this article,

plus

the value of the group of depreciable assets received as a contribution to the authorized capital specified in paragraph 3 of this article,

minus

the amount of depreciation charges for the tax period.

For the tax period of 2026, the physical volume of uranium reserves ready for mining at the beginning of the tax period shall be recognized as the physical volume of uranium reserves ready for mining as of January 1, 2026.

In this case, the V2 indicator for 2026 shall be defined as the physical volume of uranium reserves ready for mining at new prepared blocks where mining has commenced in the tax period plus the physical volume of reserves ready for mining at blocks (test site sections) whose value was included in the group in periods preceding January 1, 2026.

In subsequent tax periods after 2026, the volume of uranium reserves ready for mining at the beginning of the tax period shall be the physical volume of reserves ready for mining at the end of the previous tax period, determined in the following order:

physical volume of uranium reserves ready for mining at the beginning of the tax period

plus

the physical volume of uranium reserves prepared for extraction in the tax period,

plus

the physical volume of uranium reserves ready for extraction, acquired from third parties or received as a contribution to the authorized capital in connection with the acquisition of subsoil use rights,

minus

the volume of uranium mined, taking into account the standardized losses in the subsoil during the tax period.

In the event of a decrease in the amount of uranium reserves ready for mining in a separate section (block) of the landfill, the volume of written-off ready reserves of this separate section (block) shall reduce the V2 indicator of the tax period in which the taxpayer approved the recalculation of reserves.

In the event of the completion of subsoil use activities under a separate contract for production or combined exploration and production, provided that the subsoil user completed subsoil use activities after the start of production following commercial discovery, the value of a separate group of depreciable assets at the end of the tax period shall be subject to deduction in the last tax period in which production was carried out.

3. The procedure established by this article shall also apply to a separate group of depreciable assets specified in paragraph 1 of this article, acquired from third parties and/or received as a contribution to the authorized capital in connection with the acquisition of the right to use subsoil.

When received in connection with the acquisition from third parties of a separate group of depreciable assets specified in paragraph 1 of this article, the value of such group of assets shall be the cost of its acquisition, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting. When receiving a separate group of depreciable assets specified in paragraph 1 of this article as a contribution to the authorized capital, the value of

such group of assets shall be the value of the contribution specified in the constituent documents of the legal entity.

Article 317. Deduction for expenses of a subsoil user for training Kazakhstani personnel and development of the social sphere of the regions

1. Expenses incurred by a subsoil user for training Kazakhstani personnel who are not employees of the subsoil user, as well as for the development of the social sphere of the regions, shall be deductible within the limits of the amounts established by the subsoil use contract.

Expenses of a subsoil user aimed at training, improving the qualifications or retraining of an employee in a specialty related to the production activities of the subsoil user shall be deductible in accordance with Article 270 of this Code.

2. The expenses specified in paragraph 1 of this article, actually incurred by the subsoil user before the start of production after commercial discovery, shall be deductible in the manner determined by Article 305 of this Code, within the limits of the amounts established by the subsoil use contract.

3. For the purposes of this article, the following shall be recognized as expenses actually incurred by the subsoil user:

1) for training Kazakhstani personnel:

money allocated for training, advanced training and retraining of citizens of the Republic of Kazakhstan;

money transferred to the state budget for training, advanced training and retraining of citizens of the Republic of Kazakhstan;

actual expenses, incurred by the taxpayer in fulfillment of the subsoil user's obligation under the legislation of the Republic of Kazakhstan on subsoil and subsoil use in terms of financing the training and retraining of citizens of the Republic of Kazakhstan in the form of acquiring the list of goods, works and services, submitted by local executive bodies of the capital, oblasts, cities of republican status and agreed upon with the competent authority, necessary for improving the logistical base of educational organizations that carry out on the territory of the relevant oblast, city of republican status, the capital the training of personnel in specialties, directly related to the sphere of subsoil use;

2) for the development of the social sphere of the region - expenses for the development and maintenance of social infrastructure facilities in the region, as well as money transferred to the state budget for these purposes.

Article 318. Expenses of a subsoil user that are not subject to deduction

The following shall not be included in subsoil user deductions:

1) the amount of the additional payment paid by a subsoil user carrying out activities under a production sharing contract;

2) expenses related to the sale of minerals transferred by the subsoil user in payment of the tax obligation in kind;

3) the cost of the volumes of minerals transferred by the subsoil user in payment of the tax obligation in kind - from the recipient on behalf of the state;

4) the cost of the volumes of minerals transferred by the subsoil user in payment of the tax obligation in kind.

Chapter 30. FEATURES OF DETERMINING INCOME AND DEDUCTIONS BY PERSONS CARRYING OUT FINANCIAL ACTIVITIES Section 1. Income of persons engaged in financial activities

Article 319. Income of a taxpayer engaged in insurance activities under insurance and reinsurance contracts

1. Income from insurance and reinsurance contracts shall be recognized by a taxpayer who, in accordance with the legislation of the Republic of Kazakhstan, is an insurance or reinsurance organization or the Export Credit Agency of Kazakhstan, in the form of:

1) insurance revenue (income from insurance);

2) financial income from insurance (reinsurance);

3) adjustments to expenses for the loss component;

4) the component of compensation for losses under reinsurance;

5) income from the formation of reinsurance assets based on the risk adjustment for non-financial risk for losses incurred;

6) income from the formation of reinsurance assets for losses incurred;

7) income from a reduction in the risk adjustment for non-financial risk on the liability for losses incurred;

8) income associated with compensation for recourse claims and losses (subrogation);

9) income related to receiving remuneration for loans from policyholders;

10) other income under insurance and reinsurance contracts, except for income specified in Article 245 of this Code.

Income in the form of insurance revenue (income from insurance) shall be recognized as:

1) insurance revenue (income from insurance), recognized in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, using the premium distribution approach;

2) insurance revenue (income from insurance), recognized in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, using a common valuation model;

3) income from depreciation of margins under insurance (reinsurance) contracts;

4) income from reducing the risk adjustment for non-financial risk on the obligation for the remaining coverage.

The income provided for in this paragraph shall be determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

2. The provisions of this article shall not apply to insurance and reinsurance contracts under which income in the form of insurance premiums in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting was recognized in full before January 1, 2012.

3. Income in the form of reimbursement of expenses on insurance payments shall be recognized as reimbursement of expenses to the taxpayer on insurance payments based on the right of recourse (regression) to the person who caused the damage and/or the reinsurance organization in accordance with the reinsurance agreement.

non-endowment insurance, life reinsurance that entered into force before January 1, 2012, under which income in the form of insurance premiums shall be recognized in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, including after December 31, 2011, the taxpayer's income in the form of reimbursement of expenses on insurance payments shall be determined by the following formula:

D x (A/B), where:

D - income receivable (received) in the reporting tax period in the form of reimbursement of expenses for insurance payments;

A - insurance premiums receivable (received) after December 31, 2011, until the date of recognition in the reporting tax period of income in the form of reimbursement of expenses for insurance payments;

B - insurance premiums receivable (received) from the date of entry into force of the contract until the date of recognition in the reporting tax period of income in the form of reimbursement of expenses for insurance payments.

Article 320. Income from reducing the size of created provisions (reserves)

1. Income from a reduction in the size of provisions (reserves) created by a taxpayer who has the right to deduct the amount of expenses for creating provisions (reserves) in accordance with Article 323 of this Code, unless otherwise provided by this Article, shall be recognized as:

1) the amounts of provisions (reserves) attributed to deductions in the reporting and/or previous tax periods, in an amount proportional to the amount of execution, upon execution of the requirement by the debtor;

2) the amounts of provisions (reserves) attributed to deductions in the reporting and/or previous tax periods, when reducing the amount of claims against the debtor based on a settlement agreement, a novation agreement, assignment of the right to claim by concluding an assignment agreement and/or on other grounds stipulated by the legislation of the Republic

of Kazakhstan, in an amount proportional to the amount of the reduction in the amount of claims;

3) the amounts of reduction attributed in the reporting and/or previous tax periods to deductions of provisions (reserves) as a result of a change in the assessment of expected credit losses.

periods, when reducing the amount of claims against the debtor in the following cases, shall not be recognized as income from a reduction in the amount of provisions (reserves) created by a taxpayer who shall have the right to deduct the amount of expenses for creating provisions (reserves) in accordance with Article 323 of this Code:

1) exclusion from the National Register of Business Identification Numbers in connection with the liquidation of a legal entity - a debtor under a court decision that has entered into legal force on the grounds established by the laws of the Republic of Kazakhstan;

2) recognition of an individual-debtor, based on a court decision that has entered into legal force, as missing, incapacitated, of limited capacity, or declaration of him/her as deceased based on a court decision that has entered into legal force;

3) establishing a disability of the first or second group for an individual debtor, as well as in the event of the death of an individual debtor;

4) entry into force of a ruling of a bailiff on the return of the writ of execution to the taxpayer who shall have the right to deduct the amount of expenses for creating provisions (reserves) in accordance with Article 323 of this Code, if the debtor and third parties jointly or severally liable with the debtor to the taxpayer who shall have the right to deduct the amount of expenses for creating provisions (reserves) in accordance with Article 323 of this Code do not have property, including money, securities, or income that can be subject to collection, and the measures taken by the bailiff to identify his property or income, as provided for by the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs, have proven ineffective;

5) removal of an individual from registration as an individual entrepreneur in connection with the recognition of the individual entrepreneur-debtor as bankrupt in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

6) assignments by a second-tier bank, mortgage organization, or an organization carrying out microfinance activities (except for a pawnshop) of rights of claim under a loan (loan, mortgage loan, mortgage housing loan, microcredit) to legal entities specified in the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan", "On mortgage of real estate" and "On microfinance activities", in terms of the negative difference between the value of the right of claim under a loan (loan, mortgage loan, mortgage housing loan, microcredit), for which the second-tier bank, mortgage organization, or an organization carrying out microfinance activities (except for a pawnshop) has made an assignment, and the value of the right of claim under a loan (loan, mortgage loan, mortgage housing loan, microcredit), subject to receipt by the second-tier bank, mortgage organization,

or an organization carrying out microfinance activities (except for pawnshop), from the debtor on the date of assignment of the right to claim a loan (credit, mortgage loan, mortgage housing loan, microloan) in accordance with the primary documents of a second-tier bank, mortgage organization, organization carrying out microfinance activities (except for a pawnshop);

7) reduction in accounting of the amount of the claim against the debtor in the form of an unpaid overdue loan (credit, mortgage loan, mortgage housing loan) and remuneration therefor, accounts receivable for documentary settlements and guarantees in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting by a taxpayer who has the right to deduct the amount of expenses for the creation of provisions (reserves) in accordance with paragraphs 1 and 4 of Article 323 of this Code, in the event of the absence in the reporting tax period of full or partial termination of the right of such claim of the taxpayer to the debtor in accordance with the legislation of the Republic of Kazakhstan;

8) reduction of the amount of the claim against the debtor in connection with the forgiveness by the taxpayer entitled to deduct the amount of expenses on the creation of provisions (reserves) in accordance with paragraphs 1 and 3 of Article 323 of this Code of bad debt on a loan (credit, mortgage loan, mortgage housing loan) and interest on it within the maximum amount of the ratio of the total amount of bad debt on loans (loans, mortgage loan, mortgage housing loan) and interest on them forgiven during the tax period to the amount of the principal debt on loans (loans, mortgage loans, mortgage housing loans) and interest on them at the beginning of the tax period. In this case, the maximum amount of such ratio shall be equal to the coefficient 0.1;

9) reduction of the amount of the claim against the debtor under a mortgage housing loan (mortgage loan), which is subject to refinancing within the framework of the refinancing program for mortgage housing loans (mortgage loans), approved by the National Bank, in connection with the forgiveness by the taxpayer entitled to deduct the amount of expenses on the creation of provisions (reserves) in accordance with paragraph 3 of Article 323 of this Code, of bad debt on the loan (credit) and interest on it within the maximum amount of the ratio of the total amount of bad debt on loans (credits) and interest on them forgiven for the tax period to the amount of the principal debt on loans (credits) and interest on them at the beginning of the tax period. In this case, the maximum amount of such ratio shall be equal to the coefficient 0.1;

10) reduction of the amount of the claim against the debtor in connection with the forgiveness by the taxpayer, who has the right to deduct the amount of expenses for the creation of provisions (reserves) in accordance with paragraph 2 of Article 323 of this Code, of bad debt on a microloan and interest on it within the maximum amount of the ratio of the total amount of bad debt on microloans and interest on them forgiven during the tax period to the amount of the principal debt on microloans and interest on them at the beginning of the

tax period. In this case, the maximum amount of such a ratio shall be equal to the coefficient 0.2.

3. A legal entity that was previously a bank, when determining income from a reduction in the size of created provisions (reserves), shall:

1) apply the provisions of paragraphs 1 and 2 of this article;

2) unless otherwise provided by paragraph 2 of this article, not recognize income from a reduction in the size of provisions (reserves) in accordance with paragraph 4 of this article in the cases and under the conditions specified in this paragraph;

3) for the tax period falling in 2029, recognize income from a reduction in the amount of created provisions (reserves) and include it in the total annual income in accordance with paragraph 5 of this article.

4. A legal entity that was previously a bank shall not recognize as income from a reduction in the size of provisions (reserves) the amounts of provisions (reserves) attributed to deductions in the reporting and/or previous tax periods, in the event of forgiveness of a debt on a loan (credit), consisting of:

principal debt;

arrears of remuneration accrued after December 31, 2012;

debt related to a loan.

A legal entity that was previously a bank shall not recognize as income from a reduction in the size of provisions (reserves) the amount in the event of forgiveness of a debt on a loan (credit) and/or debt associated with a loan (credit) if the following conditions are simultaneously met:

1) the loan was issued before October 1, 2009;

2) the debtor for the loan (credit) and/or the debt related to the loan (credit) shall be indicated in the list (lists) of debtors whose debt is subject to forgiveness, approved before July 1, 2019 by the management body of the bank or legal entity that was previously such a bank, and submitted to the authorized body no later than August 1, 2019;

3) forgiveness of debt on a loan (credit) and/or debt related to a loan (credit) shall be carried out within the amount specified in the list (lists) of debtors whose debt is subject to forgiveness, approved before July 1, 2019 by the management body of the bank or legal entity that was previously such a bank, and submitted to the authorized body no later than August 1, 2019;

4) there is one or more documents on the loan:

issued to a non-resident:

an application to a law enforcement agency of a foreign state to initiate a criminal case against a debtor - an individual and/or an official or a person who had the opportunity to otherwise directly or indirectly determine decisions made by the debtor - a legal entity;

a claim to a court of the Republic of Kazakhstan or a foreign state for debt collection, foreclosure on collateral and/or restoration of lost rights to collateral;

that has entered into legal force on the return of the writ of execution to the bank, if the debtor and third parties jointly or severally liable with the debtor to the said bank do not have property, including money, securities, or income that can be subject to collection, and the measures taken to identify his property or income have proven unsuccessful;

that has entered into legal force on the refusal to collect a debt, restore lost rights to a pledge, or foreclose on property, including money, securities, or the debtor's income;

a decision of a foreign court that has entered into legal force on declaring the debtor bankrupt and/or a ruling on the completion of bankruptcy proceedings;

a document from a competent authority of a foreign state on the exclusion of the debtor or pledger from the register of legal entities in connection with liquidation;

issued to a resident:

an application to a law enforcement agency of the Republic of Kazakhstan to initiate a criminal case against a debtor - an individual and/or an official or a person who had the opportunity to otherwise directly or indirectly determine decisions made by the debtor - a legal entity;

a document confirming that law enforcement agencies of the Republic of Kazakhstan have taken measures based on a bank's application or that a criminal case has been initiated.

The presence of documents specified in this subparagraph shall not be required for loans (credits) issued to non-residents:

when the amount of the outstanding debt on a loan is forgiven after the sale of the mortgaged property, which fully secured the principal debt on the date of the conclusion of the mortgage agreement, at an out-of-court auction at a price lower than the amount of the principal debt;

when a bank assigns a right of claim with a discount on a loan (credit) to a third party who is a non-resident on the date of the assignment of the right of claim, if the value of the right of claim on the loan (credit) for which the assignment was made is equal to the market value of the bank's right of claim, determined in the appraisal report conducted in accordance with the legislation of the Republic of Kazakhstan on appraisal activities or a foreign state under an agreement between the appraiser and such third party or the bank or a person representing the interests of the bank or appointed by the court of a foreign state to manage property in the interests of such bank.

For the purposes of this subparagraph, a discount shall be recognized as a negative difference between the value of the right of claim under the loan (credit) for which the bank has made an assignment and the value of the right of claim under the loan;

in the event of documentary confirmation by the bank's management body of the impossibility of appealing to a law enforcement agency or a court of a foreign state due to the absence of:

agreements on legal assistance between the Republic of Kazakhstan and such foreign state in criminal and/or civil cases;

the original agreement confirming the issuance of a loan;

when forgiving a portion of the debt to a debtor who is a non-resident on the date of debt forgiveness, which is determined as the difference between the amount of debt on the loan (credit) and the market value of the right of claim of the bank specified in the second part of this paragraph, determined in the appraisal report conducted in accordance with the legislation of the Republic of Kazakhstan on appraisal activities or a foreign state under an agreement between the appraiser and the debtor or such bank, in cases where:

there is an amendment signed with the debtor to the agreement under which the loan was issued, which provides for the forgiveness of part of the debt subject to the repayment of the remaining part of the debt (hereinafter referred to as the Balance of the debt);

by the bank specified in the second part of this paragraph:

in accordance with paragraph 1 of this article, income from a reduction in the size of created provisions (reserves) in the amount of the remaining debt shall be recognized;

the income adjustment provided for in Article 256 of this Code has not been made;

the amount of expenses on provisions (reserves) against the amount of the remaining debt created after the forgiveness of part of the debt is not attributed to deductions;

5) for a loan (credit), there is information in the credit bureau on the amount of debt on such loan (credit), provided by the bank in accordance with the legislation of the Republic of Kazakhstan on credit bureaus and the formation of credit histories;

6) for a credit (loan), there is a primary accounting document based on which provisions (reserves) have been created for such credit (loan) and are attributed to deductions in accordance with paragraph 1 of Article 323 of this Code;

7) there is information on the loan (credit) in the credit register, provided by the bank to the National Bank in the manner determined by the legislation of the Republic of Kazakhstan.

In this case, the list of debtors on loans (credits) for which the debt is subject to forgiveness shall indicate for each loan (credit):

1) credit file number;

2) date of issue of the loan;

3) last name, first name, patronymic (if indicated in the identity document) and/or name of the borrower (co-borrower);

4) the maximum amount of debt subject to forgiveness, broken down into interest accrued after December 31, 2012, and the principal debt on the loan.

The provisions of this paragraph shall not apply to loans issued to a bank employee, spouse, or close relatives of a bank employee.

5. A legal entity that was previously a bank shall recognize income from a reduction in the amount of provisions (reserves) reflected in accounting as of December 31, 2029 in accordance with international financial reporting standards, attributed to deductions in the reporting and/or previous tax periods, and shall include such income in the total annual income for the tax period falling in 2029.

Article 321. Income from assignment of claims by persons engaged in financial activities

1. A taxpayer acquiring the right to claim for loans (credits, microloans) and specified in the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities" determines income from the assignment of claim in the form of a positive difference between the amount actually paid by the debtor and the cost of acquiring the right to claim.

The provisions of this paragraph shall also apply to taxpayers acquiring the right to claim from an organization specializing in improving the quality of second-tier banks' loan portfolios, whose sole shareholder is the Government of the Republic of Kazakhstan.

2. Income from the assignment of claim shall be recognized in the tax period in which the positive difference arises (increases).

In this case, the positive difference previously recognized in previous tax periods shall not be taken into account.

3. The taxpayer referred to in paragraph 1 of this article shall have the right to determine income from the assignment of claims in accordance with Article 243 of this Code.

Paragraph 2. Deductions of persons engaged in financial activities

Article 322. Deductions under insurance (reinsurance) contracts of a taxpayer engaged in insurance activities

1. A taxpayer who, under the legislation of the Republic of Kazakhstan is an insurance, reinsurance organization or the Export Credit Agency of Kazakhstan, has the right to deduct the following expenses:

1) insurance payments under insurance and reinsurance contracts;

2) expenses related to insurance (reinsurance) activities for liabilities on incurred insurance losses;

3) as a loss component;

4) financial expenses on insurance (reinsurance);

5) for amortization of the best estimate of expected cash flows on the reinsurance asset;

6) for reduction of the risk adjustment for non-financial risk on the reinsurance asset;

7) on formation of the risk adjustment for non-financial risk on the liability for incurred losses;

8) acquisition costs;

9) expenses in the form of amortization of the margin on retained reinsurance contracts;

10) expenses for reimbursement to the reinsurer of recourse claims and losses (subrogation);

11) other expenses of the taxpayer related to activities pursuing income generation;

12) expenses for settling losses;

13) non-acquisition expenses related to insurance (reinsurance) activities (deductible expenses).

2. The expenses provided for in this article shall be determined in accordance with international financial reporting standards and/or the legislation of the Republic of Kazakhstan on accounting and financial reporting.

Article 323. Deduction on contributions to reserve funds

1. Banks, with the exception of a bank that is a national development institution, whose controlling stake is held by a national management holding, are entitled to deduct the amount of expenses on provisions (reserves) created in accordance with international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting and in the manner determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in coordination with the authorized body.

The value of collateral and other security, as well as the amount of the guarantee provided by a special fund for the obligations of private business entities, shall be taken into account when determining the amount of provisions (reserves) in the cases and in the manner determined by the rules for creating provisions (reserves).

The rules of this paragraph shall apply to provisions (reserves) against the following assets, contingent liabilities:

1) deposits, including balances on correspondent accounts, placed with other banks, as well as interest on such deposits accrued after December 31, 2012;

2) loans (except for financial leasing) granted to other banks and clients, as well as interest on such loans accrued after December 31, 2012;

3) accounts receivable under documentary settlements, guarantees and factoring operations;

4) contingent liabilities under uncovered letters of credit, issued or confirmed guarantees.

The rules of this paragraph shall not apply to provisions (reserves) against assets and contingent liabilities provided in favor of related parties or to third parties for obligations of related parties.

Banks shall not have the right to deduct amounts of expenses for the creation of provisions (reserves) against assets purchased from an organization specializing in improving the quality of second-tier banks' loan portfolios, the sole shareholder of which is the Government of the Republic of Kazakhstan.

The rules of this paragraph shall also apply to a legal entity that was previously a bank.

2. Organizations engaged in microfinance activities (except for pawnshops) are entitled to deduct the amount of expenses for creating provisions (reserves) against doubtful and bad assets on microloans granted, as well as remuneration thereon, with the exception of assets provided to a related party or third parties on the obligations of a related party.

Organizations engaged in microfinance activities (except for pawnshops) reduce the amount of expenses for provisions (reserves) by the amount of the guarantee provided for the tax period by a special fund for the obligations of private business entities.

The rules of this paragraph regarding the exclusion of assets provided to a related party or third parties under the obligations of a related party shall not apply to microloans granted by credit partnerships to their members in accordance with the legislation of the Republic of Kazakhstan on microfinance activities.

The procedure of classifying assets for provided microloans as doubtful and uncollectible, as well as the procedure for creating provisions (reserves) against them, shall be determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in coordination with the authorized body.

3. Organizations carrying out certain types of banking operations under a license for conducting bank lending operations are entitled to deduct the amount of expenses on provisions (reserves) against doubtful and bad assets created in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and in the procedure determined by the authorized body for regulation, control and supervision of the financial market and financial organizations in coordination with the authorized body, against loans (borrowings), with the exception of:

1) financial leasing;

2) loans (borrowings) provided to related parties or third parties on the obligations of related parties.

The value of collateral and other security shall be taken into account when determining the amount of provisions (reserves) in cases and in the manner determined by the rules for creating provisions (reserves).

Organizations that carry out certain types of banking operations shall reduce the amounts of expenses on provisions (reserves) by the amount of the guarantee provided for the tax period by a special fund for the obligations of private business entities.

4. The national management holding company, as well as legal entities whose main activity is lending operations or repurchase of claims and whose 100 percent of the voting shares (interests) are held by the national management holding company, have the right to deduct the amount of expenses on the creation of provisions (reserves) against the following doubtful and uncollectible assets, contingent liabilities, with the exception of assets and contingent liabilities provided in favor of related parties or to third parties under the obligations of related parties (except for assets and contingent liabilities of credit partnerships):

deposits, including balances on correspondent accounts placed with banks;

loans (except for financial leasing) provided to banks and customers;

accounts receivable under documentary settlements and guarantees;

contingent liabilities under unsecured letters of credit, issued or confirmed guarantees.

Taxpayers referred to in this paragraph shall reduce the amounts of expenses on provisions (reserves) by the amount of the guarantee provided for the tax period by a special fund for the obligations of private business entities.

Deduction of the amount of expenses on the creation of provisions (reserves) shall be made within the limits of the amount of provisions (reserves) created in accordance with the procedure established by the Government of the Republic of Kazakhstan.

The list of legal entities referred to in this paragraph and the procedure for compiling such a list shall be approved by the Government of the Republic of Kazakhstan.

Article 324. Deduction on expenses for insurance premiums and contributions of guarantee schemes members

1. Insurance premiums payable or paid by the policyholder under insurance contracts, with the exception of insurance premiums under savings insurance contracts, are subject to deduction.

2. The amount of mandatory calendar, additional and extraordinary contributions transferred in connection with the guarantee of deposits of individuals shall be subject to deduction from a bank that is a participant in the mandatory deposit guarantee scheme for individuals.

3. The amount of mandatory, extraordinary and additional contributions transferred in connection with the insurance payments guarantee shall be subject to deduction from an insurance or reinsurance organization that is a participant in the insurance payments guarantee scheme.

4. The amount of annual mandatory contributions transferred in connection with guaranteeing the fulfillment of obligations under grain receipts shall be deductible for a grain receiving enterprise that is a participant in the in the grain receipt guarantee system.

5. The amount of mandatory and additional contributions transferred in connection with guaranteeing the obligations of private business entities shall be deductible for banks, organizations engaged in microfinance activities, and other legal entities that are participants in the system of guaranteeing the obligations of private enterprise entities.

Chapter 31. FEATURES OF DETERMINING INCOME AND DEDUCTIONS BY PERSONS CARRYING OUT OPERATIONS WITH DIGITAL ASSETS

Article 325. Income of a digital mining pool, digital asset exchange and digital miner

1. The income of a digital miner from digital mining activities shall be determined as the product of the amount of digital assets distributed to him by the digital mining pool as a result of their activities and their value determined in accordance with paragraph 4 of this article.

2. The income of a person from digital mining activities shall not include the value of digital assets retained by the digital mining pool as a commission.

3. The income of a digital mining pool or digital asset exchange received in the form of digital assets shall be calculated at the value determined in accordance with paragraph 4 of this article.

4. For the purposes of this article, the procedure for determining and publishing the value of digital assets and the list of their types shall be established by the authorized body.

Article 326. Gain on disposal of digital assets

1. Gain from appreciation of digital assets value shall be recognized in the following cases and tax periods:

1) upon the sale of a digital asset – in the tax period in which such digital asset was sold;

2) upon transfer of a digital asset as a contribution to the authorized capital – in the tax period in which such digital asset was transferred as a contribution to the authorized capital.

For the purposes of this article, the value of the contribution to the authorized capital is the value of the digital asset at which it is transferred as a contribution to the authorized capital, which is determined on the basis of a document confirming the acceptance and transfer of the asset, but not more than the amount in payment for which the asset was transferred;

3) upon disposal of a digital asset as a result of reorganization through merger, consolidation, or division – in the tax period for which the liquidation tax report is filed;

4) upon disposal of a digital asset as a result of reorganization through spin-off – in the tax period in which the separation balance sheet is approved.

2. Gain on digital assets shall be determined as follows:

1) upon sale – the positive difference between the sale price and the initial value of the digital asset;

2) upon transfer of a digital asset as a contribution to the authorized capital – the positive difference between the value of the digital asset at which it was transferred as a contribution to the authorized capital and the initial value of the digital asset;

3) upon disposal as a result of the reorganization of a legal entity through merger, consolidation, division, or spin-off – the positive difference between the value of the digital asset as reflected in the transfer deed or separation balance sheet and its initial value.

3. The initial cost of a digital asset is:

the total of actual costs incurred to acquire it, costs associated with the acquisition and increasing the value of the digital asset in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting,

and (or)

the value of the digital asset transferred as a contribution to the authorized capital,

and (or)

the cost of the digital asset at which it was received as a contribution to the authorized capital,

and (or)

the value stated in the transfer deed or separation balance sheet, if the digital asset was received as a result of reorganization,

and (or)

the carrying amount of a digital asset to be received (received) by a shareholder, participant, or founder upon distribution of property, including that to be received (received) in exchange for previously contributed property, to be reflected (reflected) in the accounting records of the transferring entity on the date of transfer, excluding revaluation and impairment , stated in the document confirming the transfer of the digital asset and certified by the signatures of the parties, if the digital asset was received by a shareholder (participant, founder) as a result of the distribution of property upon the liquidation of a legal entity or reduction of the authorized capital, as well as redemption by a legal entity from the founder, participant of the digital asset or its part in this legal entity, redemption by a legal entity – issuer from a shareholder of shares issued by this issuer,

and (or)

the value included in the total annual income as the value of property gratuitously received in accordance with this Code, if the digital asset was received gratuitously,

plus

other expenses that increase the digital asset value, including after its acquisition, in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, except for the costs (expenses) specified in subparagraphs 2), 13) and 16) of Article 286 and Article 287 of this Code.

4. The provisions of this article shall not apply to persons engaged in digital mining in the case of determining the gain from digital mining activities in accordance with paragraph 1 of Article 325 of this Code.

5. If a negative difference arises upon the disposal of digital assets in the cases provided for in paragraph 2 of this article, such negative difference shall reduce the gain from the value appreciation arising upon disposal of digital assets in the tax period in which the disposal of digital assets occurred.

If the negative difference in the cases provided for in paragraph 2 of this article is exceeded for the tax period, such amounts shall be recognized as a loss and may be offset against income from gains received from the sale of exclusively digital assets during the limitation period.

Article 327. Expenses not deductible by persons engaged in digital mining

When determining the taxable income of a person engaged in digital mining, expenses for services provided by a digital mining pool are not deductible.

Chapter 32. TAXATION OF NON-PROFIT ORGANIZATIONS AND ORGANIZATIONS OF PERSONS WITH DISABILITIES

Article 328. General provisions

A non-profit organization registered in accordance with the civil legislation of the Republic of Kazakhstan shall have the right to apply the provisions of one of the articles in this chapter.

Article 329. Taxation of non-profit organizations

1. For the purposes of this Code, a non-profit organization is an organization registered in the form established by the civil legislation of the Republic of Kazakhstan for a non-profit organization that carries out activities in the public interest and meets the following conditions:

1) does not pursue the goal of generating income as such;

2) does not distribute the received net income or property among participants.

A non-profit organization shall exclude the following income from its total annual income :

income in the form of property received gratuitously, including charitable assistance, sponsorship assistance, money, grants corresponding to Article 9 of this Code, as well as any other assistance, grants, property received gratuitously;

entrance and membership fees;

contributions of lawyers working in a law firm to its property, as well as contributions (deductions) made by them for the maintenance of a law firm;

income under a contract on social services commissioning;

interest on deposits;

the excess of positive exchange rate differences over negative exchange rate differences arising from money placed on deposit, including interest thereon;

mandatory and targeted contributions established by the Law of the Republic of Kazakhstan “On Housing Relations”, as well as penalties for late payment by the owner of an apartment, non-residential premises, parking space, storage room, determined in accordance with the legislation of the Republic of Kazakhstan.

In case of non-compliance with the conditions referred to in the first part of this paragraph , exclusion from the total annual income provided for in the second part of this paragraph shall not be made.

2. Income of a non-profit organization not specified in paragraph 1 of this article shall be taxed in accordance with the generally established procedure.

In this case, the amount of expenses of a non-profit organization subject to deduction shall be determined by one of the following methods:

based on the share of income not specified in part two of paragraph 1 of this article in the total income of the non-profit organization;

based on tax accounting data, which provides for separate accounting of expenses incurred at the expense of income specified in part two of paragraph 1 of this article and expenses incurred at the expense of other income.

3. The provisions of this article may not be applied by non-profit organizations registered in accordance with the civil legislation of the Republic of Kazakhstan in the form of a joint-stock company, institution, or consumer cooperative.

Article 330. Taxation of non-profit organizations in the social sector

Non-profit organizations that meet the conditions established by this Code for organizations operating in the social sector during the tax period shall reduce the corporate income tax amount calculated in accordance with Article 345 of this Code by 100 percent.

Article 331. Taxation of organizations of persons with disabilities

1. For the purposes of this Code organizations for persons with disabilities include legal entities that meet the following conditions for the reporting tax period, and also the tax period preceding the reporting tax period:

the average annual number of persons with disabilities is at least 51 percent of the total number of employees;

the annual labor costs for persons with disabilities for the year are at least 51 percent of the total labor costs.

At the same time, compliance with the condition set forth in part one of this paragraph shall be determined:

by newly established (created) organizations –registered with the justice authority over the reporting tax period;

by organizations operating under a long-term contract – throughout the entire term of such contract.

2. When determining the amount of corporate income tax payable to the budget, organizations of persons with disabilities shall reduce the amount of corporate income tax calculated in accordance with Article 345 of this Code in the amounts established by paragraph 3 of this article, subject to the following conditions:

1) 90 percent of the income is received (receivable) from the sale of goods, performance of work, provision of services with the participation of persons with disabilities who are employees of such an organization, and the use of the income received to carry out the activities of such an organization;

2) persons with disabilities who are employees of an organization of persons with disabilities are not in employment relationships with other organizations of persons with disabilities.

For the purposes of applying subparagraph 1) of this paragraph, income received from the rental (lease) of property shall not be taken into account.

3. Organizations of persons with disabilities, subject to compliance with the conditions of paragraph 2 of this article, when determining the amount of corporate income tax payable to

the budget, shall reduce the amount of corporate income tax calculated in accordance with Article 345 of this Code depending on the number of employees who are persons with disabilities during the reporting tax period in the following amounts:

1) if there are 3 to 10 employees who are persons with disabilities, the calculated corporate income tax shall be reduced by 50 percent;

2) if there are 10 or more employees who are persons with disabilities is, the calculated corporate income tax shall be reduced by 100 percent.

Chapter 33. TAXATION OF PROFITS OF A CONTROLLED FOREIGN COMPANY

Article 332. Basic concepts used in this chapter

1. A controlled foreign company is an entity meeting all of the following conditions:

1) such entity is one of the following:

a non-resident legal entity;

another foreign form of business organization without forming a legal entity (hereinafter referred to as another form of organization);

with the exception of a non-resident legal entity and (or) another form of organization registered or incorporated or otherwise established in a foreign state with which an international treaty has entered into force, regulating avoidance of double taxation and prevention of tax evasion, provided that the nominal profit tax rate in such foreign state is more than 75 percent of the corporate income tax rate in the Republic of Kazakhstan, as stipulated in subparagraph 5) of paragraph 2 of Article 357 of this Code.

For the purposes of applying this subparagraph, the list of states with which an international treaty regulating the avoidance of double taxation and the prevention of tax evasion has entered into force, whose nominal income tax rate is more than 75 percent of the corporate income tax rate in the Republic of Kazakhstan, shall be approved by the authorized body no later than December 31 of the year following the reporting period;

2) as of December 31, of the reporting period, such entity meets one of the following conditions:

25 or more percent of the shares (voting shares) in the entity directly or indirectly, or constructively is owned by a legal entity or an individual who is a resident of the Republic of Kazakhstan (hereinafter for the purposes of this chapter - the resident);

the entity is related to the resident through control (if the resident has direct or indirect, or constructive control over the entity);

3) such entity meets one of the following conditions:

the effective tax rate on the profit of a non-resident legal entity or other form of organization, determined in accordance with subparagraph 3) of paragraph 3 of this article, is less than 10 percent;

A legal entity that is a non-resident or other form of organization registered or whose constituent document (document of incorporation) is registered, or a participant responsible

for keeping records of income and expenses or managing assets in such other form of organization, is registered in a state with tax-privileged jurisdiction.

For the purposes of determining a controlled foreign company, the concept of "control" is defined in accordance with subparagraph 4) of paragraph 3 of this article.

2. A permanent establishment of a controlled foreign company shall be recognized as a structural subdivision or permanent establishment that meets one of the following conditions:

1) it is registered in a state with tax-privileged jurisdiction;

2) it is registered in a foreign state and whose effective profit tax rate, determined in accordance with subparagraph 3) of paragraph 3 of this article, is less than 10 percent.

In this case, such a structural subdivision or permanent establishment must be created by a person who meets both the conditions of subparagraphs 1) and 2) of part one of paragraph 1 of this article.

The conditions specified in paragraph 1 of this article and parts one and two of this paragraph do not apply to controlled foreign companies and permanent establishments of controlled foreign companies that meet all of the following conditions:

1) the controlled foreign company or a permanent establishment of a controlled foreign company is not registered in states with preferential taxation;

2) the aggregate amount of income of each controlled foreign company or permanent establishment of a controlled foreign company is less than 195 times the monthly calculation indicator effective on the first day of the tax period.

If an entity that meets the conditions specified in paragraph 1 of this article or parts one and two of this paragraph has a financial loss based on the results of the relevant period in the approved separate unconsolidated financial statements, then such entity shall not be recognized as a controlled foreign company and (or) a permanent establishment of a controlled foreign company.

For the purposes of this chapter, the aggregate amount of income is converted into tenge at the official exchange rate, established on the last calendar day of the tax period, determined in accordance with Article 358 of this Code.

If the currency, in which the aggregate amount of income is expressed, is not included in the list of foreign currencies for which the official exchange rate in effect during the reporting tax period is established, then the aggregate amount of income shall be converted into tenge using the latest exchange rate against the euro, established by the central bank of the controlled foreign company's country of residence or by the controlled foreign company's permanent establishment as of the last calendar day of the tax period in the country of residence.

3. For the purposes of this Chapter and Chapter 36 of this Code, the following concepts shall be used:

1) audited financial statements - financial statements that are the result of an audit performed by a person authorized to perform it;

2) controlled entity - an entity that meets one of the following conditions:

the entity is related to a resident through control (if the resident has direct or indirect or constructive control over the entity);

a person in which the resident's shareholding is directly or indirectly or constructively more than 50 percent;

an entity is related to a resident as a close relative (in relation to an individual who is a resident);

3) the effective tax rate of a controlled foreign company or the effective tax rate of a permanent establishment of a controlled foreign company is the arithmetic mean of the effective tax rates on the profit of a controlled foreign company or the effective tax rates on the profit of a permanent establishment of a controlled foreign company, determined in accordance with subparagraph 18) of this paragraph, for the reporting period and two previous periods successively preceding the reporting period.

If, at the end of the relevant period (periods), the controlled foreign company or permanent establishment of a controlled foreign company has zero financial profit before taxation or a financial loss, the calculation of the effective rate shall not take into account the relevant indicators for such period (periods). In such a case, the effective tax rate on the profit of a controlled foreign company or the effective tax rate on the profit of a permanent establishment of a controlled foreign company is determined based on the relevant indicators of the remaining number of periods in which financial profit was received.

If the laws of the state, in which the controlled foreign company is registered establish an obligation to prepare consolidated financial statements reflecting the data of subsidiary (associated, joint) entities without preparing separate non-consolidated financial statements, then to calculate the effective tax rate of the controlled foreign company the figures for pre-tax financial profit and income tax shall be restated as follows:

the amounts of financial profit (loss) before taxation of subsidiaries, reduced by the amounts of profit (loss) from intra-group transactions, and the share in income of associated (joint) organizations recognized in the consolidated financial statements of a controlled foreign company, are excluded from financial profit before taxation, provided that the consolidated financial profit before taxation of a controlled foreign company takes into account such amounts;

the amounts of income tax on subsidiaries recognized in the consolidated financial statements of a controlled foreign company as a current tax expense, excluding deferred taxes , are excluded from income tax, provided that the consolidated income tax amount of the controlled foreign company includes such amounts;

4) control - control determined in accordance with international financial reporting standards or other internationally recognized standards for the preparation of financial statements adopted by stock exchanges for the admission of securities to trading;

5) approved financial statements - a document of a controlled foreign company or a permanent establishment of a controlled foreign company that meets the conditions of paragraph 3 of Article 335 of this Code, certified by the signature of the chief executive (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company and including a balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, explanatory note (or other document);

6) reporting period - the financial period in which the financial profit is recognized;

7) direct relatives:

spouse;

children, including adopted children;

children of the spouse, including adopted children;

grandchildren;

grandchildren of the spouse;

dependents;

dependents of the spouse;

parents;

parents of the spouse;

full and half brothers and sisters;

full and half brothers and sisters of the spouse;

8) indirect control – the resident's control through a controlled entity (controlled entities);

9) indirect ownership (indirect participation) – the resident's ownership of shares in a controlled foreign company through a controlled entity (controlled entities);

10) constructive control – a resident having direct and indirect control or a resident and (together with) the closest relative having direct and (or) indirect control;

11) constructive ownership (constructive participation) – a resident's direct and indirect ownership of shares in a controlled foreign company or a resident's and (jointly with) their closest relative(s)' direct and (or) indirect ownership of shares in a controlled foreign company;

12) aggregate income – the sum of all income of a controlled foreign company or permanent establishment of a controlled foreign company, as reflected in the approved separate unconsolidated financial statements of such controlled foreign company or permanent establishment of a controlled foreign company for the reporting period.

For the purposes of part one of this subparagraph, income similar to that specified in subparagraphs 2) and 8) of paragraph 1 of Article 238 of this Code shall be excluded from the total amount of income for the reporting period. To apply this paragraph, a resident must have a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on each excluded type of income and

expense, broken down by amounts (with a mandatory translation into Kazakh or Russian) or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on each excluded type of income, broken down by amounts (with a mandatory translation into Kazakh or Russian);

13) share of participation (participation) – share of participation (participation) in the authorized capital, share of voting shares in the authorized (shareholder) capital or share of participation (participation) in another form of organization;

14) profit tax – foreign profit tax or other foreign tax similar to corporate or individual income tax in the Republic of Kazakhstan, excluding excess profit tax or special payments and taxes of subsoil users;

15) nominal profit tax rate – fixed rate of profit tax or other foreign tax similar to corporate income tax on income received by a non-resident legal entity or other form of organization.

For the purposes of part one of this subparagraph, if the tax legislation of a foreign state establishes a progressive scale of tax rates, then the upper level of the rate of profit tax or other foreign tax similar to corporate income tax, excluding special tax regimes and other benefits provided by such foreign state, shall be taken as the nominal profit tax rate.

If the taxation system of a foreign state provides for several tax levels, including national, federal, cantonal, local, regional, municipal, communal, provincial, state, prefectural, and other territorial income taxes, the nominal income tax rate shall be calculated as the sum of the corresponding income tax rates;

16) passive income - the following types of income are recognized as passive income:

dividends;

income in the form of remuneration;

income from capital gains;

income in the form of royalties;

income from insurance activities, if such activities are not the main activity of a controlled foreign company or a permanent establishment of a controlled foreign company;

income from the provision of consulting, legal, accounting, auditing, engineering, advertising, marketing services, also from conducting research and development work, if the specified types of activities are not the main activity of a controlled foreign company or a permanent establishment of a controlled foreign company.

For the purposes of the first part of this subparagraph, the main activity of a controlled foreign company or a permanent establishment of a controlled foreign company shall be recognized as an activity from which the income received constitutes more than 50 percent of the total amount of the aggregate annual income of such a controlled foreign company or a permanent establishment of a controlled foreign company;

17) passive income share – the ratio of passive income of a controlled foreign company or permanent establishment of a controlled foreign company to the total income of the controlled foreign company or permanent establishment of a controlled foreign company.

The passive income share is not determined for controlled foreign companies or permanent establishments of controlled foreign companies registered in the states with preferential taxation;

18) effective rate – is the income tax rate determined as the lowest of the following rates:

calculated as the ratio of the amount of income tax for the reporting period, considered in the approved financial statements as a current tax expense, excluding deferred taxes, to the positive amount of financial profit before taxation, determined by paragraph 3 of Article 335 of this Code, for the reporting period;

calculated as the ratio of the amount of income tax paid for the reporting period to the positive amount of financial profit before taxation, determined by paragraph 3 of Article 335 of this Code, for the reporting period.

For the purposes of the first part of this subparagraph, the amount of income tax includes income tax, including national, federal, cantonal, local, regional, municipal, communal, provincial, state, prefectural and other territorial income taxes and tax withheld at source, provided that financial profit before tax includes (included) in the current or previous period income taxed by the tax withheld at source;

19) entity:

an individual;

a non-resident legal entity;

another form of organization;

20) direct control - the presence of control by a resident directly or through a trustee or nominee holder in the event that such control, held by the nominee holder or trustee, actually belongs to such resident;

21) direct ownership (direct participation) – a resident's ownership of shares directly or through a trustee or nominee holder if such shares, held by a nominee holder or trustee, actually belong to such resident;

22) a foreign company – a non-resident legal entity or another form of organization, with the exception of a person meeting the conditions of paragraph 1 of this article;

23) a single organizational structure of a consolidated group - entities other than individuals who are directly or indirectly and/or constructively owned and/or controlled by a resident. For the purposes of part one of this subparagraph, a single organizational structure of a consolidated group does not include entities other than individuals who are indirectly owned and/or controlled through another resident. If a resident directly owns and/or controls another resident, then this other resident is not included in the single organizational structure of the consolidated group.

Footnote. Article 332 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 333. General provisions

The financial profit of a controlled foreign company or a permanent establishment of a controlled foreign company shall not be taxed twice.

Double taxation shall be eliminated by applying the following provisions:

1) exemption from taxation in accordance with Article 334 of this Code;

2) adjustment of the financial profit before taxation of a controlled foreign company subject to the conditions specified in paragraph 3 of Article 335 of this Code;

3) reduction of the financial profit before taxation of a controlled foreign company in accordance with paragraph 5 of Article 335 of this Code;

4) offset against payment of corporate income tax in the Republic of Kazakhstan in the manner determined by paragraph 4 of Article 346 of this Code.

Article 334. Tax exemption

1. The financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company shall be exempt from taxation in the Republic of Kazakhstan if one of the following conditions is met:

1) in case of indirect participation or indirect control of a resident in a controlled foreign company, exercised through another resident;

2) in case of indirect participation or indirect control of a resident in a controlled foreign company, exercised through a person who is not a controlled person;

3) if the financial profit of a permanent establishment of a controlled foreign company was subject to income tax in the state in which the controlled foreign company that created the permanent establishment is registered, at an effective rate of 20 percent or more;

4) if the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company was taxed in the state in which the controlled person is registered, through which the resident indirectly owns shares or has indirect control in the controlled foreign company, at an effective rate of 20 percent or more;

5) if the share of passive income of a controlled foreign company or a permanent establishment of a controlled foreign company, with the exception of those registered in states with preferential taxation, is less than 20 percent;

6) in the case of direct and (or) indirect ownership and (or) control by an investment resident of the AIFC in a controlled foreign company.

2. For the purposes of applying paragraph 1 of this Article, a resident must have the following documents (with mandatory translation into Kazakh or Russian):

1) in the case of applying subparagraph 1) or 2) of paragraph 1 of this Article:

copies of documents validating the indirect participation or indirect control of the resident in a controlled foreign company specified or indicated in subparagraphs 1) or 2) of paragraph 1 of this Article,

or

a copy of a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of the resident, disclosing the single organizational structure of the consolidated group of which the resident is a member (shareholder), indicating the names of all participants in such consolidated group and their geographic location (names of the states (territories) where the participants in the consolidated group were established (incorporated), the sizes of the shares and the state and tax registration numbers of all participants in the consolidated group (if there is tax registration);

2) in the case of applying subparagraph 3) of paragraph 1 of this article:

a copy of the approved separate financial statements of the controlled foreign company that created the permanent establishment;

a copy of the approved financial statements of the permanent establishment of the controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company, disclosing information on inclusion in the financial profit of a controlled foreign company that has created a permanent establishment of the financial profit of such a permanent establishment, or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial statements of a controlled foreign company, disclosing information on inclusion in the financial profit of a controlled foreign company that has created a permanent establishment of the financial profit of such a permanent establishment;

a copy of a document (documents) in a foreign language confirming the payment in the foreign state in which the controlled foreign company that created a permanent establishment is registered of income tax on the financial profit of the permanent establishment of the controlled foreign company.

In the event of inclusion of tax at the source of payment when determining the effective rate, the resident must have:

a copy of a document (documents) drawn in a foreign language confirming the withholding and transfer to the budget of a foreign state (foreign states) of tax at the source of payment on income (incomes) included in the financial profit before taxation;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in the financial profit before tax of income (incomes) taxed at the source of payment, or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in the financial profit before tax of income (incomes) taxed at the source of payment;

3) in the case of applying subparagraph 4) of paragraph 1 of this article:

a copy of the approved consolidated financial statements of the controlled person through which indirect ownership or indirect control in the controlled foreign company is exercised;

a copy of the approved separate unconsolidated financial statements of the controlled foreign company or the financial statements of the permanent establishment of the controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in the consolidated financial profit of a controlled entity through which a resident indirectly owns shares or has indirect control in a controlled foreign company, of the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company , or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in the consolidated financial profit of a controlled entity through which a resident indirectly owns shares or has indirect control in a controlled foreign company, of the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company;

a copy of the document(s) drawn in a foreign language confirming the payment in the foreign state in which the controlled person is registered, through which the resident indirectly owns shares or has indirect control in the controlled foreign company, of income tax on the financial profit of the controlled foreign company or the financial profit of the permanent establishment of the controlled foreign company.

In the event of inclusion of the tax at the source of payment when determining the effective rate, the resident must have:

a copy of the document(s) drawn in a foreign language confirming the withholding and transfer to the budget of the foreign state(s) of the tax at the source of payment on the income (s) included in the financial profit before taxation;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in the financial profit before tax of income (income) taxed at the source of payment, or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on the inclusion in the financial profit before tax of income (income) taxed at the source of payment;

4) in the case of applying subparagraph 5) of paragraph 1 of this article:

a copy of the approved separate unconsolidated financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information broken down by each type of passive income, indicating the amounts of income received by the controlled foreign company or a permanent establishment of a controlled foreign company for the reporting period, or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial statements of the controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information broken down by each type of passive income, indicating the amounts of income received by the controlled foreign company or a permanent establishment of a controlled foreign company for the reporting period.

Article 335. Taxation of a controlled foreign company's profits

1. The total profit of controlled foreign companies or permanent establishments of controlled foreign companies, with the exception of those registered in states with preferential taxation, determined in accordance with paragraphs 2, 3, 4 and 5 of this Article, shall be recognized as taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, with the exception of those registered in states with preferential taxation, and shall be subject to corporate or individual income tax in the Republic of Kazakhstan.

The total profit of controlled foreign companies or permanent establishments of controlled foreign companies registered in states with preferential taxation, determined in accordance with paragraphs 2 and 3 of this Article, shall be recognized as taxable income of controlled foreign companies and permanent establishments of controlled foreign companies registered in states with preferential taxation, and shall be subject to corporate or individual income tax in the Republic of Kazakhstan.

2. The total profit of CFCs (controlled foreign companies) or permanent establishments of CFCs shall be determined by the following formula:

$P = P1 \times S1 + P2 \times S2 + ... + Pn \times Sn,$

where:

P – is the total profit of all controlled foreign companies or permanent establishments of controlled foreign companies, with the exception of controlled foreign companies or permanent establishments of controlled foreign companies, the financial profit of which is exempt from taxation in accordance with Article 334 of this Code;

S1, 2,..,n – is the share of direct, indirect, constructive participation or direct, indirect, constructive control of a resident in each controlled foreign company;

P1, 2,..,n – is the positive value of financial profit of each controlled foreign company or each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan, determined by a resident, according to one of the following formulas :

P1, P2,..., Pn = Pbt 1,2,…n – R1,2,…n – L1,2,…n

or

P1, P2,..., Pn= Pbt1,2,…n × SPI1,2,…n, where:

Pbt1,2,…n – is the positive amount of financial profit before tax of each controlled foreign company or each permanent establishment of a controlled foreign company for the reporting period;

R1,2,…n - the amount of reductions made by a resident from financial profit before taxation of each controlled foreign company or financial profit before taxation of each permanent establishment of a controlled foreign company for the reporting period in accordance with paragraph 4 of this Article;

SPI1,2,…n - is the share of passive income of each controlled foreign company or each permanent establishment of a controlled foreign company, determined in accordance with subparagraph 17) of paragraph 3 of Article 332 of this Code;

L1,2,…n – the amount of loss of each controlled foreign company or each permanent establishment of a controlled foreign company that arose in two consecutive periods preceding the reporting period. At the same time, reduced losses in subsequent periods shall not be taken into account.

For the purposes of the first part of this paragraph, a loss shall be recognized as a loss reflected in the approved separate unconsolidated financial statements, which must be available to the resident applying the loss (with mandatory translation into Kazakh or Russian).

The loss of a controlled foreign company or permanent establishment of a controlled foreign company shall not reduce:

1) the financial profit of this controlled foreign company and (or) this permanent establishment of the controlled foreign company, calculated in accordance with paragraph 3 of this article;

2) the financial profit before taxation of another controlled foreign company or another permanent establishment of a controlled foreign company;

3) the taxable income of the resident.

A resident may not use the losses of a controlled foreign company and (or) a permanent establishment of a controlled foreign company registered in states with preferential taxation.

For the purposes of part one of this paragraph, if a resident uses the formula with a share of passive income when calculating the total profit of a controlled foreign company or a permanent establishment of a controlled foreign company, it is necessary to apply the same formula to all of its other controlled foreign companies or permanent establishments of controlled foreign companies for the reporting tax period.

3. Financial profit before tax of a controlled foreign company or financial profit before tax of a permanent establishment of a controlled foreign company for the reporting period shall be determined on the basis of approved separate unconsolidated financial statements of a

controlled foreign company or a permanent establishment of a controlled foreign company, prepared in accordance with the standard established by the legislation of the country in which the controlled foreign company is registered or the permanent establishment of a controlled foreign company is registered, or in accordance with international financial reporting standards. In this case, a resident has the right to determine financial profit before tax of a controlled foreign company or a permanent establishment of a controlled foreign company on the basis of approved separate unconsolidated financial statements prepared in accordance with international financial reporting standards only if audited financial statements are available.

If the laws of the state, in which the controlled foreign company is registered establish an obligation to prepare only consolidated financial statements with the consolidation of data of subsidiary (associated, joint) organizations without preparing separate non-consolidated financial statements and there are no separate non-consolidated financial statements, the resident shall make the following adjustments to the financial profit (loss) of the controlled foreign company for the reporting period, determined in the financial statements for the reporting period, by excluding the following amounts, confirmed by an auditor's report, which must be on file with the resident:

the amount of financial profit (loss) for the reporting period of subsidiaries (associates, joint ventures) included in the consolidated financial profit (consolidated loss) on the consolidated financial statements of the controlled foreign company;

the amount of financial profit (loss) of subsidiaries (associated, joint) organizations for the reporting period when consolidated from the consolidated financial profit (consolidated loss) according to the consolidated financial statements of the parent company for the reporting period, which is subject to an increase (decrease) by the amounts of financial profit (loss) from intragroup transactions when they are excluded during consolidation.

When adjusting the data of the consolidated financial statements of a controlled foreign company for the reporting period in accordance with this paragraph the dividends received or receivable from a subsidiary (associated, joint) organization that are not reflected in the consolidated financial profit (consolidated loss) in the consolidated financial statements, recognized in accounting for the reporting period, shall be included in the income of the controlled foreign company for the reporting period and confirmed by an audit conclusion.

For the purposes of this paragraph, incomes similar to those specified in subparagraphs 2) and 8) of paragraph 1 of Article 238 of this Code and expenses similar to those specified in paragraphs 5 and 6 of Article 257 of this Code shall be excluded from the financial profit before taxation of a controlled foreign company or a permanent establishment of a controlled foreign company for the reporting period, provided that the financial profit before taxation includes such income and (or) expenses. To apply this part, a resident must have a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a

controlled foreign company, disclosing information on each excluded type of income and expense, broken down by amounts (with a mandatory translation into Kazakh or Russian), or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on each excluded type of income and expense, broken down by amounts (with a mandatory translation into Kazakh or Russian).

4. In the absence of approved separate unconsolidated financial statements by a resident before March 31 of the second year following the reporting year, the amount of financial profit before taxation of a controlled foreign company or financial profit before taxation of a permanent establishment of a controlled foreign company for such reporting period shall be determined by the resident at its discretion in one of the following ways:

1) in a manner similar to the procedure for determining taxable income in accordance with the provisions of this Code;

2) as the product of the amount of income of a controlled foreign company or income of a permanent establishment of a controlled foreign company for the reporting period and the coefficient 0.5. The amount of income shall be determined based on the receipt of money into the bank accounts of the controlled foreign company or the bank accounts of a permanent establishment of a controlled foreign company for the reporting period.

For the purposes of part one of this subparagraph, the following types of receipts are subject to exclusion, provided there are supporting documents:

receipt of money to bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company during the reporting period from other bank accounts of this controlled foreign company or its permanent establishment (internal and interbank money transfers);

receipt and (or) return of borrowed funds, with the exception of interest on loans and penalties, fines. To apply this paragraph, the resident must have a copy of the loan agreement and a payment order for the return and (or) receipt of borrowed funds;

receipt of erroneously credited amounts of money subject to return in the current tax period;

receipt of money as a contribution to the authorized capital.

Upon receipt of a document conforming to the terms of paragraph 3 of this Article, after the period specified in paragraph 4 of Article 359 of this Code, a resident is obliged to recalculate the amount of financial profit of a controlled foreign company and (or) a permanent establishment of a controlled foreign company.

In the availability of a document conforming to the conditions of subparagraph 1) of paragraph 3 of Article 332 of this Code, the taxpayer is obliged to recalculate the amount of financial profit of a controlled foreign company or a permanent establishment of a controlled foreign company.

5. A resident shall have the right to reduce the financial profit before taxation of a controlled foreign company by the following amounts if supporting documents are available:

1) the amount of the reduction, determined by the following formula:

R = FP × (I(1)/TAI), where:

R – is the amount of reduction;

FP – is the positive value of financial profit before taxation of a controlled foreign company;

I (1) – is income of a controlled foreign company from business activity in the Republic of Kazakhstan through a branch, representative office, permanent establishment, subject to corporate income tax in the Republic of Kazakhstan at a rate of 20 percent or more, within the taxable income of the branch, provided that the financial profit before taxation of a controlled foreign company takes into account the taxable income specified in this subparagraph;

TAI – is the total amount of income;

2) the amount of reduction determined by the following formula:

R = FP × (I(2)/TAI), where:

R – is the amount of reduction;

FP – is the positive value of financial profit before taxation of a controlled foreign company;

I (2) – is income from the provision of services (performance of works) in the Republic of Kazakhstan without the formation of a permanent establishment, received by a controlled foreign company from sources in the Republic of Kazakhstan, subject to corporate income tax in the Republic of Kazakhstan at the source of payment at the rate of 20 percent, provided that financial profit before taxation is determined taking into account the income specified in this subparagraph;

TAI - the total amount of income;

3) dividends received by a controlled foreign company from sources in the Republic of Kazakhstan that are not subject to corporate income tax at the source of payment in accordance with subparagraph 7) of Article 681 of this Code, provided that the financial profit before taxation of the controlled foreign company includes such income;

4) the amount of dividends received by one controlled foreign company from another controlled foreign company that are part of a single organizational structure of a consolidated group.

In this case, the financial profit of one controlled foreign company must include such dividends that were previously taxed (are subject to taxation in the current period) by corporate income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced in accordance with subparagraphs 3), 5), 6), 7), 8) and 9) of this paragraph or part one of this subparagraph;

5) the amount of dividends received by a controlled foreign company from a foreign company that is part of a single organizational structure of a consolidated group.

In this case, the financial profit of such a controlled foreign company must include such dividends that were previously taxed (are subject to taxation in the current period) by corporate income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced in accordance with subparagraphs 3), 5), 6), 7), 8) and 9) of this paragraph or the first part of this subparagraph;

6) the amount of the reduction determined by the following formula:

R = FP × (I(6)/TAI), where:

R – is the amount of reduction;

FP – is the positive value of financial profit before taxation of a controlled foreign company;

I (6) – is income in the form of remuneration and (or) from capital gains and (or) as royalties received by a controlled foreign company from sources in the Republic of Kazakhstan, previously subject to corporate income tax in the Republic of Kazakhstan at the source of payment, provided that the financial profit of a controlled foreign company before taxation includes such income;

TAI - the total amount of income;

7) the amount of reduction determined by the following formula:

R = FP × (I(7)/TAI), where:

R – is the amount of reduction;

FP - the positive value of financial profit before taxation of a controlled foreign company;

I (7) - income from capital gains received by one controlled foreign company from the sale of another controlled foreign company, which is the founder of a resident of the Republic of Kazakhstan that meets the conditions of subparagraph 4) of Article 681 of this Code, provided that the financial profit of one controlled foreign company includes such income;

TAI - the total amount of income;

8) income in the form of remuneration and (or) from capital gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan, not subject to corporate income tax at the source of payment in accordance with subparagraphs 1) and 4) of Article 681 of this Code, provided that the financial profit before taxation of the controlled foreign company includes such income;

9) the amount of dividends received by a controlled foreign company from sources in the Republic of Kazakhstan, previously taxed in the Republic of Kazakhstan with corporate income tax at the source of payment, provided that the financial profit before taxation includes such dividends;

10) the amount of dividends received by a controlled foreign company from a foreign company that is part of the consolidated group's unified organizational structure. In this case, the financial profit of such a controlled foreign company shall include such dividends received from sources in the Republic of Kazakhstan, which were previously subject to corporate income tax in the Republic of Kazakhstan at the source of payment and (or) were

not subject to corporate income tax at the source of payment in accordance with subparagraph 7) of Article 681 of this Code.

The provisions of the first part of this paragraph shall not apply to a controlled foreign company and/or a permanent establishment of a controlled foreign company that is registered in states with preferential taxation.

6. In the event of a discrepancy between the duration or the start and end dates of the reporting period in a foreign state and the reporting tax period in the Republic of Kazakhstan, determined in accordance with Article 358 of this Code, the taxpayer is obliged to adjust the amount of financial profit of each controlled foreign company or the financial profit of each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan by applying the adjustment coefficients (C1, C2) as follows:

P1, P2, …, Pn = Pн × C1 + Pt+1 × C2,

C1 = RP (CH)1 / RP (CH)3,

C2 = RP (CH)2 / RP (CH)3, where:

P1, P2, …, Pn – is the positive amount of financial profit of each controlled foreign company or each permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan;

Pt - the positive amount of the financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan, for one reporting period within the reporting taxable period in the Republic of Kazakhstan;

Pt+1 - the positive amount of the financial profit of a controlled foreign company or financial profit of a permanent establishment of a controlled foreign company subject to taxation in the Republic of Kazakhstan, for another reporting period within the reporting taxable period in the Republic of Kazakhstan;

RP (CH)1 - the number of months of one reporting period in a foreign country within which a resident owns participatory interests or has control in a controlled foreign company within the reporting taxable period in the Republic of Kazakhstan;

RP (CH)2 - the number of months of the next reporting period in a foreign country within which the resident owns participatory interests or has control in a controlled foreign company within the reporting taxable period in the Republic of Kazakhstan;

RP (CH)3 - the total number of months of the reporting period in a foreign country.

7. The amount of financial profit of each controlled foreign company or the financial profit of each permanent establishment of a controlled foreign company, subject to taxation in the Republic of Kazakhstan, expressed in foreign currency, shall be converted by the resident into tenge using the arithmetic average official exchange rate for the reporting period.

8. The coefficient of direct participation or direct control of the resident in each controlled foreign company shall be determined by the following formula:

D1, D2, …, Dn = X/100 %, where:

D1, D2, …, Dn –is coefficient of direct participation or direct control of the resident in each controlled foreign company;

X - the share of direct participation or direct control of the resident in each controlled foreign company, in percentage terms.

The coefficient of indirect participation or indirect control of a resident in each controlled foreign company is determined using the following formula:

I1, I2, …, In = X1/100 % x X2/100 % x... x Xn/100 %, where:

I1, I2, …, In – is coefficient of indirect participation or indirect control of the resident in each controlled foreign company;

X1 - the share of direct participation or direct control of the resident in the person through which indirect participation or indirect control is exercised, in percentage terms;

X2, ... - the share of direct participation or direct control of each previous person in each successive person in the appropriate sequence, through whom indirect participation or indirect control is exercised, in percentage terms;

Xn - the share of direct participation or direct control of a previous person in a controlled foreign company, in percentage terms.

The coefficient of constructive participation or constructive control of a resident in each controlled foreign company shall be calculated in one of the following orders:

1) the coefficient of direct participation or direct control of a resident in a controlled foreign company

plus

the coefficient of indirect participation or indirect control of a resident in a controlled foreign company;

2) the coefficient of direct and (or) indirect participation or direct and (or) indirect control of a resident in a controlled foreign company

plus

the coefficient of direct and (or) indirect participation or direct and (or) indirect control of a controlled person in a controlled foreign company, provided that the controlled person is a close relative of a resident and a resident of the Republic of Kazakhstan.

In the case of constructive ownership by a resident individual of shares or constructive control by a resident individual in a controlled foreign company with the participation of immediate relatives who are residents and have not reached the age of majority, the provisions of this article shall apply to such constructive ownership or constructive control. In the case of constructive ownership by a resident individual of shares or constructive control by a resident individual in a controlled foreign company with the participation of immediate relatives who are residents and have reached the age of majority and/or retirement age, the provisions of this paragraph shall apply to such constructive ownership or constructive control, subject to the written consent of such immediate relatives. In the absence of written consent of such immediate relative (immediate relatives), the tax obligation in accordance

with this chapter shall be fulfilled by each person (the resident and such immediate relative (relatives) of the resident) independently in proportion to the share of ownership or control in the controlled foreign company if the combined share of participation of the resident and such immediate relative (relatives) in the controlled foreign company exceeds 25 percent or the resident and such immediate relative (relatives) together have control in the controlled foreign company.

9. The provisions of this article shall apply to a permanent establishment of a controlled foreign company.

10. The provisions of this article shall apply regardless of the benefits, investment tax preferences, most-favored-nation treatment, and other tax conditions more favorable than those envisaged by this Code provided by the Republic of Kazakhstan to a resident and (or) established by the legislation of the Republic of Kazakhstan for a resident.

11. For the purposes of this article, supporting documents shall mean the following documents:

1) for the application of subparagraph 1) of part one of paragraph 4 of this article, copies of documents enabling determining of the amount of financial profit before taxation for the reporting period of a controlled foreign company or a permanent establishment of a controlled foreign company. Such documents are statements from bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company, primary documents confirming the transactions performed in accordance with the business practices of a controlled foreign company or a permanent establishment of a controlled foreign company;

2) for the application of subparagraph 2) of part one of paragraph 4 of this article:

copies of monthly statements on paper and (or) electronic media from all bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company for the reporting period;

an official document issued by a bank and (or) a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing the information provided for in the second part of subparagraph 2) of the first part of paragraph 4 of this article and containing information on all bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company;

3) for the application of subparagraph 1) of part one of paragraph 5 of this article:

a copy of the approved financial statements of the controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of the controlled foreign company, containing a breakdown of the income and expenses of each branch of the controlled foreign company included in the financial profit of the controlled foreign company, with the business identification numbers of such branches, or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of the controlled foreign company,

containing a breakdown of the income and expenses of each branch of the controlled foreign company included in the financial profit of the controlled foreign company, indicating the business identification numbers of such branches;

4) for the application of subparagraph 2) of part one of paragraph 5 of this article:

a copy of the approved financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income from the provision of services (performance of work) in the Republic of Kazakhstan without the formation of a permanent establishment of a controlled foreign company, broken down by amounts and customers, with business identification numbers and (or) individual identification numbers, or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income from the provision of services (performance of work) in the Republic of Kazakhstan without the formation of a permanent establishment of a controlled foreign company, broken down by amounts and customers, indicating business identification numbers and (or) individual identification numbers;

5) for the application of subparagraphs 3), 4), 5), 9) and 10) of the first part of paragraph 5 of this article:

copies of the document(s) confirming the distribution of dividends of a controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, confirming the distribution and payment of dividends from sources in the Republic of Kazakhstan to a controlled foreign company and (or) a foreign company to another controlled foreign company applying a reduction (in the case of applying subparagraphs 3), 9) and 10) of part one of paragraph 5 of this article), or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, confirming the distribution and payment of dividends from sources in the Republic of Kazakhstan to a controlled foreign company and (or) a foreign company to another controlled foreign company applying a reduction (in the case of applying subparagraphs 3), 9) and 10) of part one of paragraph 5 of this article);

a copy of the approved financial statements of the controlled foreign company or permanent establishment of the controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment

of a controlled foreign company, containing information on dividends received from subsidiaries (associated) organizations of the controlled foreign company, broken down by amounts and names of companies distributing dividends, with the registration number in the country of residence, or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing information on dividends received from subsidiaries (associated) organizations of the controlled foreign company, broken down by amounts and names of companies distributing dividends, indicating the registration number in the country of residence;

a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of a resident, containing information on the unified organizational structure of a consolidated group, indicating the names, registration numbers in the country of residence, their geographic location (names of states (territories), sizes of participation shares (voting shares) of all participants in the unified organizational structure of the consolidated group;

a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of a resident, containing information on the unified organizational structure of a consolidated group, indicating the names, registration numbers in the country of residence, their geographic location (names of states (territories), sizes of participation shares (voting shares) of all participants in the unified organizational structure of the consolidated group;

6) for the application of subparagraphs 6),7) and 8) of the first part of paragraph 5 of this article:

a copy of the approved financial statements of the controlled foreign company or permanent establishment of the controlled foreign company; a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of remuneration, royalties from sources in the Republic of Kazakhstan, broken down by amounts and names of residents of the Republic of Kazakhstan who paid the income, with business identification numbers and (or) individual identification numbers (in the case of applying subparagraphs 6) and 8) of part one of paragraph 5 of this article in relation to income in the form of remuneration, royalties) or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of remuneration, royalties from sources in the Republic of Kazakhstan broken down by amounts and names of residents of the Republic of Kazakhstan who paid the income

, with business identification numbers and (or) individual identification numbers (in the case of applying subparagraphs 6) and 8) of the first part of paragraph 5 of this article with respect to income in the form of remuneration, royalties);

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of value increase, broken down by amounts, names and sold assets, including those located in the Republic of Kazakhstan, with the registration numbers in the country of residence (in the case of applying subparagraphs 6), 7) and 8) of part one of paragraph 5 of this article with respect to income in the form of value increase) or an explanatory note to the audited financial statements, certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, containing a breakdown of income in the form of value increase, broken down by amounts, names and sold assets, including those located in the Republic of Kazakhstan, with the registration numbers in the country of residence (in the case of applying subparagraphs 6), 7) and 8) of part one of paragraph 5 of this article with respect to income in the form increase in value);

a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of a resident, containing information on the unified organizational structure of the consolidated group, indicating the names, registration numbers in the country of residence, their geographic location (names of states (territories), sizes of participation shares (voting shares) of all participants in the unified organizational structure of the consolidated group;

copies of title documents of a resident of the Republic of Kazakhstan that meets the conditions of subparagraph 4) of Article 681 of this Code;

7) for the application of item eleven of the first part of paragraph 2 of this article:

a copy of the approved financial statements of a controlled foreign company or a permanent establishment of a controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing the ratio of passive income to the total amount of income, broken down by each type of passive income and the amounts included in the total amount of income, with the registration number of the buyer in the country of residence, or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing the ratio of passive income to the total amount of income, broken down by each type of passive income and the amounts included in the total amount of income, with the registration number of the buyer in the country of residence.

The documents specified in this paragraph, or their copies, must be available to the resident (with mandatory translation into Kazakh or Russian, if necessary), applying the provisions of paragraphs 4 and 5 of this article.

12. A resident shall, no later than ten working days after filing a corporate or individual income tax return that includes the total profit of controlled foreign companies or permanent establishments of controlled foreign companies, submit a transformation document to the authorized body.

For the purposes of this section, a transformation document shall be recognized as a document certified by the signature and seal (if any) of the resident (or a person authorized to sign on the basis of a notarized power of attorney), containing the following data:

1) a single organizational structure of the consolidated group of which the resident is a participant (shareholder), reflecting the names of all participants in the consolidated group and their geographic location (names of the states (territories) where the participants in the consolidated group were created (established), the size of their shares, state and tax registration numbers of all participants in the consolidated group (if tax registration is available);

2) financial profit and the total amount of income of each controlled foreign company and (or) permanent establishment of a controlled foreign company;

3) the ratio of passive income to the total amount of income of each controlled foreign company or permanent establishment of a controlled foreign company for each type of passive income and amounts included in the total amount of income, with the registration number of the buyer in the country of residence (in the case of applying the eleventh item of the first part of paragraph 2 of this article);

4) the loss of each controlled foreign company or permanent establishment of a controlled foreign company that arose in two periods successively preceding the reporting period, indicating the amounts and year in which the loss arose (in the case of applying item twelve of part one of paragraph 2 of this article);

5) each excluded type of income and expense from the total amount of income or financial profit before taxation of a controlled foreign company or a permanent establishment of a controlled foreign company broken down by amounts (in the case of applying subparagraph 12) of paragraph 3 of Article 332 of this Code or the second part of paragraph 3 of this Article);

6) financial profit (loss) for the reporting period of each subsidiary (associated, joint) organization, consolidated in the consolidated financial profit (consolidated loss) on the consolidated financial statements of the controlled foreign company, broken down by amounts, with names and registration numbers in the country of residence of the subsidiary (associated, joint) organizations (in the case of applying part three of paragraph 3 of this article);

7) financial profit (loss) for the reporting period of each subsidiary (associated, joint) organization when it is consolidated from the consolidated financial profit (consolidated loss) on the consolidated financial statements of the parent company for the reporting period, which is subject to increase (decrease) by the amounts of financial profit (loss) from intragroup transactions when they are excluded during consolidation, broken down by amounts, names and registration numbers in the country of residence of the subsidiary (associated, joint) organizations (in the case of applying part four of paragraph 3 of this article) ;

8) bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company, indicating the total amount of money received during the reporting period broken down by bank account numbers, name of the financial institution and geographic location (names of states (territories) (in the case of applying paragraph 4 of this article);

9) receipt of money to bank accounts of a controlled foreign company or a permanent establishment of a controlled foreign company during the reporting period from other bank accounts of this controlled foreign company or its permanent establishment (domestic and interbank money transfers), indicating bank account numbers, amounts and dates of transactions (in the case of applying paragraph 4 of this article);

receipt and (or) return of borrowed funds, with the exception of interest on loans and penalties, fines, indicating the numbers of bank accounts, amounts and dates of transactions (in the case of applying paragraph 4 of this article);

receipt of erroneously credited money, subject to return in the current tax period (in the case of applying paragraph 4 of this article);

receipt of money as a contribution to the authorized capital, indicating the numbers of bank accounts, amounts and dates of transactions (in the case of applying paragraph 4 of this article);

10) the income and expenses of each branch of a controlled foreign company included in the financial profit of a controlled foreign company, indicating the business identification numbers of such branches (in the case of applying subparagraph 1) of part one of paragraph 5 of this article);

11) income from the provision of services (performance of work) in the Republic of Kazakhstan without forming a permanent establishment of a controlled foreign company broken down by amounts and customers, indicating business identification numbers and (or) individual identification numbers (in the case of applying subparagraph 2) of part one of paragraph 5 of this article);

12) the structure of receipt of dividends by a controlled foreign company, reflecting the distribution of such dividends from the original source (in the case of applying subparagraphs 3), 4), 5), 9) and 10) of part one of paragraph 5 of this article).

For the purposes of part one of this subparagraph, the structure must contain the name of persons other than individuals, and also contain the following information about each participant in the structure:

amounts and periods of dividend distribution;

registration numbers in the country of residence;

amounts of financial profit for the periods in which dividends were distributed;

13) income in the form of remuneration, royalties from sources in the Republic of Kazakhstan broken down by amounts and names of residents of the Republic of Kazakhstan who paid the income, indicating business identification numbers and (or) individual identification numbers (in the case of applying subparagraphs 6) and 8) of part one of paragraph 5 of this article in relation to income in the form of remuneration, royalties);

14) income in the form of increase in value broken down by amounts, names and sold assets, including those located in the Republic of Kazakhstan, indicating registration numbers in the country of residence (in the case of applying subparagraphs 6), 7) and 8) of part one of paragraph 5 of this article in relation to income in the form of increase in value);

15) in the case of applying paragraph 4 of Article 346, paragraph 2 of Article 413 and paragraph 2 of Article 414 of this Code:

the amount of payment in the foreign state in which the controlled foreign company and (or) permanent establishment of the controlled foreign company are registered, of foreign income tax on the financial profit of the controlled foreign company and (or) permanent establishment of the controlled foreign company;

withholding and transferring to the budget of a foreign state (foreign states) of tax at the source of payment from income (incomes) included in the financial profit before taxation of a controlled foreign company and (or) a permanent establishment of a controlled foreign company;

inclusion in the financial profit before taxation of income (incomes) taxed at the source of payment.

13. Failure to include in the taxable income of a resident legal entity or in the annual income of a resident individual, as reported in the tax return the financial profits of a controlled foreign company or the financial profits of a permanent establishment of a controlled foreign company subject to taxation in accordance with the procedure determined by this article, or understatement of the amount of such financial income of a controlled foreign company or permanent establishment of a controlled foreign company in the tax return of a resident shall entail liability under the laws of the Republic of Kazakhstan.

14. A resident shall be exempt from liability and the accrual of penalties if the following conditions are met simultaneously:

1) if the authorized body, as a result of the exchange of information conducted with the competent or authorized body of a foreign state in accordance with an international treaty, on

the basis of information available to the authorized body in accordance with paragraph 15 of this article, has received the following information:

on the resident's direct or indirect or constructive ownership of shares or the resident's direct or indirect or constructive control in a controlled foreign company;

on the effective rate of profit tax;

on the financial profit before tax of a controlled foreign company or a permanent establishment of a controlled foreign company;

2) if it is impossible for a resident to independently obtain the information specified in subparagraph 1) of part one of this paragraph;

3) if a resident submits to the relevant tax authority an application for participation (control) in a controlled foreign company and a declaration on corporate or individual income tax for the previous and (or) reporting tax period (periods) with the inclusion in the taxable income of a resident legal entity or the annual income of an resident individual of the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company subject to taxation, within the timeframes established in the notification of the tax authority.

The impossibility of obtaining information shall be understood as the simultaneous fulfillment of the following conditions:

1) sending of requests by a resident more than once independently and/or through a controlled person to a controlled foreign company and not receiving responses to their requests regarding the size of the shareholding or control in the controlled foreign company and/or the submission of approved financial statements and/or audited financial statements of the controlled foreign company or permanent establishment of the controlled foreign company for the relevant period(s);

2) absence of information on the financial statements of the controlled foreign company or permanent establishment of the controlled foreign company on Internet resources, in the media and other sources of information due to the non-public nature of the controlled foreign company.

15. If a resident is unable to obtain information independently, the resident has the right to apply to the authorized body with a request to send a request to the competent or authorized body of a foreign state with which the Republic of Kazakhstan has an international agreement , in terms of obtaining the following information and (or) documents from it:

1) on the size of the resident's shareholding or the resident's control over a controlled foreign company;

2) on the effective tax rate on the profit of a controlled foreign company or a permanent establishment of a controlled foreign company for the relevant period (periods) (if necessary);

3) on the financial profit before tax of the controlled foreign company or permanent establishment of the controlled foreign company for the relevant period(s) (if necessary);

4) the audited financial statements of the controlled foreign company or permanent establishment of the controlled foreign company for the relevant period(s).

The resident shall attach information to the application to the authorized body about the controlled foreign company, disclosing all involved controlled persons through whom indirect or constructive participation or indirect or constructive control is exercised. The resident also has the right to attach to the application copies of requests sent to the controlled foreign company independently or through a controlled person for the controlled foreign company to provide the information and/or documents specified in this paragraph.

16. When exercising tax control, the tax authority has the right to request from the resident the audited financial statements of the controlled foreign company and (or) the permanent establishment of the controlled foreign company.

The resident is obliged to submit the audited financial statements (with mandatory translation into Kazakh or Russian) within two hundred and fifty calendar days from the date of the request.

After receiving the audited financial statements, the tax authority has the right to recalculate the financial profit of the controlled foreign company or permanent establishment of the controlled foreign company if there are any discrepancies with the approved financial statements.

If the audited financial statements are not submitted by the deadline specified in part two of this paragraph, the tax authority has the right to recalculate the financial profit of the controlled foreign company or permanent establishment of the controlled foreign company in accordance with the procedure established by paragraph 4 of this article.

Footnote. Article 335 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 336. Statement of participation (control) in a controlled foreign company

1. A resident is required to submit a statement of participation (control) in a controlled foreign company no later than March 31 of the year following the reporting tax period.

A statement of participation (control) in a controlled foreign company shall be submitted to the tax authority as of December 31 of the reporting tax period.

The provisions of this paragraph shall not apply to residents who meet the requirements of subparagraph 1) of paragraph 1 of Article 334 of this Code.

2. The resident shall submit a statement of participation (control) in a controlled foreign company to the tax authority at the place of residence or location.

3. If incomplete information, inaccuracies or errors are found in filling out of the submitted statement of participation (control) in a controlled foreign company, the resident shall have the right to submit a corrected statement taking into account the updated information.

4. If the tax authority has information, including information received from a competent or authorized body of a foreign state within the exchange of information for taxation purposes

under an international treaty to which the Republic of Kazakhstan is a party, indicating that a resident directly or indirectly or constructively holds shares or direct or indirect or constructive control in a controlled foreign company, and if such resident has not submitted a statement of participation (control) in a controlled foreign company within the established timeframes in accordance with this article, the tax authority shall send a notice to such resident taxpayer on remedying the violations of the tax legislation of the Republic of Kazakhstan, which must reflect the following information:

1) the name or the last name, first name and patronymic of the resident to whom the notice is sent;

2) the name of the controlled foreign company or permanent establishment of the controlled foreign company in respect of which the tax authority has information indicating that the resident owns, directly or indirectly, or constructively, participating interests or has direct or indirect or constructive control in the controlled foreign company;

3) the state and (or) tax registration numbers of the controlled foreign company or permanent establishment of the controlled foreign company (if there is tax registration);

4) description of the grounds available to the tax authorities for recognizing the resident's participating interests or control in the controlled foreign company;

5) a requirement to submit a statement of participation (control) in the controlled foreign company;

6) a requirement to submit a declaration on corporate or individual income tax reflecting the tax liability in accordance with Article 335 of this Code.

5. If the resident agrees with the violations specified in the notice on remedying the violations of the tax legislation of the Republic of Kazakhstan, the resident shall submit to the relevant tax authority a statement on participation (control) in a controlled foreign company no later than thirty working days following the date of receipt of the notice on remedying of breaches of the tax legislation of the Republic of Kazakhstan, tax reports regarding inclusion of tax liabilities arising in accordance with Article 335 of this Code for the period of direct or indirect or constructive holding of shares or the existence of direct or indirect or constructive control in a controlled foreign company.

6. In case of disagreement with the violations specified in the notice, the resident shall submit one of the following documents:

1) an explanation of the identified violations in writing on paper or in the form of an electronic document - to the tax authority that sent the notice on remedying the violations of the tax legislation of the Republic of Kazakhstan;

2) a complaint about the actions (inaction) of officials of the tax authority that sent the notice on remedying the violations of the tax legislation of the Republic of Kazakhstan - to the authorized body or the court.

In this case, the resident is obliged, together with the explanations, to submit documents certifying the absence of ownership by the resident, directly or indirectly, or constructively, of

participation interests, or the absence of direct or indirect or constructive control by the resident in the controlled foreign company.

7. The tax authority is obliged to study the explanations and supporting documents provided by the resident.

8. A resident taxpayer shall be recognized as directly or indirectly or constructively holding participating interests or direct or indirect or constructive control in a controlled foreign company if one of the following conditions is met:

1) absence of a complaint about the actions (inaction) of officials of the tax authority that sent the notice and the taxpayer's failure to execute the notice;

2) absence of grounds denying the information specified in paragraph 4 of this article on the resident's holding of participatory interest directly or indirectly or constructively, or on direct or indirect or constructive controlling interest in a controlled foreign company pursuant to the consideration of explanations and supporting documents of the resident taxpayer, which are and (or) were available to the tax authority.

If, in accordance with this chapter, a resident is recognized as directly or indirectly or constructively holding participation interests, or if a resident is recognized as having direct or indirect or constructive control over a controlled foreign company, the provisions of this chapter shall apply to such resident. In this case, the tax authority shall send to such resident taxpayer a resolution on recognizing him as directly or indirectly or constructively holding participation interests or direct or indirect or constructive control in a controlled foreign company no later than three working days from the date of the decision on such recognition.

9. A resident taxpayer who is recognized as directly or indirectly or constructively holding participation interests in direct or indirect or constructive control in a controlled foreign company has the right to appeal this decision with the authorized body no later than fifteen working days from the date of receipt of such decision.

10. The provisions of paragraph 8 of this article shall also apply to cases that simultaneously meet the following conditions:

1) when a resident receives one of the following types of a dismissed complaint:

by a court;

by a superior tax authority;

by an authorized body;

2) when a taxpayer fails to execute the notice to remedy a violation of the tax legislation of the Republic of Kazakhstan or a resolution of a tax authority recognizing a resident taxpayer as directly or indirectly or constructively holding participation interests or direct or indirect or constructive control in a controlled foreign company.

11. The provisions of paragraphs 4–10 of this article shall also apply to cases of timely submission by a resident of a statement of participation (control) in a controlled foreign company in the absence of information about one or more controlled foreign companies.

Chapter 34. REDUCTION OF TAXABLE INCOME

Article 337. Reduction of taxable income

1. The taxpayer has the right to reduce taxable income by the following types of expenses:

1) taxpayers who were monitored by large taxpayers during the tax period, with the exception of horizontal monitoring participants - in the amount of a total sum not exceeding 3 percent of taxable income:

charitable assistance, if there is a decision by the taxpayer based on a request from the assistance recipient;

the cost of property transferred gratuitously, the recipient of which is:

a non-profit organization;

an organization operating in the social sphere.

The provisions of this subparagraph shall also apply to taxable income from contractual activities of a subsoil user;

2) taxpayers, with the exception of taxpayers referred to in subparagraph 1) of this paragraph - in a total amount not exceeding 4 percent of taxable income:

charitable assistance, if there is a decision by the taxpayer based on an application from the assistance recipient;

the value of property transferred gratuitously, the recipient of which is:

a non-profit organization;

an organization operating in the social sphere.

The provisions of this subparagraph shall also apply to taxable income from contractual activities of a subsoil user;

3) twice the amount of expenses incurred for the remuneration of persons with disabilities and 50 percent of the amount of social tax calculated on the wages and payments to persons with disabilities;

4) social business entities included in the register of social business entities - in the amount of expenses incurred to pay for training in a profession, vocational training, retraining or advanced training of employees who are:

persons with disabilities;

parents and other legal representatives raising a child with disabilities;

pensioners and citizens of pre-retirement age (within five years before reaching the age entitling to old-age pension payments);

pupils of children's villages and graduates of orphanages, boarding schools for orphans and children without parental care, under the age of twenty-nine;

persons released from serving a sentence in penal (penitentiary) system institutions, within twelve months after release;

kandases.

The reduction in taxable income provided for in this subparagraph shall be applied in the amount of expenses incurred per employee for the tax period, but not more than 120 times the monthly calculation indicator in effect on January 1 of the relevant financial year.

When changing the status of an employee provided for in part one of these subparagraphs, the reduction in the amount of taxable income shall be made based on the proportion of months in the tax period when the employee corresponded to the status determined by part one of this subparagraph.

The reduction in taxable income for an employee shall be made once and shall not be repeated in subsequent tax periods;

5) expenses for training an individual who is not in an employment relationship with the taxpayer, subject to the conclusion of an agreement with the individual on the obligation to work for the taxpayer for at least three years.

For the purposes of this subparagraph, expenses for training shall include:

actually incurred expenses for tuition;

actually incurred expenses for accommodation within the standards established by the tax policy authority;

expenses for payment to the trainee of money in the amounts determined by the taxpayer, but not exceeding the standards established by the tax policy authority;

actually incurred expenses for travel to the place of study upon admission and back after completion of training;

actually incurred expenses for insurance in case of illness of the trainee during the period of temporary stay outside the Republic of Kazakhstan during the training term.

The provisions of this subparagraph shall not apply in the following cases:

failure to conclude an employment contract with an individual, to whose training expenses the provisions of this subparagraph apply, within three months from the date of completion of training by the individual, except for the case of reimbursement by the individual of training expenses in full or in part during the time that includes the tax period in which the individual's training was completed, as well as the subsequent tax period. In the event of such reimbursement, the provisions of this subparagraph shall not apply in the amount of training expenses not reimbursed by the individual;

termination of an employment contract with an individual, to whose training expenses the provisions of this subparagraph apply, before the lapse of three years from the date of conclusion of the employment contract with such an individual, except in the case of reimbursement of training expenses by the individual in full or in part during the time that includes the tax period in which the employment contract was terminated, as well as the subsequent tax period. In the event of such reimbursement, the provisions of this subparagraph shall not apply to the amount of training expenses not reimbursed by the individual;

application by the subsoil user of the provisions of Article 317 of this Code in respect of such training expenses;

6) in the size of 200 percent of the amount of expenses attributed to deductions in accordance with Article 269 of this Code for:

research, scientific and technological and (or) experimental design work in connection with creation of an industrial property object, including work for which there is a title of protection;

acquisition of exclusive rights to intellectual property from higher education institutions, scientific organizations, autonomous educational organizations, start-up companies under a license agreement or an agreement on the assignment of exclusive rights for the purpose of commercializing the results of scientific and (or) scientific and technical activities.

The provisions of this subparagraph shall apply in the event of implementation of the specified work and (or) the implementation (use) of the results of scientific and (or) scientific and technological activities on the territory of the Republic of Kazakhstan.

Confirmation of the conducted scientific research, scientific and technological, and experimental design work and (or) the implementation (use) of the results of such work and (or) the results of scientific and (or) scientific and technological activities shall be an act of implementation (use) of the results of scientific and (or) scientific and technological activities, drawn up in the form and agreed upon in the procedure established by the science authority in agreement with the authorized bodies of the relevant sector;

7) expenses in the form of an endowment (target contribution) to an endowment fund (target capital) by financing charitable facilities provided for by the charitable program of the endowment fund (target capital) in accordance with the legislation of the Republic of Kazakhstan on target capital funds and endowment funds (target capital), subject to the simultaneous observance of the following conditions:

the recipient of the endowment (target contribution) is a target capital fund registered in accordance with the legislation of the Republic of Kazakhstan on state registration of legal entities and accounting registration of branches and representative offices;

the target contribution agreement provides for an indefinite and irrevocable transfer of the endowment (target contribution);

availability of documents confirming fulfillment of the obligations under the target contribution agreement, which provides for the targeted use of the endowment (target contribution).

Subsoil users shall apply the provisions of this subparagraph after fulfilling the obligations provided for in subparagraphs 5), 9) and 10) of paragraph 2 and subparagraphs 5), 6) and 8) of paragraph 2-1 of Article 36 of the Code of the Republic of Kazakhstan “On Subsoil and Subsoil Use”.

2. The taxpayer has the right to reduce taxable income by the following types of income:

1) 50 percent of the remuneration amount under the leasing agreement, excluding penalties (fines), but not more than 50 percent of the amount of taxable income for the reporting tax period, determined before the reduction provided for in this article;

2) remuneration on debt securities that are on the official list of the stock exchange operating in the territory of the Republic of Kazakhstan as of the date of accrual of such remuneration;

3) remuneration on agency bonds;

4) remuneration on securities issued by a national management holding company created as part of measures to optimize the management system of development institutions, financial organizations and the development of the national economy;

5) capital gains from the sale through open trading on a stock exchange operating in the Republic of Kazakhstan, of securities that are listed on the official lists of that stock exchange on the date of sale;

6) capital gains from the sale of agency bonds;

7) capital gains on the sale of shares issued by a resident legal entity, or a share in a resident legal entity or a consortium created in the Republic of Kazakhstan, unless otherwise established by subparagraphs 5) and 10) of this paragraph, subject to the simultaneous fulfillment of the following conditions:

on the date of sale of shares or participation interests the taxpayer has owned these shares or participation interests for more than three years;

such legal entity - the issuer or such legal entity, whose participation interest is being sold, or a participant in such a consortium, which is selling a participation interest in such a consortium, is not a subsoil user;

the property of persons (person) who are (is) subsoil users (a subsoil user), in the value of assets of such an issuing legal entity or such legal entity, whose participation interest is being sold, or the total value of the assets of the participants of such a consortium, whose participation interest is being sold, on the date of such sale is no more than 50 percent.

The period of ownership of shares or participation interests by the taxpayer specified in this subparagraph shall be determined in aggregate taking into account the periods of ownership of shares or participation interests by the previous owners, if such shares or participation interests were received by the taxpayer as a result of reorganization of the previous owners.

For the purposes of this subparagraph, a subsoil user shall not be recognized as a subsoil user who is such solely due to the possession of the right to extract groundwater and (or) common minerals for their own needs.

In this case, the share of the property of persons (persons) who are (are) subsoil users (a subsoil user) in the value of the assets of a legal entity or consortium whose shares or participation interests are sold shall be determined in accordance with Article 687 of this Code;

8) capital gains from the sale of debt securities issued by a resident legal entity, with the exception of income specified in subparagraphs 5) and 6) of this paragraph, as well as income of a person who is a resident of a state with preferential taxation, subject to the simultaneous fulfillment of the following conditions:

on the date of sale of debt securities, the taxpayer has owned these debt securities for more than three years;

such issuing legal entity is not a subsoil user;

the property of persons (person) who are (is) subsoil users (a subsoil user), in the value of the assets of such issuing legal entity on the date of such sale is no more than 50 percent.

For the purposes of this subparagraph, a subsoil user shall not be recognized as a subsoil user who is such solely due to possession of the right to extract groundwater and (or) common minerals for their own needs. In this case, the share of the property of persons (person) who are (is) subsoil users (a subsoil user) in the value of the assets of the issuing legal entity shall be determined in accordance with Article 687 of this Code;

9) gains from the sale of securities issued by the national management holding created within the framework of measures to optimize the management system of development institutions, financial organizations and the development of the national economy;

10) gains from the sale of shares issued by participants of the Astana Hub, shares in the authorized capital of a participant of the Astana Hub;

11) the value of property received through authorized bodies in the form of humanitarian aid distributed by the Government of the Republic of Kazakhstan for the prevention and elimination of emergency situations and used for its intended purpose;

12) the value of property received gratuitously by a republican state enterprise from a state body or a republican state enterprise on the basis of a resolution of the Government of the Republic of Kazakhstan;

13) remuneration under a bank deposit agreement received by an organization of sustainability, whose 100 percent of the voting shares belong to the National Bank, within the framework of the program for refinancing mortgage housing loans (mortgage loans), transferred to an organization specializing in improving the quality of second-tier banks' loan portfolios, whose sole shareholder is the Government of the Republic of Kazakhstan;

14) income of a taxpayer from cargo carriage and (or) provision of services under bareboat charter, time charter agreements by a sea vessel registered in the international ship registry of the Republic of Kazakhstan;

15) income of the copyright holder of a film recognized as a national film under the legislation of the Republic of Kazakhstan on cinematography, from the release and screening of such a national film in cinemas on the territory of the Republic of Kazakhstan in the presence of an exclusive right in accordance with the Law of the Republic of Kazakhstan "On Copyright and Related Rights".

The provisions of subparagraphs 2) and 5) of part one of this paragraph shall not apply to remuneration and income from gains on government securities.

The provisions of subparagraphs 2) and 5) of part one of this paragraph shall apply to income in the form of remuneration and gains on government securities issued by the Ministry of Finance of the Republic of Kazakhstan in the size of 50 percent of the amount of income received for the reporting tax period.

Note!

Subparagraph 9) is effective until 01.01.2031 in accordance with subparagraph 5) of paragraph 2 of Article 848 of this Code.

Note!

Subparagraph 13) is effective until 01.01.2027 in accordance with subparagraph 1) of paragraph 2 of Article 848 of this Code.

Note!

Subparagraph 13) is effective until 01.01.2029 in accordance with subparagraph 3) of paragraph 2 of Article 848 of this Code.

Chapter 35. LOSSES

Article 338. Accounting for losses

For tax purposes, the following losses shall be accounted for:

1) on business activity;

2) on disposal of long-term tangible assets;

3) on disposal of investment assets;

4) on intellectual property when carrying out priority activities by participants in Astana Hub;

5) on a derivative financial instrument.

Article 339. Loss on business activity

1. A business loss shall be recognized as a negative value obtained by applying the formula in accordance with paragraph 1 of Article 236 of this Code. Unless otherwise provided by this Article, a loss on business activity for a tax period shall be carried forward successively to the next ten tax periods inclusive and shall be offset against taxable income for these tax periods.

The taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, with the exception of those registered in states with preferential taxation, shall be reduced by the amount of losses on business activity in the Republic of Kazakhstan that arose during the reporting period and two previous tax periods successively preceding the reporting tax period. Losses recorded in the current and (or) previous periods at the expense of taxable items defined in Article 235 of this Code shall not be accounted for.

2. Losses on business activity incurred by a subsidiary of a bank that acquires doubtful and hopeless assets of the parent bank are not carried forward to subsequent tax periods.

Article 340. Loss on disposal of long-term tangible assets

1. The loss on disposal of long-term tangible assets is recognized as the total amount of the following types of losses:

1) loss on disposal of fixed assets of group I;

2) loss on disposal of unfinished construction facilities;

3) loss on disposal of uninstalled machinery and equipment;

4) loss on disposal of assets with a service life of more than one year that are not classified as fixed assets or reserves.

2. The loss on disposal of fixed assets of group I is recognized as the negative value of the total amount of results from all disposals of fixed assets of group I for the tax period, obtained in accordance with paragraph 1 of Article 244 of this Code.

3. The loss on disposal of unfinished construction facilities is the negative value of the total amount of results from all operations on disposal of such facilities for the tax period, obtained in accordance with paragraph 4 of Article 254 of this Code.

4. The loss on disposal of uninstalled machinery and equipment is the negative value of the total amount of results from all operations on disposal of such machinery and equipment for the tax period, obtained in accordance with paragraph 4 of Article 254 of this Code.

5. The loss on disposal of assets with a service life of more than one year, not classified as fixed assets or reserves, is the negative value of the total amount of results from all operations on disposal of such assets for the tax period, obtained in accordance with paragraph 4 of Article 254 of this Code.

6. The loss on disposal of long-term tangible assets is not accounted for in the tax period for which it is determined.

Such loss is carried forward successively to the next ten tax periods inclusive and is offset by taxable income for these tax periods.

Article 341. Loss on disposal of investment assets

1. Loss on disposal of investment assets shall be recognized as losses on disposal of the following types of assets:

1) land plots;

2) securities;

3) participation interests;

4) investment gold.

2. Loss on disposal of land plots is the negative value of the total amount of results on all transactions on disposal of land plots for the tax period, obtained in accordance with paragraph 4 of Article 254 of this Code.

3. Loss on disposal of participation interests is the negative value of the total amount of results on all transactions on disposal of participation interests for the tax period, obtained in accordance with paragraph 1 of Article 251 of this Code.

4. A loss on disposal of securities is a negative value of the total amount of results on all transactions involving the disposal of securities for a tax period, obtained in accordance with paragraph 3 of Article 252 of this Code.

5. A loss on disposal of investment gold is a negative value of the total amount of results on all transactions involving the disposal of investment gold for a tax period, obtained in accordance with paragraph 4 of Article 254 of this Code.

6. Losses on disposal of each type of asset specified in paragraphs 2–5 of this Article that arose during a tax period shall be offset by value gains on the same type of asset for the same tax period.

The amount of loss on disposal of each type of asset that was not offset in the period in which it occurred shall be carried over sequentially to the next ten tax periods inclusive and shall be offset by value gains on the same type of asset of these tax periods.

Article 342. Loss on a derivative financial instrument

1. A loss on a derivative financial instrument is defined as the excess of expenses over receipts, which are determined in accordance with Articles 290 and 291 of this Code.

Unless otherwise provided by this paragraph, a loss on a derivative financial instrument is recognized on the date of execution, early or other termination of rights, also on the date of execution of a transaction with a derivative financial instrument, the claims under which offset in full or in part the obligations under a previously executed transaction with a derivative financial instrument.

A loss on a swap, as well as another derivative financial instrument, the term of which exceeds twelve months from the date of its conclusion, the execution of which provides for payments before expiry of the financial instrument, the amount of which depends on changes in price, exchange rates, interest rates, indices and other indicators established by such a derivative financial instrument, shall be recognized in each tax period in which the excess specified in the first part of this paragraph arises.

In this case, a loss on a derivative financial instrument used for purposes other than hedging or delivery of the underlying asset shall be carried forward in the manner specified in paragraph 2 of this article.

A loss on a derivative financial instrument used for hedging purposes shall be accounted for in accordance with Article 292 of this Code.

2. Losses on derivative financial instruments used for purposes other than hedging or delivery of the underlying asset shall be offset against income from derivative financial instruments used for purposes other than hedging or delivery of the underlying asset.

If such losses cannot be offset in the period in which they arise, they may be carried forward for up to ten years and offset against income from derivative financial instruments used for purposes other than hedging or delivering the underlying asset.

Article 343. Loss on intellectual property in the course of priority activities carried out by Astana Hub participants

1. Losses on intellectual property in the course of priority activities carried out by Astana Hub participants shall be determined as the excess of deductions provided for in this section over total annual income, taking into account reductions in total annual income specified in Article 255 of this Code. The loss shall be determined for each intellectual property item.

2. Losses on intellectual property in the course of priority activities carried out by Astana Hub participants shall be carried forward to subsequent tax periods and offset against taxable income for those tax periods for each intellectual property item within the limitation period.

Article 344. Losses transferred in connection with the reorganization

1. The losses established by Article 338 of this Code, transferred in connection with reorganization by division or spin-off, shall be distributed among the newly created taxpayers in proportion to the specific weight of the value of the assets transferred on the basis of the separation balance sheet in the value of the assets of the reorganized legal entity as of the date preceding the date of preparation of the separation balance sheet. The transferred losses shall be taken into account and carried forward by the newly created taxpayers in the manner determined by Articles 339 - 343 of this Code.

2. Unless otherwise established by paragraph 3 of this Article, in the case of legal entity's reorganization by accession or merger, the losses of the reorganized legal entity shall not be accounted for by the legal successor.

3. When a legal entity is reorganized by way of accession or merger in accordance with the resolution of the Government of the Republic of Kazakhstan, the losses of the reorganized legal entity shall be transferred to the legal successor once during each reorganization and shall be transferred by the legal successor in the manner determined by Articles 339–343 of this Code.

Chapter 36. PROCEDURE FOR CALCULATION AND PAYMENT TERMS FOR CORPORATE INCOME TAX Paragraph 1. Calculation and payment of corporate income tax

Article 345. Calculation of corporate income tax amount

1. Corporate income tax, with the exception of corporate income tax on net income and corporate income tax withheld at the source of payment, shall be calculated for the tax period in the following order:

the amount of corporate income tax calculated by the taxpayer, obtained by adding up the amounts of calculated corporate income tax from taxable income for each type of activity in accordance with paragraph 2 of this Article,

plus

the amount of calculated corporate income tax from taxable income of controlled foreign companies and permanent establishments of controlled foreign companies in accordance with paragraph 3 of this Article

minus

the amount of corporate income tax credited in accordance with Article 346 of this Code,

minus

the amount of corporate income tax withheld in the tax period at the source of payment in accordance with Article 352 of this Code, if there are documents confirming the tax withholding,

minus

the amount of corporate income tax withheld at the source payments from the income carried over from previous tax periods in accordance with paragraph 4 of this article.

2. Corporate income tax on taxable income for each type of activity specified in paragraph 2 of Article 357 of this Code shall be calculated as the product of taxable income for tax calculation and the corresponding corporate income tax rate for the type of activity.

Taxable income for tax calculation purposes shall be determined as follows:

taxable income determined in accordance with Article 236 of this Code,

minus

reduction of taxable income by the amount of income and expenses provided for in Article 337 of this Code,

minus

losses carried forward or compensated in accordance with the procedure established by Articles 339–344 of this Code.

3. The amount of corporate income tax on the taxable income of controlled foreign companies and permanent establishments of controlled foreign companies is calculated by adding:

the amount of corporate income tax calculated as the product of the corporate income tax rate and the taxable income of controlled foreign companies and permanent establishments of controlled foreign companies, except for those registered in countries with preferential taxation, taking into account the reduction by the amount of losses in accordance with Article 339 of this Code; and

the amount of corporate income tax calculated as the product of the corporate income tax rate and the taxable income of controlled foreign companies and permanent establishments of controlled foreign companies registered in countries with tax privileged jurisdiction.

4. The positive difference between the amount of corporate income tax withheld at the source of payment and the amount of corporate income tax calculated in accordance with paragraph 1 of this article, payable to the budget, shall be carried over to subsequent tax periods during the limitation period and shall consistently reduce the amounts of corporate income tax payable to the budget of these tax periods.

Article 346. Crediting of foreign tax

1. Unless otherwise provided by this article, the amounts of taxes on income or profits or other foreign taxes similar to corporate or individual income tax (hereinafter, for the purposes of this article, foreign income tax) paid outside the Republic of Kazakhstan on the income received by a resident taxpayer from sources outside the Republic of Kazakhstan shall be

credited against corporate or individual income tax in the Republic of Kazakhstan if there is a document evidencing the payment of such foreign income tax.

Such a document is a certificate on the amounts of income received from sources in a foreign state and taxes paid, issued and (or) certified by the foreign state's tax authority.

If a certificate on the amounts of income received from sources in a foreign state and taxes paid, issued and (or) certified by the foreign state's tax authority, is drawn up in a foreign language, a translation into Kazakh or Russian, certified by a notary, as established by the legislation of the Republic of Kazakhstan, is required.

When crediting amounts of foreign income tax paid in a foreign state against corporate or individual income tax, the taxpayer has the right to submit the certificate specified in this paragraph at the tax authority's request.

2. Foreign income tax calculated on the income of a resident taxpayer from sources outside the Republic of Kazakhstan shall not be credited in the Republic of Kazakhstan:

exempt from taxation in accordance with this Code provisions;

subject to reduction under Article 255 of this Code;

subject to taxation in the Republic of Kazakhstan in accordance with the provisions of an international treaty, regardless of the fact of payment and (or) withholding of foreign income tax from such income in a foreign state within the limits of the overpaid amount of tax in the foreign state. In this case, the overpaid tax amount is defined as the difference between the actually paid amount of foreign income tax and the amount of foreign income tax payable in a foreign state in accordance with the provisions of the international treaty.

3. The size of the creditable amounts provided for in this article shall be determined for each foreign state separately.

In this case, the size of the creditable amount of foreign income tax shall be the lower of the following amounts:

1) the amount of foreign income tax actually paid in a foreign state on the income received by a resident taxpayer from sources outside the Republic of Kazakhstan;

2) the amount of foreign income tax on the income from sources outside the Republic of Kazakhstan, payable in a foreign state in accordance with the provisions of an international treaty of the Republic of Kazakhstan;

3) the amount of corporate or individual income tax on the income from sources outside the Republic of Kazakhstan, calculated in the Republic of Kazakhstan at the rate established by this Code.

Within the limitation period established by Article 65 of this Code the taxpayer shall offset foreign income tax on the income from sources outside the Republic of Kazakhstan in the tax period in which the said income is to be received (received).

In the event that the income is recognized in a foreign state in a tax period different from the tax period in which the said income is recognized in accordance with this Code, the resident taxpayer shall have the right to offset foreign income tax on the income from sources

outside the Republic of Kazakhstan in the tax period in which such income is accrued in accordance with the tax legislation of the Republic of Kazakhstan.

The provisions of this paragraph shall not apply to the provisions of paragraph 4 of this Article.

4. The amount of income tax on the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company, calculated according to the following formula, shall be credited against the payment of corporate income tax in the Republic of Kazakhstan:

To = P × D × Re / 100%, where:

To – is the amount of income tax to be credited;

P - positive amount of financial profit of a controlled foreign company or positive amount of financial profit of a permanent establishment of a controlled foreign company, included in the taxation item of a resident in accordance with Article 228 of this Code;

D - coefficient of direct or indirect or constructive participation or direct or indirect or constructive control of a resident in a controlled foreign company, determined in accordance with Article 335 of this Code;

Re - effective rate determined in accordance with subparagraph 18) of paragraph 3 of Article 332 of this Code, excluding income tax, including withheld at the source of payment in the Republic of Kazakhstan from the income specified in subparagraphs 1) - 10) of part one of paragraph 5 of Article 335 of this Code.

The provisions of the first part of this paragraph shall not apply to a controlled foreign company and/or permanent establishment of a controlled foreign company that are registered in countries with preferential taxation and and/or a resident, when calculating the total profit of a controlled foreign company and/or a permanent establishment of a controlled foreign company, uses a formula with a passive income share in the current tax period.

If the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company was subject to foreign income tax in two or more foreign states, then only foreign income tax with an effective rate equal to the maximum of the effective rates of foreign income tax paid in such foreign countries shall be credited. The provisions of this part shall apply:

1) in case of indirect ownership of participation interests (voting shares) or indirect control in a controlled foreign company and payment of foreign income tax in two or more foreign states (in which the controlled person (controlled persons) through which such indirect ownership or such indirect control is exercised is registered) on the financial profits of the controlled foreign company or the financial profits of a permanent establishment of the controlled foreign company, or

2) in case of direct ownership of participation interests (voting shares) or direct control in a controlled foreign company and payment of foreign income tax on the financial profits of a

permanent establishment of the controlled foreign company in foreign states in which the following are registered:

a permanent establishment of the controlled foreign company;

a controlled foreign company that has created a permanent establishment.

In the event that a resident directly or indirectly holds participating interests (voting shares) or direct or indirect control in a controlled foreign company, the amount of foreign income tax on the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company, subject to credit in accordance with this paragraph, shall be calculated separately for each direct and indirect ownership of participating interests (voting shares) or direct and indirect control in a controlled foreign company. In this case, the amount of such foreign income tax calculated separately for direct and indirect ownership of participating interests (voting shares) or direct and indirect control in a controlled foreign company shall be credited in accordance with this paragraph.

To apply this paragraph, a resident must have the following documents (with mandatory translation into Kazakh or Russian):

a copy of the approved separate financial statements of the controlled foreign company and/or the permanent establishment of the controlled foreign company;

a document certified by the signature of the chief executive (or a person authorized to sign financial statements) of a resident, disclosing the unified organizational structure of a consolidated group of which the resident is a participant (shareholder), reflecting the names of all participants in such a consolidated group and their geographic location (names of states (territories) where the participants in the consolidated group were created (established), the size of their shares and state and tax registration numbers of all participants in the consolidated group (if tax registration is available);

a copy of a document (documents) drawn up in a foreign language confirming the payment in a foreign state in which the controlled foreign company is registered or the permanent establishment of the controlled foreign company is registered of foreign income tax on the financial profits of the controlled foreign company and (or) the permanent establishment of the controlled foreign company;

a copy of a document (documents) drawn up in a foreign language confirming withholding and transfer to the budget of a foreign state (foreign states) of tax at the source of payment from income (incomes) included in financial profit before taxation;

a document certified by the signature of the chief executive (or a person authorized to sign the financial statements) of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in the financial profit before tax of income (incomes) taxed at the source of payment, or an explanatory note to the audited financial statements certified by the person who conducted the audit of the financial

statements of a controlled foreign company and (or) a permanent establishment of a controlled foreign company, disclosing information on inclusion in the financial profit before tax of income (incomes) taxed at the source of payment.

Article 347. Terms and procedure of paying corporate income tax

1. Taxpayers shall pay corporate income tax calculated in accordance with Article 345 of this Code at their location.

2. The amount of advance payments to the budget during the tax period shall be offset against the payment of corporate income tax calculated according to the corporate income tax return for the reporting tax period.

The taxpayer shall pay corporate income tax based on the tax period results no later than ten calendar days after the deadline established for filing of the return.

3. The taxpayer shall pay corporate income tax calculated in accordance with Chapter 33 of this Code based on the tax period results no later than ten calendar days after the last deadline established by paragraph 4 of Article 359 of this Code.

The provisions of this paragraph shall not apply to corporate income tax calculated on the taxable income of controlled foreign companies and permanent establishments of controlled foreign companies registered in states with tax-privileged jurisdiction.

Paragraph 2. Advance payments on corporate income tax

Article 348. Payers of advance payments

1. Payers of advance payments are payers of corporate income tax, with the exception of the following persons:

1) taxpayers whose total annual income, taking into account adjustments for the tax period preceding the previous tax period, does not exceed an amount equal to 600,000 times the monthly calculation indicator preceding the previous financial year. When determining the total annual income for the purposes of this subparagraph, the income specified in paragraph 3 of this article shall not be taken into account;

2) unless otherwise established by this subparagraph, newly created (emerged) taxpayers - during the tax period in which the state (accounting) registration with the registering authority was completed, also during the subsequent tax period. A newly created legal entity as a result of reorganization by division or spin-off is a payer of advance payments in the tax period in which such reorganization took place, also during two subsequent tax periods if the legal entity reorganized by division or spin-off calculated advance payments on corporate income tax in the tax period in which such reorganization took place;

3) non-resident legal entities newly registered with the tax authorities as taxpayers, operating in the Republic of Kazakhstan through a permanent establishment without opening a structural subdivision of the legal entity, during the tax period in which registration with the tax authorities was made, also during the subsequent tax period;

4) non-profit organizations applying the provisions of paragraph 1 of Article 329 and Article 330 of this Code;

5) organizations of persons with disabilities that meet the provisions of Article 331 of this Code;

6) participants of the Astana Hub;

7) an organization specializing in improving the quality of second-tier banks' loan portfolios, whose sole shareholder is the Government of the Republic of Kazakhstan;

8) bodies of the Center in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Center" and the organization of the AIFC body;

9) subsoil users developing gas projects on land in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, applying the taxation features provided for in Chapter 83 of this Code.

2. The exceptions provided for in subparagraphs 1) - 9) of paragraph 1 of this article shall not apply to taxpayers operating in the digital asset sector.

3. When determining the total annual income, the following shall not be taken into account:

1) income from the release and screening in cinemas on the territory of the Republic of Kazakhstan of a film recognized as a national film in accordance with the legislation of the Republic of Kazakhstan on cinematography, the exclusive right to which they have, when applying a reduction in taxable income in accordance with subparagraph 15) of paragraph 2 of Article 337 of this Code;

2) income of a taxpayer engaged in cargo carriage and (or) providing services under bareboat charter, time charter agreements by a sea vessel, when applying a reduction in taxable income in accordance with subparagraph 14) of paragraph 2 of Article 337 of this Code;

3) income from priority types of activities for which a reduction in corporate income tax is applied in accordance with Section 17 of this Code.

Article 349. Advance payments for the first quarter

1. Advance payments of corporate income tax for the first quarter of the reporting tax period shall be paid by payers of advance payments who were payers of advance payments in the previous tax period.

2. Advance payments for the first quarter of the reporting tax period shall be calculated (accrued) by the tax authority for each month of the first quarter in the amount of one twelfth of the total amount of advance payments calculated in the calculations of the amounts of advance payments for the previous tax period, including additional calculations.

3. Advance payments for each month of the first quarter shall be paid to the budget no later than the 25th day of each month of the first quarter.

Article 350. Advance payments after declaration

1. Advance payments of corporate income tax for the second, third, and fourth quarters of the reporting tax period (hereinafter, for the purposes of this article, advance payments after the declaration) shall be paid by payers of advance payments.

2. Advance payments after the declaration shall be calculated for each month of the second, third, and fourth quarters of the reporting tax period in the following order:

1) in the amount of one twelfth of the corporate income tax amount calculated for the previous tax period in accordance with paragraph 1 of Article 345 and Article 689 of this Code, except for the cases provided for in subparagraph 2) of this paragraph. For the purposes of calculating advance payments, the corporate income tax amount calculated for the previous tax period shall not include the amount of corporate income tax calculated on the total profit of controlled foreign companies or permanent establishments of controlled foreign companies in accordance with Article 335 of this Code;

2) based on the estimated amount of corporate income tax for the current tax period in the following cases:

if the amount of corporate income tax calculated for the previous tax period in accordance with paragraph 1 of Article 345 and Article 689 of this Code is zero, including zero indicators for tax reporting automatically generated by the information system of the tax authority;

if a newly created legal entity as a result of reorganization by division or spin-off is a payer of advance payments - in the tax period in which the reorganization by division or spin-off took place, also during the two subsequent tax periods;

taxpayers operating in the digital asset sector.

3. Advance payment payers shall prepare and submit to the tax authority at the taxpayer's location a calculation of advance payments after the declaration. The deadline for submitting this calculation is no later than April 20 of the reporting tax period.

4. Taxpayers have the right to adjust the amount of advance payments after the declaration, calculated in accordance with paragraph 2 of this article, based on the estimated amount of corporate income tax for the current tax period. The amounts of advance payments after the declaration, taking into account such adjustments, cannot have a negative value.

The amounts of adjustments provided for in this paragraph shall be reflected in an additional calculation of advance payments after the declaration. The taxpayer has the right to submit such a calculation no later than December 31 of the reporting tax period.

5. Advance payments after the declaration for each month of the second, third, fourth quarters of the reporting tax period are subject to payment to the budget no later than the 25th day of each month of these quarters.

Chapter 37. CORPORATE INCOME TAX WITHHELD AT PAYMENT SOURCE

Article 351. Income taxed at payment source

1. Unless otherwise provided in paragraph 3 of this article, the following types of income of a resident legal entity of the Republic of Kazakhstan are subject to corporate income tax at

the payment source when paid by a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment:

1) winnings;

2) remuneration.

2. The following types of income of a non-resident legal entity of the Republic of Kazakhstan shall be subject to corporate income tax at the payment source:

1) winnings and remuneration when paid by a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, to a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, unless otherwise provided for in paragraph 3 of this Article;

2) income of non-residents from sources in the Republic of Kazakhstan, determined in accordance with Article 679 of this Code, with the exception of those specified in subparagraph 3) of this paragraph, unrelated to a permanent establishment of such non-residents, when paid by a resident legal entity of the Republic of Kazakhstan, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

3) dividends when paid by a resident legal entity, as well as mutual investment funds created in accordance with the laws of the Republic of Kazakhstan, to a structural subdivision of a non-resident legal entity or a permanent establishment of a non-resident.

3. The following are not subject to taxation at the payment source:

1) interest on government securities and agency bonds;

2) remuneration paid to a single accumulative pension fund on placed pension assets;

3) remuneration paid to a voluntary accumulative pension fund on placed pension assets;

4) remuneration paid to insurance organizations operating in the life insurance sector;

5) remuneration paid to mutual and equity investment funds;

6) remuneration paid to the State Social Insurance Fund;

7) remuneration paid to the social health insurance fund;

8) remuneration paid to an organization that provides mandatory guarantee of deposits of individuals;

9) interest on debt securities that are on the official list of a stock exchange operating in the Republic of Kazakhstan on the date of accrual of such remuneration;

10) interest on loans (credits) paid to organizations carrying out certain types of banking operations;

11) interest on a loan (credit), deposit paid to a resident bank;

12) interest on a leasing agreement paid to a resident lessor;

13) interest on repo transactions;

14) interest on microloans paid to organizations engaged in microfinance activities (except for pawnshops);

15) interest on debt securities paid:

to organizations engaged in professional activities in the securities market;

to legal entities through organizations engaged in professional activities in the securities market;

16) interest on deposits paid:

to non-profit organizations, with the exception of those registered in the form of joint-stock companies, institutions and consumer cooperatives, except for associations of an apartment building property owners, cooperatives of owners of apartments (non-residential premises);

to participants of Astana Hub;

17) remuneration paid on a loan (credit, microcredit), the right of claim for which has been assigned to a legal entity specified in the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities";

18) remuneration paid to an organization specializing in improving the quality of second-tier banks' loan portfolios, whose sole shareholder is the Government of the Republic of Kazakhstan;

19) remuneration under a bank deposit agreement paid to a sustainability organization, whose 100 percent of the voting shares belong to the National Bank, within the framework of the program for refinancing mortgage housing loans (mortgage loans), transferred to an organization specializing in improving the quality of second-tier banks' loan portfolios, whose sole shareholder is the Government of the Republic of Kazakhstan.

Article 352. Procedure for calculating corporate income tax withheld at payment source

1. The amount of corporate income tax withheld at the payment source shall be determined by the tax agent by applying the rate established by subparagraph 2) of paragraph 1 of Article 357 of this Code to the amount of income paid, taxable at the source of payment.

2. The tax agent shall be obliged to withhold tax that is withheld at the source of payment when paying the income specified in paragraphs 1 and 2 of Article 351 of this Code, with the exception of income provided for in paragraph 3 of Article 351 of this Code, regardless of the form and place of income payment.

3. A legal entity shall have the right, by its decision, to recognize its structural subdivision as a tax agent for corporate income tax withheld at the source of payment for income taxable at the source of payment that is paid (to be paid) by such structural subdivision.

Unless otherwise provided by this Article, the decision of a legal entity or cancellation of such decision shall take effect on January 1 of the year following the year in which such decision was made.

If a newly created structural subdivision of a legal entity is recognized as a tax agent, then the decision of the legal entity on such recognition shall take effect from the date of creation

of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

The provisions of this paragraph shall not apply to corporate income tax withheld at the source of payment from the income paid (to be paid) to a non-resident legal entity operating in the Republic of Kazakhstan without forming a permanent establishment.

Article 353. Taxation of income of non-resident legal entities whose activities do not result in the formation of a permanent establishment in the Republic of Kazakhstan

The calculation, withholding, and transfer of corporate income tax on the income of non-resident legal entities whose activities do not result in the formation of a permanent establishment in the Republic of Kazakhstan, as established by paragraph 2 of Article 351 of this Code, as well as the submission of tax reports, shall be carried out in accordance with the procedure set forth in Chapter 72 of this Code.

Article 354. Fulfillment of the tax obligation by a tax agent on income paid to a resident in the form of dividends on shares that are the underlying asset of depositary receipts, as well as refund of income tax withheld at the payment source

1. When paying income in the form of dividends on shares that are the underlying asset of depositary receipts to the final (actual) recipient (owner) of income – to a resident through a nominee holder of depositary receipts, the tax agent has the right not to impose income tax at source on such income in the cases and in the procedure provided for by this Code, or to apply to the income of a resident individual the income tax rate provided for in subparagraph 1) of Article 363 of this Code, subject to the simultaneous fulfillment of the following conditions:

1) availability of the list of depositary receipts holders or a document confirming the ownership right of depositary receipts, containing:

last names, first names and patronymics of individuals or names of legal entities that are depositary receipts holders;

information on the number and type of depositary receipts;

names and details of identity documents of individuals, or numbers and dates of state registration of legal entities that are holders of depositary receipts;

2) availability of a document confirming the residency of the Republic of Kazakhstan of the person - the final (actual) recipient (owner) of dividends on shares that are the underlying asset of depositary receipts.

In this case, the document confirming the residency of the Republic of Kazakhstan is submitted to the tax agent no later than one of the dates specified in paragraph 3 of Article 705 of this Code, whichever comes first.

The list of depositary receipts holders referred to in subparagraph 1) of part one of this paragraph shall be compiled by an organization authorized for depository activities on the securities market of the Republic of Kazakhstan or a foreign state, if an agreement for the recording and confirmation of ownership rights to depositary receipts is concluded between

the resident issuer of shares that are the underlying asset of the depositary receipts and such organization.

The document confirming the ownership right of depositary receipts specified in subparagraph 1) of part one of this paragraph shall be issued by one of the following entities providing nominal holding services in accordance with the laws of the Republic of Kazakhstan:

an organization entitled to carry out depository activities in the securities market of the Republic of Kazakhstan or a foreign state;

a professional participant in the securities market of the Republic of Kazakhstan that keeps records of financial instruments and clients' money and confirms rights to them, stores the clients' documentary financial instruments with the assumption of obligations for their safety;

another organization that provides services for nominal holding of securities, and also keeps records and confirms rights to securities and registers transactions with securities of such holders.

2. The tax agent shall indicate in the tax reporting submitted to the tax authority the amounts of credited (paid) income and withheld, exempt from withholding taxes in accordance with this Code, income tax rates.

3. If the tax agent fails to apply the provisions of this Code when paying income in the form of dividends on shares that are the underlying asset of the depositary receipts to a resident through a non-resident nominee holder of depositary receipts, in the manner established in paragraph 1 of this article, the tax agent shall be obliged to withhold income tax at the source of payment at the rate established by Article 682 of this Code.

The amount of withheld income tax shall be transferred within the time period established by subparagraph 1) of paragraph 1 of Article 683 of this Code.

4. The final (actual) recipient of income - a resident has the right to a refund of excess income tax withheld at the source of payment in accordance with this Code in the event that the tax agent transfers to the budget the income tax withheld from the income of such a resident.

In this case, for the period in which he received income in the form of dividends, the resident is obliged to submit to the tax agent notarized copies of:

1) a document confirming the ownership of depositary receipts;

2) a document confirming the residency of the Republic of Kazakhstan;

3) a document confirming the receipt of income in the form of dividends on shares that are the underlying asset of depositary receipts.

The documents specified in this paragraph shall be submitted by the resident before the lapse of the limitation period established by Article 65 of this Code, from the date of the last transfer of income tax withheld at the source of payment to the budget.

In this case, the refund of excess withheld income tax to the resident shall be made by the tax agent.

5. The tax agent has the right to submit to the tax authority at the location an additional calculation of income tax withheld at the source of payment in the amount of the reduction when applying the tax rate provided for residents, or exemption from taxation for the tax period in which the withholding and transfer of income tax from the resident's income in the form of dividends on shares that are the underlying asset of depositary receipts were made.

In this case, the offset of the overpaid amount of income tax withheld at the source of payment is made to the tax agent in the manner determined by Article 122 of this Code.

Article 355. Procedure for transferring corporate income tax withheld at payment source

1. The tax agent shall transfer the amount of corporate income tax withheld at the payment source no later than twenty-five calendar days after the end of the month in which the income taxable at the source of payment was paid, unless otherwise provided by this Code .

2. The transfer of the corporate income tax amount withheld at the payment source shall be made at the tax agent’s location.

A non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall transfer the amount of corporate income tax withheld at the source of payment to the budget at the permanent establishment location.

Article 356. Calculation of corporate income tax withheld at payment source

Tax agents are required to submit a calculation of the amounts of corporate income tax withheld at payment source no later than the 15th day of the second month following the quarter in which the income subject to tax withholding at source was paid.

Chapter 38. TAX RATES, TAX PERIOD AND TAX RETURN

Article 357. Tax Rates

1. Corporate income tax shall be calculated at the following rates depending on the taxable item:

1) taxable income for tax calculation – the rates established by paragraph 2 of this article;

2) income taxed at the source of payment, with the exception of non-resident income from sources in the Republic of Kazakhstan – 15 percent;

3) non-resident income from sources in the Republic of Kazakhstan – the rates established by Article 682 of this Code;

4) net income of a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment – 15 percent;

5) taxable income of controlled foreign companies and permanent establishments of controlled foreign companies – 20 percent.

2. The following corporate income tax rates by activity types shall be applied to taxable income for calculating the tax:

1) from activities related to the production of agricultural products, aquaculture products (fish farming), as well as processing of the said products of own production and the sale of such processed products, received by legal entities - producers of agricultural products, aquaculture products (fish farming) - 3 percent;

2) from agricultural cooperatives' activities, except for those corresponding to subparagraph 1) of this paragraph - 6 percent;

3) from the activities of organizations in the social sphere, except for those applying Article 330 of this Code - 5 percent for the tax period from January 1, 2026 to December 31, 2026, from January 1, 2027 - 10 percent;

4) from the following types of activities - 25 percent:

banking activities of second-tier banks, with the exception of taxable income received from lending to business entities.

The procedure for determining taxable income from banking activities of second-tier banks shall be established jointly by the authorized body and the National Bank.

For the purposes of applying this subparagraph to banking activities of second-tier banks, income in the form of remuneration and value gains of government securities issued by the National Bank shall also apply;

from the activities of casinos, slot machine halls, betting shops and bookmakers;

5) from other activities not provided for in subparagraphs 1), 2), 3) and 4) of this paragraph - 20 percent.

3. For the purposes of applying subparagraphs 1) and 2) of paragraph 2, income received from the activities specified in these subparagraphs includes, among other things, budget subsidies provided to agricultural producers in accordance with the Law of the Republic of Kazakhstan "On State Regulation of the Development of the Agro-Industrial Complex and Rural Territories" and other legislation of the Republic of Kazakhstan.

Article 358. Tax period

1. For corporate income tax, the tax period is the calendar year from January 1 to December 31.

2. If a legal entity was created after the calendar year start, the first tax period for it is the period from the date of creation to the end of the calendar year.

In this case, for the purposes of this article, the day of creation of a legal entity is the day of its state registration with the registration authority.

3. If a legal entity was liquidated or reorganized before the end of the calendar year, the last tax period for it is the period from the start of the year to the day of completion of the liquidation or reorganization.

4. If a legal entity created after the start of the calendar year is liquidated or reorganized before the end of the same year, the tax period for it is the period from the date of creation to the day of completion of the liquidation or reorganization.

5. The tax period does not include the period of time during which the taxpayer applied exclusively a special tax regime based on a simplified declaration.

Article 359. Tax return

1. Resident legal entities of the Republic of Kazakhstan and non-resident legal entities operating in the Republic of Kazakhstan through a permanent establishment, who are corporate income tax payers, shall submit to the tax authority at the location a corporate income tax return no later than March 31 of the year following the reporting tax period, unless otherwise established by this article.

2. The corporate income tax return consists of the return itself and appendices to it disclosing information on taxable items and (or) items related to taxation.

3. A legal entity applying a special tax regime based on a simplified declaration shall not submit a corporate income tax return on income taxed within the framework of the said regime in accordance with Section 16 of this Code.

4. If there are no approved financial statements as of the date of filing the corporate income tax return, the total profit of controlled foreign companies or permanent establishments of controlled foreign companies shall be calculated in an additional corporate income tax return filed within sixty business days following the date of approval of the financial statements, but no later than March 31 of the second year following the reporting tax period, taking into account the provisions of Chapter 9 of this Code.

SECTION 6. INDIVIDUAL INCOME TAX

The provisions of this section shall apply to the income of resident individuals.

Taxation of income of non-resident individuals shall be carried out in accordance with Section 15 of this Code.

Chapter 39. GENERAL PROVISIONS

Article 360. Payers

Individual income tax payers are resident individuals who have taxable items in the form of:

1) taxable income of a resident individual, on which individual income tax is calculated, withheld at source and transferred to the budget by a tax agent;

2) taxable income of a resident individual subject to taxation independently, for which individual income tax is calculated and paid to the budget by such individual.

Article 361. Tax agents

1. For the purposes of this section, unless otherwise provided in paragraph 2 of this article , the following persons paying income to a resident individual shall be recognized as tax agents:

1) a sole proprietor;

2) a private practice owner;

3) a resident legal entity of the Republic of Kazakhstan;

4) a non-resident legal entity operating in the Republic of Kazakhstan:

through a permanent establishment. In this case, a non-resident legal entity shall be recognized as a tax agent from the registration date of its structural subdivision or permanent establishment without opening a structural subdivision with the tax authorities of the Republic of Kazakhstan;

through a structural subdivision, if this structural subdivision does not form a permanent establishment in accordance with an international treaty governing double taxation avoidance and tax evasion prevention, or Article 226 of this Code;

5) an Internet platform operator determined to be a tax agent in accordance with paragraph 3 of Article 721 of this Code.

On income of an individual arising in accordance with the legislation of the Republic of Kazakhstan "On lotteries and lottery activities", the tax agent is recognized as the lottery operator.

2. A person who is not a tax agent is recognized as:

1) an individual who is not registered as a sole proprietor or a private practitioner;

2) an individual registered as a sole proprietor or a private practitioner in relations unrelated to his/her activities as a sole proprietor or a private practitioner;

3) a diplomatic or equivalent mission of a foreign state, a consular office of a foreign state accredited in the Republic of Kazakhstan;

4) an international and state organization, a foreign and Kazakhstan's non-governmental public organization and a fund that are exempt from the obligation to calculate, withhold and transfer individual income tax at the payment source in accordance with international treaties ratified by the Republic of Kazakhstan.

Article 362. Procedure for applying provisions on taxation of individual income tax

1. The calculation, withholding and remittance of individual income tax, as well as filing of tax returns shall be performed by a tax agent with respect to income, subject to taxation at the source of payment of a citizen of the Republic of Kazakhstan, a foreign national or a stateless person, who is a resident of the Republic of Kazakhstan (hereinafter referred to as a resident individual):

1) in the generally established procedure - in the order and within the timeframes established by this chapter, Chapters 39, 40, 43 and Article 694 of this Code;

2) by paying a single payment - in the procedure established by Chapter 94 of this Code.

2. On incomes subject to taxation by an individual resident independently, the calculation and payment of individual income tax, as well as filing of tax returns, shall be performed by such individual resident:

1) in the generally established procedure - in the order and within the timeframes established by Chapters 39, 40, 43 and Article 694 of this Code;

2) in a special tax regime - in the procedure and within the timeframes established by Section 16 of this Code.

Article 363. Tax rates

Taxable income of an individual is subject to taxation at the following rates of individual income tax:

1) income, except for that specified in subparagraphs 2) - 4) of this article, for a calendar year - at the following progressive rate scale:

№	Amount of taxable income	Rate
1	up to 8500-times the monthly calculation index* (inclusive)	10 percent
2	over 8500- times the monthly calculation index *	the tax amount on taxable income 8500- times the monthly calculation index * + 15 percent of the amount in excess of it

2) income of a private practitioner - 9 percent;

3) income in the form of dividends, taxable for a calendar year - according to the following progressive scale of rates:

№	Amount of taxable income	Rate
1	up to 230 000- times the monthly calculation index * (inclusive)	5 percent
2	over 230 000- times the monthly calculation index *	the tax amount on taxable income 230 000- times the monthly calculation index * + 15 percent of the amount in excess of it

4) taxable income of a sole proprietor, a peasant or a farming household applying the generally established taxation procedure, for a calendar year - according to the following progressive scale of rates:

№	Amount of taxable income	Rate
1	up to 230 000- times the monthly calculation index * (inclusive)	10 percent
2	over 230 000- times the monthly calculation index *	the tax amount on taxable income 230 000- times the monthly calculation index * + 15 percent of the amount in excess of it

* for the purposes of applying subparagraphs 1), 3) and 4) of this article, the monthly calculation index in effect as of January 1 of the corresponding financial year shall be applied.

Peasant or farming households have the right to reduce by 70 percent the amount of individual income tax calculated in the procedure established by subparagraph 4) of this article, from income:

on production and sale of agricultural products of their own production;

on processing of agricultural products of their own production and the sale of products of such processing.

Article 364. Taxable items

The following items are subject to individual income tax:

1) taxable income of an individual subject to taxation at source, including by type of income;

2) taxable income of an individual subject to taxation independently, including by type of income.

Chapter 40. INCOME AND DEDUCTIONS Paragraph 1. Economic benefits that do not constitute income of an individual

Article 365. General provisions on economic benefits that do not constitute income of an individual

The following shall not be considered income of an individual:

1) employer’s expenses specified in Article 366 of this Code;

2) material benefits received in accordance with the legislation of the Republic of Kazakhstan specified in Article 367 of this Code;

3) terminated obligations of an individual specified in Article 368 of this Code;

4) economic benefits provided for in paragraphs 5 and 6 of Article 382 of this Code;

5) amounts related to pension annuities specified in Article 369 of this Code;

6) other economic benefits specified in Article 370 of this Code.

Article 366. Employer's expenses that are not an individual’s income

The employer’s expenses that are not the income of an individual include:

1) compensation payments to employees whose work is on the move, has a traveling nature, is associated with business trips within the serviced areas, within the norms established by collective agreements, employment contracts and (or) an act of the employer;

2) compensation for business trips, including for the purposes of training, advanced training or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan, unless otherwise established by this article, on the basis of documents confirming expenses, including in electronic form:

travel expenses to and from the place of business trip, including payment for reservations and baggage. The expenses provided for in this subparagraph do not include travel expenses within one locality;

expenses for accommodation outside the employee's permanent place of work during the business trip, including payment for reservations. Such expenses include, among other things, accommodation expenses for days of temporary disability of the employee on a business trip (except in cases where the employee on a business trip is undergoing inpatient treatment);

expenses incurred by the taxpayer in obtaining entry and exit permits (visas) (the cost of visas, consular services, compulsory medical insurance);

on a business trip within the Republic of Kazakhstan - daily allowances of no more than 6 times the monthly calculation index in effect on January 1 of the relevant financial year, for

each calendar day of being on a business trip for a period not exceeding forty calendar days of being on a business trip;

for a business trip outside the Republic of Kazakhstan - daily allowances of no more than 8 times the monthly calculation index in effect on January 1 of the relevant financial year, for each calendar day of being on a business trip for a period not exceeding forty calendar days of being on a business trip;

3) business trip allowances, including for the purpose of training, advanced training or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan, paid by state institutions, with the exception of state institutions funded from the budget (expense estimate) of the National Bank, in the amounts and in the procedure established by the legislation of the Republic of Kazakhstan;

4) compensation for business trips, including for the purpose of training, advanced training or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan, paid by state institutions, with the exception of state institutions funded from the budget (expense estimate) of the National Bank, in the amounts and in the manner established by the legislation of the Republic of Kazakhstan;

5) reimbursement of expenses, confirmed by documents, for travel, transportation of property, hiring (renting) of housing for a period of no more than thirty calendar days when an employee is transferred to work in another locality or moves to another locality together with the employer;

6) expenses of the employer unrelated to activities aimed at generating income and not deductable that are not distributed to specific individuals;

7) field allowances for employees engaged in geological exploration, topographic and geodetic and survey work in the field, for each calendar day of such work within the amount established by agreements, collective and labor contracts and approved by the employer's act, but not more than the amount of daily allowances;

8) expenses of the employer to ensure the livelihoods of persons working on a rotational basis, during their stay at the production facility with the provision of conditions for the performance of work and rest between shifts:

for property rental (rent) of housing;

for meals within the limits of daily allowances in the amount established in subparagraph 2) of this paragraph;

9) expenses of the employer related to the delivery of employees from their place of residence (stay) in the Republic of Kazakhstan to the place of work and back, in the manner and amounts stipulated by the employment contract;

10) professional payment at the expense of the employer in accordance with the labor legislation of the Republic of Kazakhstan;

11) the cost of issued special clothing and footwear, including their repair, personal and collective protective equipment, detergents and disinfectants, preventive treatment agents,

first aid kits, milk or other equivalent foods and (or) specialized products for dietary (therapeutic and preventive) nutrition in accordance with the procedure and standards established by the labor legislation of the Republic of Kazakhstan;

12) the cost of uniforms issued to employees in cases where the legislation of the Republic of Kazakhstan establishes an obligation to wear uniforms and (or) provide them;

13) expenses of the employer in favor of employees (including reimbursement of expenses of employees) for laboratory testing, medical examinations, preventive vaccinations, medical observation, treatment, isolation, hospitalization in connection with the introduction of restrictive measures in accordance with the legislation of the Republic of Kazakhstan in healthcare;

14) the cost of technical auxiliary (compensatory) means and special means of transportation transferred free of charge by the employer to the employee recognized as a person with a disability due to an industrial injury or occupational disease caused by the employer's fault - according to the list approved by the Government of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on social protection;

15) the cost of services in the form of prosthetic and orthopedic assistance provided free of charge by the employer to the employee recognized as a person with a disability due to an industrial injury or occupational disease through the fault of the employer, in accordance with the legislation of the Republic of Kazakhstan on social protection;

16) actual expenses incurred by the employer for payment of training, advanced training or retraining in accordance with the legislation of the Republic of Kazakhstan when referring an employee for training, advanced training or retraining in a specialty related to the employer 's activities, with formalization of a business trip to another locality;

17) expenses of the employer on referring an employee for training, advanced training or retraining in accordance with the legislation of the Republic of Kazakhstan, incurred without formalizing a business trip, in the case of training, advanced training or retraining in a specialty related to the employer's activities:

actually incurred expenses to pay for the training, advanced training or retraining of an employee;

actually incurred expenses of the employee for accommodation within the standards established by the tax policy authority;

actually incurred expenses for travel to the place of study upon admission and back after completion of training, advanced training or retraining of the employee;

the amount of money assigned by the employer for payment to the employee, within the limits of:

6-fold amount of the monthly calculation indicator for each calendar day of training, advanced training or retraining of the employee - during the period of training, advanced training or retraining of the employee within the Republic of Kazakhstan;

8 times the monthly calculation indicator for each calendar day of training, advanced training or retraining of an employee - during the period of training, advanced training or retraining of an employee outside the Republic of Kazakhstan;

18) mandatory professional pension contributions, mandatory pension contributions of the employer to the unified accumulative pension fund in the amount established by the legislation of the Republic of Kazakhstan, as well as voluntary pension contributions transferred by the tax agent to the unified accumulative pension fund, voluntary accumulative pension fund in favor of the employee;

19) the amount of penalties accrued to the tax agent for untimely calculation, withholding, transfer of social payments in the amounts established by the legislation of the Republic of Kazakhstan;

20) expenses of the employer stipulated by the agreement, collective agreement, act of the employer in accordance with the legislation of the Republic of Kazakhstan, for:

mandatory, periodic (during employment) medical examinations;

pre-shift, post-shift and other medical examinations (check-ups) of employees;

maintenance or services for the organization of medical centers;

provision of working conditions to the employees that meet the requirements of occupational health and safety, hygiene, including sanitary and epidemiological requirements;

providing workers with the opportunity to rest and eat in a specially equipped place.

Article 367. Material benefit received under the legislation of the Republic of Kazakhstan that does not constitute an individual's income

The following types of material benefits received in accordance with the legislation of the Republic of Kazakhstan shall not constitute income of an individual:

1) material benefits received from budget funds in accordance with the legislation of the Republic of Kazakhstan, including in the case of:

provision of a volume of services for pre-school education and training, technical and vocational, post-secondary, higher, postgraduate education, advanced training and retraining of employees and specialists, as well as training in preparatory departments of educational institutions, carried out in the form of a state educational order under the legislation of the Republic of Kazakhstan in education;

provision of a guaranteed volume of free medical care;

payment of state contributions for compulsory social health insurance under the legislation of the Republic of Kazakhstan on compulsory social health insurance;

provision of rehabilitation treatment, health improvement and recreation at health resort facilities;

provision of medicines and medical devices;

reimbursement by local executive bodies of the cost of goods and (or) services to a person with disabilities under the legislation of the Republic of Kazakhstan on social protection. In this case, the provisions of this paragraph shall apply to individuals who are:

persons with disabilities;

individual assistants providing social services to a person with a first-group disability who has difficulty moving;

2) provision of medical care to the population in emergency situations, a state of emergency in accordance with the legislation of the Republic of Kazakhstan;

3) provision of medical care in the compulsory social health insurance system in accordance with the legislation of the Republic of Kazakhstan on compulsory social health insurance;

4) compensation for harm caused to health and damage caused to individuals affected by natural and man-made emergency situations, in the manner prescribed by the legislation of the Republic of Kazakhstan;

5) the cost of services received at the expense of budgetary funds in the form of state non-financial support for business entities under the state program on the development of agro-industrial complex of the Republic of Kazakhstan, programs approved by the Government of the Republic of Kazakhstan, the operator of which is the NCE;

6) the amount of remuneration to persons who avail of information on violations in the use of a cash register machine and equipment (device) for accepting payments using payment cards, who reported to the tax authority the facts of violations known to them, evidenced by video recording.

Article 368. Terminated obligations of an individual that do not constitute his income

The following types of material benefits received in accordance with the legislation of the Republic of Kazakhstan shall not constitute an individual's income:

1) the amount of obligations terminated in accordance with the civil legislation of the Republic of Kazakhstan on credit (loan, mortgage loan, mortgage housing loan, microcredit), including the principal debt, interest, commission, and forfeits (fines, penalties), in the following cases that occurred after the issuance of the credit (loan, mortgage loan, mortgage housing loan, microcredit) to such a person in the following cases:

recognition of an individual borrower as missing, incapacitated, or of limited capacity on the basis of an effective court ruling, or declaration of his or her death on the basis of an effective court ruling;

establishing a disability of the first or second group to an individual borrower, also in the event of the death of an individual borrower;

absence of other income for an individual borrower receiving social payments in accordance with the Social Code of the Republic of Kazakhstan in cases of loss of a breadwinner, income in connection with pregnancy and childbirth, adoption of a newborn child (children), care for a child upon reaching the age of eighteen months, in addition to the said payments;

entry into legal force of a bailiff's ruling on returning the enforcement document to the bank (microfinance organization, mortgage organization) in the event that the individual

borrower and third parties who bear joint or subsidiary liability with the individual borrower to the bank (microfinance organization, mortgage organization) do not have property, including money, securities, or income that can be seized, and measures to identify his property or income, taken by the bailiff in accordance with the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs have proven unsuccessful;

sale of mortgaged property that fully secured the principal obligation at the time of conclusion of the mortgage agreement, by extrajudicial auction at a price lower than the amount of the principal obligation, also upon transfer of such property to the ownership of the mortgagee in accordance with the Law of the Republic of Kazakhstan On Mortgage of Real Estate for the amount of the outstanding loan (mortgage loan, mortgage housing loan, microloan) after the sale of the mortgaged property.

The provisions of paragraphs five and six of part one of this subparagraph shall not apply to the termination of obligations under a loan (credit, mortgage loan, mortgage housing loan, microcredit):

issued to an employee of a bank (mortgage organization, microfinance organization), spouse, close relatives of an employee of the bank (mortgage organization, microfinance organization), an affiliated party of the bank (mortgage organization, microfinance organization);

for which the assignment of the right of claim and (or) transfer of debt has been made;

2) income generated upon termination of obligations under a loan (credit), the right of claim for which has been acquired by an organization specializing in improving the quality of second-tier banks' loan portfolios, whose sole shareholder is the Government of the Republic of Kazakhstan, in the form of:

forgiveness of the principal debt;

forgiveness of debt on remuneration, commission, penalty (fines, fines);

3) writing off the obligations of a debtor in respect of whom bankruptcy or solvency restoration procedures have been applied in accordance with the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan".

Article 369. Amounts related to pension annuities that are not an individual's income

Amounts related to pension annuity that are not an individual's income include:

1) amounts of pension savings of individuals in whose name individual pension accounts are opened in the unified accumulative pension fund and a voluntary accumulative pension fund, directed to life insurance companies to pay insurance premiums under a concluded accumulative insurance contract (pension annuity);

2) the amount of money to be returned to the unified accumulative pension fund under a pension annuity contract;

3) the surrender value received upon early termination of a pension annuity contract with one insurance company and sent to another insurance company in the manner prescribed by the legislation of the Republic of Kazakhstan on social protection.

Article 370. Other economic benefits that are not an individual's income

Other economic benefits that are not an individual income include:

1) hospitality expenditures for receiving and servicing persons, incurred in accordance with Article 262 of this Code;

2) the cost of commodities transferred gratuitously by a tax agent for advertising purposes (including as a gift), if the cost of one unit of such commodities does not exceed 5 times the monthly calculation indicator in effect on the date of such transfer;

3) the cost at which the personal property of an individual is sold or otherwise alienated to another person. The provisions of this subparagraph shall apply to the personal property of an individual who is not a sole proprietor, a private practitioner, or a person engaged in personal subsidiary farming.

For the purposes of this section, the personal property of an individual is the individual's things in tangible form, owned by the right of ownership, including joint ownership, or constituting his share in common shared ownership, except for the property specified in paragraph 3 "Property Income";

4) the value at which the personal property of an individual who is a sole proprietor, a private practitioner, or a person engaged in personal subsidiary farming was sold or otherwise alienated to another person. The provisions of this subparagraph shall apply provided that such value is not income from the sales of such a sole proprietor or private practitioner, or income from personal subsidiary farming, on which individual income tax is calculated independently. The provisions of this subparagraph shall be applied by a tax agent on the basis of an application from an individual;

5) amounts of individual income tax calculated and paid by a tax agent in accordance with the provisions of this Code, mandatory pension contributions calculated and paid by an agent on payment of mandatory pension contributions in accordance with the Social Code of the Republic of Kazakhstan, as well as calculated and paid by an agent on payment of contributions for compulsory social health insurance in accordance with the legislation of the Republic of Kazakhstan on compulsory social health insurance from the income of a resident individual at the expense of his own funds without withholding them;

6) the amount charged for making non-cash payments:

to the account of an individual by a bank and (or) the National Post Operator at the expense of the bank and (or) the National Post Operator;

to the subscriber's mobile balance by a communications operator at the expense of the communications operator;

7) material benefit from savings on the cost of goods, works, services, including:

when purchasing goods, works, services at the expense of the amount accrued for previously made purchases of goods, works, services;

on remuneration for the use of loans (credits, microloans) received from legal entities and sole proprietors. Such savings include, among other things, savings on remuneration during the interest-free period under the contract, as well as savings on loans (credits, microloans) received by the employee from his employer;

8) excess of the market value of the underlying asset of the option at the time of completion of the option over the option exercise price (the option exercise price is the price at which the underlying asset of the option was recorded in the relevant document on the basis of which the option was granted to an individual);

9) property, including works and services, received by an individual gratuitously from another individual, including in the form of a gift and inheritance.

The provisions of the first part of this subparagraph shall not apply to property received by a sole proprietor and intended for use for business purposes;

10) income of an individual - lessor upon lease (rental) of a dwelling, residential premises (apartment) in the form of expenses:

incurred by an individual - lessee who is not a sole proprietor,

reimbursed by an individual - lessee who is not a sole proprietor to an individual - lessor who is not a sole proprietor.

The provisions of this subparagraph shall apply if the specified expenses are incurred separately from the rent, including:

for the maintenance of the common property of the condominium facility in accordance with the housing legislation of the Republic of Kazakhstan;

for payment of utilities stipulated by the Law of the Republic of Kazakhstan “On Housing Relations”;

for repairs of a dwelling, residential premises (apartment);

11) income in the form of payment for travel and accommodation of civil servants, deputies of the Kurultai of the Republic of Kazakhstan, judges by a tax agent, who is not an employer, in the event of sending the said persons on a business trip, related to the performance of state functions, subject to the following conditions:

an invitation to domestic and foreign trips at the expense of a tax agent who is not an employer was made with the consent of a superior official or body to participate in scientific, sports, creative, professional, humanitarian events at the expense of the tax agent, including trips within the framework of the statutory activities of such a tax agent;

the presence of an executive order (instruction) of an official of a state body in accordance with the legislation of the Republic of Kazakhstan;

12) net income from trust management of the founder of trust management, received from a trust manager who is a resident individual fulfilling tax obligations without registration as a sole proprietor;

13) target savings in accordance with the Law of the Republic of Kazakhstan "On the Rights of a Child in the Republic of Kazakhstan" in the form of a payment from the unified accumulative pension fund, as well as directed to an individual pension account to record voluntary pension contributions;

14) expenses for training, incurred in accordance with subparagraph 5) of paragraph 1 of Article 337 of this Code;

15) dividends distributed from the financial profit (or part thereof) of a controlled foreign company and (or) a foreign company included in the single organizational structure of a consolidated group, previously taxed with individual income tax in accordance with Article 399 of this Code;

16) the amount of penalties accrued to the tax agent for untimely calculation, withholding, transfer of social payments in the amounts established by the legislation of the Republic of Kazakhstan;

17) compensation of expenses to members of the management body (board of directors or other body) incurred in connection with the performance of assigned management duties, within the limits of:

travel expenses to the place of performance of management duties and back, including payment of expenses for reservations and baggage, on the basis of documents confirming such expenses;

accommodation expenses outside the Republic of Kazakhstan, including payment of expenses for reservations, on the basis of documents confirming such expenses, but not more than the maximum rates of reimbursement of expenses for the rental of single standard rooms in hotels for civil servants on business trips abroad;

accommodation expenses in the Republic of Kazakhstan, including payment of expenses for reservations, on the basis of documents confirming such expenses;

expenses for obtaining entry and exit permits (visas) (cost of visas, consular services, compulsory medical insurance) on the basis of documents confirming such expenses;

amounts of money not exceeding 6 times the monthly calculation index in effect on January 1 of the relevant financial year, for each calendar day of stay in the Republic of Kazakhstan to perform management duties for a period not exceeding forty calendar days;

amounts of money not exceeding 8 times the monthly calculation index in effect on January 1 of the relevant financial year, for each calendar day of stay outside the Republic of Kazakhstan to perform management duties for a period not exceeding forty calendar days.

For the purposes of this subparagraph, the place of performance of management duties must not coincide with the place of permanent residence;

18) payments to confidential assistants in accordance with the laws of the Republic of Kazakhstan "On Operational Investigations", "On counterintelligence" and persons providing confidential assistance to foreign intelligence entities in accordance with the Law of the Republic of Kazakhstan "On Foreign Intelligence"

19) the amount of the borrower's obligation to pay the state fee charged for filing a claim with the court, which was paid on behalf of such borrower by a bank, an organization performing certain types of banking operations, or a collection agency.

Footnote. Article 370 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Paragraph 2. Annual income of an individual

Article 371. General provisions on annual income of an individual

1. The annual income of an individual consists of income receivable (received) by this person in the Republic of Kazakhstan and abroad during the tax period, in the form of income subject to taxation:

1) at the source of payment;

2) by the individual independently.

2. The annual income of an individual includes all types of his income:

1) employee income, including domestic worker income;

2) income of a resident labor immigrant;

3) income in the form of gratuitous property;

4) income in the form of lump-sum pension payments,

5) income in the form of pension payments;

6) income in the form of dividends;

7) income in the form of remuneration;

8) income in the form of winnings;

9) income in the form of scholarships;

10) income under insurance contracts;

11) income from the sale of goods, performance of work, provision of services;

12) property income;

13) income of a sole proprietor;

14) income of a private practitioner;

15) income from personal subsidiary farming;

16) other income;

17) total profit of controlled foreign companies or permanent establishments of controlled foreign companies, determined in accordance with Article 399 of this Code.

3. The income specified in paragraph 2 of this article shall be subject to taxation:

1) by an individual independently - in the event of receiving such income from a person who is not a tax agent;

2) by a tax agent - in the event of receiving such income from a tax agent, except for the income specified in subparagraphs 12) - 14) of paragraph 2 of this article.

4. The provisions of this article shall not apply to the economic benefits specified in Article 365 of this Code, which are not considered as an individual’s income.

Article 372. Employee's income, including domestic worker's income

1. Employee's income subject to taxation is the income of an individual subject to receipt and (or) received from an employer in the form of wages and other material benefits in connection with the existence of labor relations under the legislation of the Republic of Kazakhstan or a foreign state.

2. Employee's income is recognized regardless of:

1) whether it is received in the Republic of Kazakhstan or abroad;

2) the form in which the income is received.

3. The employee's income subject to taxation is:

1) money received by the employee as property from the employer on a non-refundable basis;

2) the value of goods, securities, participation interests and other property (except money) received by the employee as property from:

the employer;

third parties and paid by the employer to such third party and (or) the employee;

3) the value of work performed, services rendered, received by the employee from:

the employer;

third parties and paid by the employer to such third party and (or) the employee;

4) the negative difference between the cost of sale of goods by the employer to the employee and:

the book value of these goods excluding the revaluation at which they were recorded by the employer on the date of their sale, or

the purchase price - in cases when the employer does not maintain accounting records;

5) the negative difference between the cost of work, services performed, rendered by the employer to the employee on a reimbursable basis, and the expenses of the employer incurred in connection with such performance of work, provision of services;

6) the amount of debt or the employee’s obligation to the employer, written off, terminated, forgiven by the decision of the employer.

The provisions of this paragraph shall also apply to income to be received from a person with whom an individual was in an employment relationship, on the grounds arising from such employment relationships, and paid after dismissal of the employee in accordance with the legislation of the Republic of Kazakhstan.

The provisions of subparagraphs 1) - 3) of this paragraph shall not apply if the employee has accounts receivable for property received, including money, work, services.

4. For the purposes of subparagraphs 2) and 3) of paragraph 3 of this article, the value of the received property, works, services shall be determined taking into account the relevant amount of value-added tax and excise taxes in the amount of:

1) the book value at which the received property was accounted for by the transferring person on the date of its transfer, or in the absence of a book value - the value of the property

determined by the agreement or other document on the basis of which the acceptance and transfer of the property was made;

2) the employer's expenses incurred in connection with the performance of work, provision of services.

5. The following types of income shall not be considered employee income:

1) income from the sale of goods, works, services;

2) income in the form of lump-sum pension payments and income in the form of pension payments;

3) income in the form of dividends, remuneration, winnings;

4) scholarships;

5) income under insurance contracts;

6) property income;

7) income of a sole proprietor;

8) income of a private practitioner;

9) income from personal subsidiary farming.

Article 373. Income of a resident labor immigrant

1. For the purposes of this Code, a resident labor immigrant is a resident individual who has entered into an employment contract to perform work or provide services for an employer who is an individual in a household in accordance with the labor legislation of the Republic of Kazakhstan on the basis of a labor immigrant permit.

2. The income of a resident labor immigrant is recognized as the employee's income subject to independent taxation, which consists of the following income:

1) the amount of the minimum taxable income equal to 40 times the monthly calculation indicator effective as of January 1 of the relevant financial year, for each month of work performed or services rendered during the relevant period specified by the resident labor immigrant in the application for obtaining (extending) a labor immigrant permit;

2) the amount of excess of income to be received under an employment contract for the relevant period specified by the resident labor immigrant in the application for obtaining (extending) a labor immigrant permit over the amount of the minimum taxable income for the same period, if there is such an excess.

Article 374. Income in the form of property received gratuitously

Income of an individual in the form of property received gratuitously, including works and services, arises from:

1) gratuitous receipt of property;

2) gratuitous receipt of completed works, rendered services;

3) gratuitous payment by another person for the cost of goods, completed works, rendered services received by an individual from third parties;

4) forgiveness (write-off) of a debt or obligation of an individual in full or in part;

5) an increase in the contribution to the authorized capital of a legal entity, made by increasing the authorized capital of a legal entity due to a gain from revaluation as part of the equity capital of such a legal entity.

Article 375. Income in the form of lump-sum pension payments

Income in the form of lump-sum pension payments is the amount of pension savings from the unified accumulative pension fund for the purpose of improving housing conditions and/ or paying for medical treatment in accordance with the procedure established by the legislation of the Republic of Kazakhstan on social protection.

Article 376. Income in the form of pension payments

1. Taxable income in the form of pension payments includes:

1) pension payments made by the unified accumulative pension fund and (or) voluntary accumulative pension funds from pension savings of individuals;

2) pension payments from budgetary funds in accordance with the legislation of the Republic of Kazakhstan on social protection, including by age, for service length, and the state basic pension payment;

3) pensions paid by the unified accumulative pension fund in accordance with international treaties ratified by the Republic of Kazakhstan;

4) pension payments under the legislation of a foreign state;

5) a one-time payment for the burial of a deceased person who has pension savings in the unified accumulative pension fund, a voluntary accumulative pension fund, in the manner and amounts established by the legislation of the Republic of Kazakhstan on social protection.

Article 377. Income in the form of dividends

Income in the form of dividends subject to taxation is dividends paid (payable) as defined in Article 13 of this Code.

For the purposes of this chapter, taxable dividend income also includes the net income from trust management of the trust manager received from a legal entity that is a trust manager.

Article 378. Income in the form of remuneration

Income in the form of remuneration subject to taxation shall be remuneration paid (payable) as defined in Article 12 of this Code, except for discount on debt securities, which shall be recognized by an individual upon their sale, including redemption, as income from the value appreciation.

Article 379. Income in the form of winnings

Income in the form of winnings subject to taxation is winnings paid (payable) as defined in subparagraph 17) of Article 21 of this Code.

Article 380. Income in the form of scholarships

Income in the form of scholarships subject to taxation is the amount of money established:

1) to students in educational organizations, autonomous organizations under the legislation of the Republic of Kazakhstan;

2) to cultural figures, scientists, mass media workers and other individuals under the legislation of the Republic of Kazakhstan.

Article 381. Income under insurance contracts

Incomes under insurance contracts subject to taxation are:

1) insurance payments stipulated by the legislation of the Republic of Kazakhstan;

2) surrender values paid in cases of early termination of accumulation insurance contracts;

3) insurance payments received from sources outside the Republic of Kazakhstan.

Paragraph 3. Property Income

Article 382. General provisions on property income

1. The following shall be considered taxable property income of an individual:

1) income from value appreciation provided for in this paragraph;

2) income received by an individual who is not a sole proprietor from leasing (renting) property to persons who are not tax agents.

2. Income from value appreciation arises in the following cases:

1) sale by an individual of the property specified in paragraph 3 of this article;

2) transfer as a contribution to the authorized capital of a legal entity of the property specified in paragraph 3 of this article;

3) assignment of a claim, including under an agreement on equity participation in housing construction.

Income from value appreciation is generated in the tax period in which the cases specified in this paragraph occurred.

3. Unless otherwise provided by paragraph 5 of this article, the provisions of this paragraph shall apply to the following property of an individual:

1) real estate, including land plots and (or) land shares;

2) vehicles, including trailers;

3) investment gold;

4) share in the authorized capital of a legal entity;

5) securities;

6) derivative financial instruments (except for derivative financial instruments, that are executed through the acquisition or sale of the underlying asset);

7) digital assets;

8) assets of a sole proprietor applying a special tax regime based on a simplified declaration or for farming households or farming businesses.

4. The provisions of this paragraph shall not apply to the income of a sole proprietor, as established by Article 393 of this Code. Property income shall not be included in the income of a sole proprietor, the income of a private practice owner, as established by Article 393 of this Code, with the exception of property on which tax and (or) accounting records are maintained.

5. Income of an individual is not generated upon the sale or transfer as a contribution to the authorized capital of a legal entity of the following property:

1) dwellings, summer cottages, parking spaces, storage rooms, garages, and personal subsidiary farm facilities located on the territory of the Republic of Kazakhstan, which have been owned by such individual for two years or more from the date of the ownership right registration;

2) dwellings, parking spaces, storage rooms, and garages located on the territory of the Republic of Kazakhstan, acquired under an agreement on shared participation in housing construction or by assignment of the right of claim under an agreement on shared participation in housing construction, in the event that:

the dwelling, summer cottage, parking space, storage room, garage, or personal subsidiary farm facility have been owned by such individual for two years or more from the date of the ownership right registration,

or

the period from the date of conclusion of such agreement or from the date of acquisition of such right by assignment of the right of claim until the date of sale of the property or its transfer as a contribution to the authorized capital is three years or more;

3) mechanical vehicles and (or) trailers subject to state registration in the Republic of Kazakhstan and owned by such individual for one year or more from the date of such state registration;

4) land plots and (or) land shares located on the territory of the Republic of Kazakhstan owned by such individual for two years or more, the intended purpose of which from the date of emergence of the ownership right until the date of sale, transfer as a contribution to the authorized capital of a legal entity is individual housing construction, summer cottage construction, personal subsidiary farming, gardening, or use as a garage.

6. Income of an individual shall not be generated upon assignment of the right to claim a share in an apartment building under an agreement on shared participation in housing construction:

1) in the event that the period from the date of conclusion of such agreement to the date of assignment of such right to claim is three years or more;

2) in the event that the period from the date of acquisition of such right by assignment of the right to claim under an agreement on shared participation in housing construction to the date of assignment of such right to claim is three years or more.

7. If the value of the property referred to in paragraph 3 of this article is expressed in foreign currency and (or) the transaction is conducted in foreign currency, the gain shall be determined in the currency in which the value of the property is expressed and (or) the transaction is made, and then such gain shall be converted into the national currency of the Republic of Kazakhstan using the arithmetic mean of the official exchange rate for the calendar year in which the cases specified in paragraph 2 of this article occurred.

Article 383. Income from value appreciation on real estate

1. Income from value appreciation on real estate arises upon the sale or transfer as a contribution to the authorized capital of a legal entity of the following real estate:

1) dwellings, summer cottages, garages, parking spaces, storage rooms, and personal subsidiary farm buildings located in the Republic of Kazakhstan, if they have been owned for less than two years from the date of ownership registration;

2) land plots and (or) land shares in the Republic of Kazakhstan, the intended purpose of which from the date of the ownership right emergence until the date of sale is individual housing construction, summer cottage construction, for a personal subsidiary farm, for a garage, parking spaces - if they have been owned for less than two years from the date of the ownership right registration;

3) other real estate located in the Republic of Kazakhstan, except as specified in paragraphs 5 and 6 of Article 382 of this Code, regardless of the period of its ownership;

4) immovable property located outside the Republic of Kazakhstan, on which rights and (or) transactions are subject to state or other registration with the competent authority of a foreign state in accordance with the legislation of a foreign state, or located outside the Republic of Kazakhstan, subject to state or other registration with the competent authority of a foreign state under the legislation of a foreign state - regardless of the term of its ownership.

For the purposes of this article, immovable property does not include aircraft and sea vessels, inland waterway vessels, river-sea vessels, space objects, and trunk pipelines.

For the property specified in subparagraphs 1) and 2) of this paragraph, which is under the right of common joint ownership of spouses, the period of ownership is determined from the date of registration of the right of common joint ownership of the spouses to such property until the date of its sale (transfer) in the following cases:

donation in the event of divorce;

inheritance of rights by one of the spouses.

2. Income from value appreciation on real estate real estate is:

1) upon sale - the positive difference between the selling price (value) and its initial value;

2) upon transfer of property as a contribution to the authorized capital - the positive difference between the value at which it was transferred as a contribution to the authorized capital, but not more than the amount for which such property was transferred, and its initial value. In this case, the value of the property at which it was transferred as a contribution to the authorized capital is determined on the basis of a document confirming the acceptance and transfer of such property.

3. Unless otherwise provided by paragraphs 4 - 6 of this article, the initial value of a real estate is the following, documented as:

1) the purchase price (cost) of this property;

2) the purchase price (cost) of the real estate object (objects) that is sold (transferred) after a change in its functional and (or) intended purpose in the period from the date of acquisition to the date of its sale (transfer).

4. In the following cases of sale, transfer to the authorized capital, the initial cost of real estate is:

1) the price (cost) of acquisition of a land plot for construction of a building (part thereof) - in the case of sale (transfer) by an individual who is not a sole proprietor of a building (part thereof) built by him;

2) the market value of the property on the date of emergence of the ownership right - in the case of sale (transfer) by an individual of an individual residential building built by him on the territory of the Republic of Kazakhstan;

3) the cost, determined in tenge for calculating the fee for the legalization of property being sold - in cases of sale (transfer) of property, legalized in accordance with the procedure, established by the laws of the Republic of Kazakhstan "On amnesty due to legalization of property" and "On amnesty for citizens of the Republic of Kazakhstan, oralmans and persons holding a residence permit in the Republic of Kazakhstan, in connection with the legalization of property by them", by the person who legalized it, for which there is no price (cost) of acquisition and the obligation to pay the legalization fee has been fulfilled;

4) appraised and (or) cadastral value - in other cases when an individual does not have documented information about the purchase price (cost) of the property acquired in the Republic of Kazakhstan;

5) the price of an agreement on shared participation in housing construction in the Republic of Kazakhstan - in the case of sale (transfer) of real estate acquired through shared participation in housing construction;

6) the value at which an individual acquired the right to claim a share in a residential building under an agreement on shared participation in housing construction in the Republic of Kazakhstan - in the case of the sale (transfer) of real estate acquired as a result of the assignment of the right to claim a share in an apartment building under an agreement on shared participation in housing construction;

7) the value determined in accordance with paragraph 5 of this article - in the case of the sale (transfer) of property that was received free of charge;

8) the value at which the property was received by a shareholder, participant, founder upon distribution of property, including in exchange for previously contributed property, as reflected in a document confirming the acceptance and transfer of such asset and certified by the signatures of the parties, if the assets were received by a shareholder (participant, founder) as a result of property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as the redemption by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the redemption by a legal entity - issuer from a shareholder of shares issued by this issuer;

9) the amount of previously recognized income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and reflected in the declaration on entrepreneurial activity or the declaration of income and property, if property is received as payment of such income;

10) the amount of accounts receivable for which real estate was received – in the event of real estate being received to pay off accounts receivable that did not arise in connection with the receipt of income.

5. The initial value of property received gratuitously is:

1) the value previously included in income in the form of property received gratuitously, in the case where the value of the property received gratuitously was included in the taxable income of a sole proprietor or the taxable income of an individual;

2) market value - in the case of the sale (transfer) of property received as an inheritance, charitable assistance;

3) assessed value - in case of the sale (transfer) of property subject to individual property tax;

4) cadastral (assessed) value - in the case of the sale (transfer) of a land plot;

5) zero value - in all other cases.

The initial value of property received gratuitously is determined sequentially in the order of the subparagraphs of this paragraph.

6. The initial value of real estate located on the territory of a state with preferential taxation is zero.

7. In the event that the provisions of paragraphs 3 - 6 of this article are not applicable to determining the initial value of real estate located in the Republic of Kazakhstan, the initial value shall be deemed to be zero.

8. When selling (transferring) a part of a real estate property, its initial value shall be determined in proportion to the area of such sold (transferred) part of the property in the total area of the property.

9. For the purposes of this article:

1) the market value is the market value of the property being sold (transferred) on the date the right of ownership to it arises, determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities, unless otherwise provided for in this subparagraph.

The market value of property outside the Republic of Kazakhstan, received by inheritance , is the market value of the property being sold (transferred) on the date the right of ownership to it arises, determined in a report or other document on the results of the appraisal conducted under an agreement between an independent appraiser and the taxpayer in accordance with the legislation of the state in which such property is located.

In this case, the market value must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such property was sold (transferred);

2) the assessed value is the value of the property determined for the calculation of property tax by the State Corporation, as of January 1 of the year in which the right of ownership of the sold (transferred) property arose;

3) the cadastral (assessed) value is the cadastral (assessed) value determined by the State Corporation maintaining the state land cadastre, as of one of the latest dates:

the date on which ownership rights to the land plot arose;

the last date preceding the date on which ownership rights to the land plot arose.

Article 384. Income from value appreciation on vehicles

1. Income from value appreciation on vehicles arises upon the sale or transfer as a contribution to the authorized capital of a legal entity of the following vehicles:

1) motor vehicles and/or trailers subject to state registration in the Republic of Kazakhstan by an individual, if they have been owned for less than one year from the date of the vehicle registration to the date of its sale (transfer);

2) motor vehicles and/or trailers subject to state or other registration with a competent authority of a foreign state in accordance with the legislation of that foreign state, regardless of the ownership period;

3) aircraft and sea vessels, inland waterway vessels, river-sea vessels, space objects, and trunk pipelines, regardless of the ownership period.

2. Income from value appreciation on vehicles shall be:

1) upon sale - the positive difference between the selling price (cost) of the vehicle and its initial value;

2) upon transfer as a contribution to the authorized capital - the positive difference between the value at which the vehicle was transferred as a contribution to the authorized capital, but no more than the amount for which such vehicle was transferred, and its initial value. In this case, the value of the vehicle at which it was transferred as a contribution to the authorized capital is determined on the basis of a document confirming the acceptance and transfer of the vehicle.

3. Unless otherwise provided by paragraphs 4 - 9 of this article, the initial value of the vehicle is the documented price (cost) of its acquisition.

4. In the following cases of sale, transfer to the authorized capital of vehicles, the initial value of the vehicles shall be:

1) the cost at which the property was received by a shareholder, participant, founder upon distribution of property, including in exchange for that previously contributed, as stated in a document confirming the acceptance and transfer of such asset and certified by the signatures of the parties - if the assets were received by a shareholder (participant, founder) as a result of property distribution upon liquidation of a legal entity or reduction of the authorized capital,

as well as redemption by a legal entity from a founder, participant of a shareholding or a part thereof in this legal entity, the redemption by a legal entity - issuer from a shareholder of shares issued by this issuer;

2) the amount of previously recognized income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and stated in the declaration on business activity or the declaration of income and property - in the case of receiving property as payment of such income;

3) the amount of accounts receivable, in repayment of which real estate was received, in the case of receiving a vehicle in repayment of accounts receivable that did not arise in connection with the receipt of income;

4) the value determined in accordance with paragraph 5 of this article, in case of the sale (transfer) of a vehicle that was received gratuitously.

5. The initial value of a vehicle received gratuitously shall be:

1) the value previously included in income in the form of property received gratuitously, in the case where the cost of the vehicle received gratuitously was included in the taxable income of a sole proprietor or the taxable income of an individual;

2) the market value of the property, in the case of the sale (transfer) of a vehicle received as an inheritance or charitable donation;

3) zero cost, in all other cases.

The initial value of property received gratuitously shall be determined sequentially in the order of the subparagraphs of this paragraph.

6. The initial value of vehicles sold (transferred) by an individual that were previously imported into the territory of the Republic of Kazakhstan by this individual shall be determined by adding:

1) the purchase price (cost);

2) the amounts of value-added tax and excise tax accrued and paid upon importation of such vehicles into the territory of the Republic of Kazakhstan;

3) customs and disposal payments in the case of importation of vehicles from the territory of a state that is not a member of the EAEU.

The provisions of this paragraph shall be applied accordingly on the basis of the following documents:

1) an agreement (contract) or other document confirming the purchase of a vehicle in a state that is not a member of the EAEU, and goods declaration;

2) an agreement (contract) or other document confirming the purchase of a vehicle in the territory of a state - member of the EAEU, and a tax declaration on indirect taxes on imported goods.

7. For the purposes of this article, the market value is the market value of the vehicle being sold (transferred) on the date the ownership right to it arises, determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer as

required by the legislation of the Republic of Kazakhstan on appraisal activities, unless otherwise provided for in this paragraph.

The market value of a vehicle registered outside the Republic of Kazakhstan, received by inheritance, is the market value of the vehicle being sold (transferred) on the date the ownership right to it arises, determined in the report or other document on the results of the appraisal conducted under an agreement between an independent appraiser and the taxpayer under the legislation of the state in which such vehicle is registered.

In this case, such market value must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such vehicle was sold (transferred).

8. In the event of sale, transfer as a contribution to the authorized capital of a motor vehicle and (or) a trailer received on the basis of the power of attorney to operate a motor vehicle and (or) a trailer with the right of alienation, the attorney shall provide the owner with documents containing the following data:

the price (cost) of sale, transfer as a contribution to the authorized capital of the vehicle;

the date of their sale, transfer as a contribution to the authorized capital.

The said documents shall be provided before the deadline established for filing a declaration of income and property for the tax period in which such property was sold (transferred).

9. The initial value of vehicles, the rights to which or transactions for which were registered with the competent authority of a state with preferential taxation, is zero.

10. In cases where the provisions of paragraphs 3 - 9 of this article are not applicable to determining the initial cost, the initial value of vehicles located outside the Republic of Kazakhstan shall be zero.

Article 385. Income from capital gains on investment gold

1. Income from capital gains on investment gold arises upon the sale or transfer of investment gold as a contribution to the authorized capital of a legal entity.

2. Income from capital gains on investment gold includes:

1) upon sale - a positive difference between the price (cost) of sale and its initial value;

2) upon transfer of property as a contribution to the authorized capital - a positive difference between the value at which it was transferred as a contribution to the authorized capital, but not more than the amount in payment for which such property was transferred, and its initial value. In this case, the cost of the property at which it was transferred as a contribution to the authorized capital is determined on the basis of a document confirming the acceptance and transfer of such property.

3. Unless otherwise provided in paragraphs 4–7 of this article, the initial value of investment gold is the documented price (cost) of its acquisition.

4. In the following cases of sale, transfer to the authorized capital, the initial value of investment gold shall be:

1) the cost at which the property was received by a shareholder, participant, founder upon distribution of property, including in exchange for previously contributed property, stated in a document confirming the acceptance and transfer of such asset and certified by the signatures of the parties - if the assets were received by a shareholder (participant, founder) as a result of property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as redemption by a legal entity from a founder, participant of a shareholding or a part thereof in this legal entity, redemption by a legal entity - issuer from a shareholder of shares issued by this issuer;

2) the amount of previously recognized income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and stated in the declaration on business activity or in the declaration of income and property - in the case of receiving investment gold as payment of such income;

3) the amount of accounts receivable for which investment gold was received, in the case of receiving investment gold to pay off the accounts receivable that did not arise in connection with the receipt of income;

4) the value determined in accordance with paragraph 5 of this article, in case of the sale (transfer) of investment gold that was received gratuitously.

5. The initial value of investment gold received gratuitously is:

1) the cost previously included in income in the form of property received gratuitously, in the case where the cost of gratuitously received investment gold was included in the taxable income of a sole proprietor or the taxable income of an individual;

2) the market value of the property, in the case of the sale (transfer) of investment gold received as an inheritance, charitable donation;

3) zero value, in all other cases.

The initial value of gratuitously received property is determined sequentially in the order of the subparagraphs of this paragraph.

6. For the purposes of this article, the market value is the market value of the investment gold being sold (transferred) on the date of emergence of the ownership right to it, determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities, unless otherwise established by this paragraph.

The market value of the investment gold being sold (transferred), located outside the Republic of Kazakhstan, received by inheritance, is the market value of such investment gold on the date of emergence of the ownership right to it, determined in the report or other document on the results of the assessment carried out under an agreement between an independent appraiser and the taxpayer under the legislation of the state in which such investment gold is located.

In this case, such market value must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such property was sold (transferred).

7. The initial value of investment gold acquired outside the Republic of Kazakhstan in the territory of a state with preferential taxation, or investment gold, the rights to which or transactions on which are registered with the competent authority of a state with preferential taxation, shall be zero.

8. In cases where the provisions of paragraphs 3 - 6 of this article are not applicable to determining the initial value, the initial value of investment gold outside the Republic of Kazakhstan shall be zero.

Article 386. Income from gains on a share in the authorized capital of a legal entity

1. Income from gains on a share in the authorized capital of a legal entity arises upon the sale or transfer as a contribution to the authorized capital of a legal entity of a share in the authorized capital of a legal entity.

2. Income from gains on a share in the authorized capital of a legal entity shall be:

1) upon sale - the positive difference between the selling price (cost) and its initial cost;

2) upon transfer of a share as a contribution to the authorized capital - the positive difference between the cost at which it was transferred as a contribution to the authorized capital, but no more than the amount for which such share was transferred, and its initial value. In this case, the value of the share at which it was transferred as a contribution to the authorized capital shall be determined on the basis of a document confirming the acceptance and transfer of such share.

3. The initial value of the participation share is proportional to the size of the outgoing share of participation:

1) the price (cost) of its acquisition

and (or)

2) the cost of the property transferred as a contribution to the authorized capital, but not more than the amount in payment for which the property was transferred. In this case, such value is determined on the basis of documents confirming the contribution and the value at which the property was transferred (an acceptance certificate and (or) other documents),

and (or)

3) the amount of money contributed to the authorized capital, but no more than the amount for which the money was transferred,

and (or)

4) the book value of the shareholding received by the shareholder, participant, founder upon distribution of property, including that received in exchange for previously contributed property, subject to statement (stated) in the accounting records of the transferring entity on the date of transfer excluding revaluation and impairment, as stated in the document confirming the transfer of the shareholding and certified by the signatures of the parties - if

the shareholding was received by the shareholder (participant, founder) as a result of property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as the buyout by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the buyout by a legal entity - issuer from a shareholder of shares issued by this issuer,

and (or)

5) the amount of previously recognized income received from a tax agent or income received from sources outside the Republic of Kazakhstan and reflected in the declaration on business activity or the declaration of income and property, - in the case of receiving a participating interest as payment of such income,

and (or)

6) the amount of accounts receivable, in repayment of which the participating interest was received, - in case of receiving a participating interest to repay accounts receivable that did not arise in connection with the receipt of income,

and (or)

7) the value previously included in the taxable income of a sole proprietor or in the taxable income of an individual, - in the case of the sale (transfer) of a participating interest that was received gratuitously,

and (or)

8) the market value of a participating interest - in the case of the sale (transfer) of a participating interest received as an inheritance, charitable assistance.

4. The initial value of a share in the authorized capital of a legal entity registered in the territory of a state with preferential taxation, or a share, the rights to which or transactions on which are registered with the competent authority of a state with preferential taxation, shall be zero.

5. In cases where the provisions of paragraphs 1 - 3 of this article are not applicable to determining the initial value of a share, such value shall be zero.

6. For the purposes of this article, the market value is the market value of the share being sold (transferred) on the date of emergence of the ownership right to it, determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities, unless otherwise established by this paragraph.

The market value of the sold (transferred) share in the authorized capital of a foreign legal entity registered outside the Republic of Kazakhstan, received by inheritance, is the market value of the sold (transferred) share on the date of emergence of the ownership right to such share, determined in the report or other document on the results of the assessment carried out under an agreement between an independent appraiser and the taxpayer under the legislation of the state in which such foreign legal entity is registered.

In this case, such market value must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such property was sold (transferred).

Article 387. Income from capital gains on securities

1. Income from capital gains on securities consists of:

1) income from capital gains on securities, except for preferential securities;

2) income from capital gains on preferential securities.

2. The result from the sale or transfer of securities as a contribution to the authorized capital of a legal entity may be positive or negative and is determined for each disposal transaction during the tax period in the following order:

1) upon sale, including redemption of debt securities, - the difference between the sale or redemption price of the security and its initial value;

2) upon transfer as a contribution to the authorized capital – the difference between the value of the security at which it is transferred as a contribution to the authorized capital and its initial value.

3. The total amount of the results of all transactions involving the sale of securities and their transfer as a contribution to the authorized capital, except for preferential securities, for the tax period shall be recognized:

as income from the increase in value, if such amount is positive;

as zero, if such amount is zero or negative.

4. The total amount of the results from all transactions involving the sale of preferential securities and their transfer as a contribution to the authorized capital for the tax period shall be recognized:

as income from capital gains on preferential securities, if such amount is positive and is accounted for in accordance with subparagraphs 1) to 6) of paragraph 1 of Article 400 of this Code;

as zero, if such amount is zero or negative.

Preferential securities are securities specified in subparagraphs 1) to 6) of paragraph 1 of Article 400 of this Code, subparagraphs 1) and 2) of paragraph 7 of Article 6 of the Constitutional Law of the Republic of Kazakhstan “On the Astana International Financial Center.”

5. Income from capital gains on securities is determined by sequentially writing off securities in chronological order depending on the date of their receipt.

6. The initial value of securities is:

1) the cost of their acquisition, expenses on commission fees for services on the acquisition of securities to an entity carrying out brokerage activities under the legislation of the Republic of Kazakhstan or another state. For securities acquired by an individual under an option, the acquisition cost is determined in the amount of the option strike price and the option premium

or

2) the cost at which the property was received by a shareholder, participant, founder upon distribution of property, including in exchange for previously contributed property, as stated in a document confirming the acceptance and transfer of such asset and certified by the signatures of the parties - if the assets were received by a shareholder (participant, founder) as a result of property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as the buyout by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the buyout by a legal entity - issuer from a shareholder of shares issued by this issuer,

or

3) the amount of previously recognized income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and reflected in the declaration of a sole proprietor or the declaration of income and property - in the event of receiving securities as payment of such income,

or

4) the amount of accounts receivable for which the security was received, in the case of receiving securities to pay off accounts receivable that did not arise in connection with the receipt of income,

or

5) the value previously included in income in the form of property received gratuitously, in the case where the value of gratuitously received securities was included in the taxable income of a sole proprietor or the taxable income of an individual,

or

6) the market value of the security, in the case of the sale (transfer) of a security received as an inheritance, charitable donation.

The initial value of securities must be documented. In the absence of documents confirming the initial value of the securities, such value is recognized as zero.

The initial value of a unit of securities upon their sale, transfer as a contribution to the authorized capital is determined by the initial value of the securities received first in time.

7. The initial value of securities, other than debt securities, the rights to which or transactions on which are registered with the competent authority of a state with preferential taxation, shall be zero.

The initial value of debt securities, the issue of which is registered in a state with preferential taxation, shall be zero.

8. In cases where the provisions of paragraph 6 of this article are not applicable to determining the initial value, the initial value of securities is recognized as equal to zero.

9. For the purposes of this article, the market value is the market value of the security being sold (transferred) on the date the ownership right to it arises, determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in

accordance with the legislation of the Republic of Kazakhstan on appraisal activities, unless otherwise established by this paragraph.

The market value of a security being sold (transferred), registered outside the Republic of Kazakhstan, received by inheritance, is the market value of the security being sold (transferred) on the date the ownership right to it arises, determined in the report or other document on the results of the appraisal conducted under an agreement between an independent appraiser and the taxpayer under the legislation of the state in which such security is registered.

In this case, such market value must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such property was sold (transferred).

Article 388. Income from capital gains on derivative financial instruments

1. Income from capital gains on derivative financial instruments (except for derivative financial instruments that are executed by acquiring or selling the underlying asset) arises when derivative financial instruments are sold or transferred as a contribution to the authorized capital of a legal entity.

If a derivative financial instrument is used for the purpose of acquiring or selling the underlying asset, it is taken into account for the purposes of calculating individual income tax in accordance with the provisions of this Code established for the underlying asset.

2. Income from capital gains on derivative financial instruments (except for derivative financial instruments that are executed by acquiring or sale of the underlying asset) is:

1) upon sale - a positive difference between the price (cost) of sale and its initial value;

2) upon transfer of property as a contribution to the authorized capital - a positive difference between the cost at which it was transferred as a contribution to the authorized capital, but not more than the amount in payment for which such property was transferred, and its initial value. In this case, the cost of the property at which it was transferred as a contribution to the authorized capital is determined on the basis of a document confirming the acceptance and transfer of such property.

3. Unless otherwise provided by paragraphs 4 and 5 of this article, the initial value of derivative financial instruments (except for derivative financial instruments that are executed by acquiring or selling of the underlying asset) is the documented price (cost) of their acquisition.

4. In the following cases of sale, transfer to the authorized capital, the initial value of derivative financial instruments (except for derivative financial instruments, executed by acquiring or selling of the underlying asset) shall be:

1) the value at which the property is received by a shareholder, participant, founder upon distribution of property, including in exchange for previously contributed property, reflected in a document confirming the acceptance and transfer of such asset and certified by the signatures of the parties - if the property was received by a shareholder (participant, founder)

as a result of property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as the buyout by a legal entity from a founder, participant of a shareholding or part thereof in this legal entity, the buyout by a legal entity - issuer from a shareholder of shares issued by this issuer;

2) the amount of previously recognized income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and stated in the declaration on business activity or the declaration of income and property, in the case of receipt of derivative financial instruments (except for derivative financial instruments, executed through the acquisition or sale of the underlying asset) as payment of such income;

3) the amount of accounts receivable, against which derivative financial instruments were received as repayment (except for derivative financial instruments, that are settled by acquiring or selling of the underlying asset), - if they were received as repayment of accounts receivable that did not arise in connection with the receipt of income;

4) the value previously included in income in the form of derivative financial instruments received gratuitously (except for derivative financial instruments, that are settled by acquiring or selling of the underlying asset), - if the value of gratuitously received derivative financial instruments (except for derivative financial instruments, that are settled by acquiring or selling of the underlying asset) was included in the taxable income of a sole proprietor or the taxable income of an individual;

5) the market value of a derivative financial instrument - in the event of the sale (transfer) of a derivative financial instrument received as an inheritance, charitable assistance.

5. The initial value of derivative financial instruments (except for derivative financial instruments, that are settled by acquiring or selling of the underlying asset), the rights to which or transactions on which are registered with the competent authority of a tax-privileged jurisdiction, is zero.

6. In cases when the provisions of paragraphs 3 and 4 of this article are not applicable to determining the initial cost, the initial cost of derivative financial instruments (except for derivative financial instruments, executed through acquisition or sale of the underlying asset) is zero.

7. For the purposes of this article, the market value is the market value of the derivative financial instrument being sold (transferred) on the date of emergence of the ownership right to it, determined in the appraisal report made under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities, unless otherwise established by this paragraph.

The market value of a derivative financial instrument registered outside the Republic of Kazakhstan, received by inheritance, is the market value of the derivative financial instrument on the date of acquisition of ownership rights to it, as determined in the report or other

document on the results of appraisal conducted under an agreement between an independent appraiser and the taxpayer under the legislation of the state in which such derivative financial instrument is registered.

In this case, such market value must be determined by the taxpayer no later than the deadline set for filing a declaration of income and property for the tax period in which such derivative financial instrument was sold (transferred).

Article 389. Income from capital gains on digital assets

1. Income from capital gains on digital assets arises upon the sale or transfer of digital assets as a contribution to the authorized capital of a legal entity.

2. Income from capital gains on digital assets is:

1) upon sale - a positive difference between the selling price (cost) and its initial value;

2) upon transfer of property as a contribution to the authorized capital - a positive difference between the cost at which it was transferred as a contribution to the authorized capital, but not more than the amount for which such property was transferred, and its initial value. In this case, the cost of the property at which it was transferred as a contribution to the authorized capital is determined on the basis of a document confirming the acceptance and transfer of such property.

3. Unless otherwise provided by paragraphs 4 and 5 of this article, the initial value of digital assets is the documented price (cost) of their acquisition.

4. In the following cases of sale or transfer to the authorized capital, the initial value of digital assets shall be:

1) the value at which the property was received by a shareholder, participant, or founder during the distribution of property, including in exchange for previously contributed property, as reflected in a document confirming the receipt and transfer of such asset and certified by the signatures of the parties, if the assets were received by a shareholder (participant, founder) as a result of the property distribution upon liquidation of a legal entity or reduction of the authorized capital, as well as repurchase by a legal entity from the founder, participant of a shareholding or part thereof in this legal entity, repurchase by a legal entity – issuer from a shareholder of shares issued by this issuer;

2) the amount of previously recognized income received from a tax agent, or income received from sources outside the Republic of Kazakhstan and reflected in the business activity declaration or income and property declaration, in the case of receiving digital assets as payment of such income;

3) the amount of accounts receivable, against which the digital asset was received as repayment, in the case of receiving digital assets as repayment of accounts receivable that did not arise in connection with the receipt of income;

4) the value previously included in income in the form of digital assets received gratuitously, in the case when the value of digital assets received gratuitously was included in the taxable income of a sole proprietor or taxable income of an individual;

5) the market value of a digital asset, in the case of the sale (transfer) of a digital asset received as an inheritance or charitable donation.

5. The initial value of digital assets obtained from sources in a state with tax-privileged jurisdiction is zero.

6. In cases where the provisions of paragraphs 3 and 4 of this article are not applicable for determining the initial value, the initial value of digital assets is zero.

7. For the purposes of this article, the market value is the market value of the digital asset being sold (transferred) on the date of acquisition of ownership rights to it, as determined in the valuation report prepared under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on valuation activities, unless otherwise provided by this paragraph.

The market value of a digital asset registered outside the Republic of Kazakhstan, received by inheritance, is the market value of the digital asset on the date of acquisition of ownership rights to it, as determined in the report or other document on the results of an appraisal conducted under an agreement between an independent appraiser and the taxpayer in accordance with the legislation of the state in which such digital asset is registered.

At the same time, such market value must be determined by the taxpayer no later than the deadline set for filing a declaration of income and property for the tax period in which such property was sold (transferred).

Article 390. Income from capital gains on the sale of assets of a sole proprietor applying a special tax regime based on a simplified declaration or for farming households and businesses

1. For the purposes of this article, the assets of a sole proprietor applying a special tax regime based on a simplified declaration or for farming households and businesses include the following assets that are not inventories or claims:

1) fixed assets used in business activity;

2) unfinished construction projects;

3) uninstalled machinery and equipment;

4) intangible assets;

5) biological assets;

6) fixed assets, the cost of which is fully deducted in accordance with the tax legislation of the Republic of Kazakhstan effective before January 1, 2000, if such fixed assets were fixed assets in tax periods during which the sole proprietor made settlements with the budget in the generally established manner and the asset was a fixed asset;

7) assets put into operation within the framework of an investment project under contracts concluded before January 1, 2009 in accordance with the legislation of the Republic of Kazakhstan in business sphere, the cost of which is fully deducted, if the sole proprietor previously made settlements with the budget in the generally established procedure and the asset was a fixed asset.

2. When selling assets by a sole proprietor using a special tax regime based on a simplified declaration or for peasant households or farming businesses, the appreciation is determined for each asset as a positive difference between the selling price (cost) and the initial value.

3. Unless otherwise provided by this Article, for the purposes of this Article, the initial value of assets of a sole proprietor using a special tax regime based on a simplified declaration or for peasant households or farming businesses is the total cost of acquisition, production, construction, assembly, installation, reconstruction and modernization, except for the costs (expenses) specified in subparagraphs 1), 2), 3) and 5) of Article 286 and Article 287 of this Code.

In this case, recognition of reconstruction and modernization is carried out in accordance with Article 278 of this Code.

4. If an asset was previously received gratuitously, for the purposes of this Article, the initial value of such asset shall be its cost included in the taxable item of the taxpayer using the special tax regime.

5. When selling an asset received as an inheritance or charitable donation, except for the case provided for in paragraph 4 of this article, the initial value is the market value of such an asset on the date of emergence of the right of ownership of the asset by a sole proprietor applying a special tax regime based on a simplified declaration or for peasant households or farming businesses, as determined in the appraisal report conducted under an agreement between the appraiser and the sole proprietor in accordance with the legislation of the Republic of Kazakhstan on appraisal activities.

In this case, the market value of the asset must be determined by the taxpayer no later than the deadline established for filing a declaration of income and property for the tax period in which such assets were sold as of the date of the ownership emergence.

6. The initial value of an asset is equal to zero in the following cases:

1) in the absence of a market value of the asset determined on the date of emergence of the ownership right to it;

2) if the deadline for determining the market value established by paragraph 5 of this article is not met;

3) in the absence of primary documents confirming the costs stipulated by paragraph 3 of this article, except for the cases specified in paragraphs 4 and 5 of this article;

4) for assets specified in subparagraphs 6) and 7) of paragraph 1 of this article.

Article 391. Income from assignment of the right of claim, including a share in an apartment building under an equity agreement in housing construction

1. Unless otherwise established by this article, income from the assignment of the right of claim is the positive difference between the value at which the assignment of the debtor's right of claim was made by an individual and the amount of such claim as of the date of assignment on the basis of an agreement between the individual and the debtor.

If the claim for which the assignment is being made was acquired by an individual by way of assignment of the right of claim and (or) received free of charge from another individual, then the income from the assignment of the right of claim is the positive difference between the value at which the assignment of the debtor's right of claim was made by the individual and the amount of such claim as of the date of assignment, but not more than the value at which an individual previously acquired the right of claim, and (or) the value of the right of claim received free of charge from another individual.

Income from the assignment of the right of claim is recognized in the tax period in which the assignment of the right of claim is made.

2. The income from the assignment of the right to claim a share in an apartment building under a contract for equity participation in housing construction for a taxpayer who has assigned the right of claim is the positive difference between the value of the assignment of the right of claim and the price of the contract for equity participation in housing construction in the case when the period from the date of conclusion of such an agreement to the date of assignment of such a right of claim is less than three years.

3. For a taxpayer who has assigned the right of claim, income from the assignment of the right to claim a share in an apartment building under a contract for equity participation in housing construction, previously acquired by way of assignment of the right of claim under a contract for equity participation in housing construction and (or) received free of charge from another individual, in the case when the period from the date of acquisition and (or) obtaining such a right by way of assignment of the right of claim under a contract on equity participation in housing construction before the date of assignment of such right of claim is less than three years, is a positive difference between the value of the assignment of the right of claim and the value at which an individual previously acquired such a right, and (or) the value of the right of claim received free of charge from another individual.

Paragraph 4. Income of an individual entrepreneur

Article 392. Income of an individual entrepreneur

The income of an individual entrepreneur for the tax period consists of income received in the Republic of Kazakhstan and abroad during the tax period from activities as an individual entrepreneur, and is determined by:

in a generally established taxation procedure, which is similar to the procedure for determining total annual income for the purpose of calculating corporate income tax established by Article 237 of this Code, taking into account the specifics provided for in Articles 238-254, chapters 27-31 of this Code, and (or) in a special tax regime in accordance with Section 16 of this Code.

Article 393. Taxable and taxable income of an individual entrepreneur applying the generally established taxation procedure

1. The taxable income of an individual entrepreneur applying the generally established taxation procedure for a tax period shall be determined in the following manner:

the taxable income of an individual entrepreneur determined in accordance with paragraph 2 of this article,

minus

the reduction in taxable income of an individual entrepreneur determined in a manner similar to the procedure for determining the reduction in taxable income for the purposes of calculating corporate income tax established by Article 337 of this Code,

minus

losses determined and transferred in a manner similar to the procedure established for the purposes of calculating corporate income tax in Articles 339-342 of this Code.

2. The taxable income of an individual entrepreneur applying the generally established taxation procedure for a tax period shall be determined in the following manner:

the income of an individual entrepreneur for a tax period determined in a manner similar to the procedure for determining total annual income for the purposes of calculating corporate income tax established by Section 5 of this Code,

plus (minus)

the adjustment of an individual entrepreneur's income received cumulatively for a tax period, determined in a manner similar to the procedure for determining a reduction in total annual income for the purpose of calculating corporate income tax, established by Article 255 of this Code, and income adjustments established by Article 256 of this Code for the purpose of calculating corporate income tax,

minus

deductions determined in a manner similar to the procedure for determining expenses attributed to deductions for the purposes of calculating corporate income tax established by Articles 257-287, taking into account the specifics provided for in Chapters 27-31 of this Code,

plus (minus)

the adjustment of deductions determined in a manner similar to the procedure for determining the adjustment of deductions for the purposes of calculating corporate income tax established by Article 288 of this Code.

Paragraph 5. Income of a person engaged in private practice, as well as income from the sale of goods, works, and services

Article 394. General provisions on the income of a person engaged in private practice

1. The income of a person engaged in private practice includes:

1) income of a private notary;

2) income of a private bailiff;

3) lawyer's income;

4) income of a professional mediator.

2. The income of persons engaged in private practice is all types of income received from carrying out activities related to the execution of executive documents, notarial, advocacy, and professional mediation activities, including, respectively, payment for providing legal assistance, performing notarial acts, as well as the amounts of reimbursement received.

3. The amount of money received for the provision of services by a person engaged in private practice as collateral as a way to ensure the fulfillment of obligations in accordance with the civil legislation of the Republic of Kazakhstan is recognized as income from the date of payment for services from the collateral money specified in the act of services rendered or the document confirming the provision of services.

4. The date of recognition of the income of a person engaged in private practice is:

1) the date of the provision of services specified in the signed act of services rendered;

2) the date of the provision of services, indicated in another document confirming the fact of the provision of services, in the absence of an act of services rendered.

5. The amount of individual income tax on the income of persons engaged in private practice shall be calculated based on the income received per month, based on the results of each month, by applying the rate established by subparagraph 2) of Article 363 of this Code to the amount of taxable income of a person engaged in private practice.

6. The amount of the calculated tax is payable monthly no later than the 5th day of the month following the month for which the tax was calculated.

Article 395. Income from the sale of goods, works, and services

Income earned by an individual from the sale of goods, works, and services includes:

1) income from the sale of goods, works, and services to persons who are not tax agents;

2) income from the sale of goods, works, and services to a tax agent.

Income from the sale of services to a tax agent that is subject to taxation is also recognized as income received (to be received) by a member of the board of directors or other management body of a taxpayer that is not a supreme management body.

Paragraph 6. Other income

Article 396. Income from private household farming

Income from a private household farming is recognized as income from the sale by a person engaged in a private household farming of agricultural products from a private household farming.

Article 397. Other income

All types of income, except those specified in subparagraphs 1) -15) and 17) of paragraph 2 of Article 371 of this Code, received from sources in the Republic of Kazakhstan and (or) abroad, are recognized as other income.

Paragraph 7. Profit of a controlled foreign company

Article 398. General provisions on a controlled foreign company

The financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company is not subject to double taxation.

Double taxation is eliminated by applying the following provisions:

1) exemption from taxation in accordance with Article 399 of this Code;

2) adjustments to the financial profit before taxation of a controlled foreign company in accordance with the conditions specified in paragraph 3 of Article 399 of this Code;

3) reduction of financial profit before taxation of a controlled foreign company in accordance with Article 399 of this Code;

4) offsetting against the payment of individual income tax in the Republic of Kazakhstan in the manner specified by paragraph 2 of Article 413 of this Code.

Article 399. Taxation of profits of a controlled foreign company

1. The total profit of controlled foreign companies or permanent establishments of controlled foreign companies, calculated taking into account the provisions of this Article and Article 335 of this Code, is included in the annual income of a resident individual and is subject to individual income tax in the Republic of Kazakhstan.

Such total profits of controlled foreign companies or permanent establishments of controlled foreign companies are subject to inclusion in the individual income tax declaration.

2. The financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company is exempt from taxation in the Republic of Kazakhstan if one of the following conditions is met:

1) with the indirect participation or indirect control of a resident in a controlled foreign company carried out through another resident;

2) with the indirect participation or indirect control of a resident in a controlled foreign company, carried out through a person who is not a controlled person;

3) if the financial profits of a permanent establishment of a controlled foreign company were subject to income tax in the state in which the controlled foreign company that established the permanent establishment is registered at an effective rate of 10 percent or more;

4) if the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company has been taxed in the state in which the controlled person is registered, through which the resident indirectly owns shares or has indirect control in the controlled foreign company, at an effective rate of 10 percent or more;

5) if the share of passive income of a controlled foreign company or a permanent establishment of a controlled foreign company, with the exception of those registered in countries with preferential taxation, is less than 20 percent;

6) with direct and (or) indirect ownership and (or) control by an AIFC investment resident in a controlled foreign company.

For the purposes of applying this paragraph, a resident individual must have the supporting documents specified in paragraph 2 of Article 334 of this Code.

3. A resident individual has the right to reduce the financial profit before taxation of a controlled foreign company or the financial profit before taxation of a permanent establishment of a controlled foreign company by the following amounts:

1) the amount of reduction, determined by the following formula:

У = ФП × (Д(1)/ССД), where:

У is the sum of the reduction;

ФП is a positive amount of financial profit before taxation of a controlled foreign company;

Д (1) – the taxable income of a controlled foreign company from business activities in the Republic of Kazakhstan through a branch, representative office, permanent establishment, subject to corporate income tax in the Republic of Kazakhstan at a rate of 20 percent or more, within the limits of the taxable income of the branch, provided that the financial profit before taxation of the controlled foreign company takes into account the taxable income indicated in this subparagraph;

ССД – the total amount of income;

2) the amount of reduction, determined by the following formula:

У = ФП × (Д(2)/ССД), where:

У is the amount of reduction;

ФП is a positive amount of financial profit before taxation of a controlled foreign company;

Д (2) – income from the provision of services (performance of work) in the Republic of Kazakhstan, without the formation of a permanent establishment, received by a controlled foreign company from sources in the Republic of Kazakhstan, subject in the Republic of Kazakhstan to corporate income tax at the source of payment at a rate of 20 percent, provided that the financial profit before taxation is determined taking into account the income specified in this subparagraph;

ССД – the total amount of income;

3) dividends received by a controlled foreign company from sources in the Republic of Kazakhstan that are not subject to corporate income taxation at the source of payment in accordance with subparagraph 7) of Article 681 of this Code, provided that the financial profit before taxation of the controlled foreign company includes such income;

4) the amount of dividends received by one controlled foreign company from another controlled foreign company, which are part of a single organizational structure of the consolidated group.

At the same time, the financial profit of one controlled foreign company must include such dividends, which were previously subject (subject to taxation in the current period) to individual income tax on the financial profit of another such controlled foreign company in

the Republic of Kazakhstan and (or) reduced in accordance with the sub-paragraphs 3), 5), 6), 7), 8) and 9) of this paragraph or part one of this subparagraph;

5) the amount of dividends received by a controlled foreign company from a foreign company that is part of a single organizational structure of the consolidated group.

At the same time, the financial profit of one controlled foreign company must include such dividends, which were previously subject (subject to taxation in the current period) to individual income tax on the financial profit of another such controlled foreign company in the Republic of Kazakhstan and (or) reduced in accordance with the sub-paragraphs 3), 4), 6), 7), 8) and 9) of this paragraph or part one of this subparagraph;

6) the amount of reduction, determined by the following formula:

У = ФП × (Д(6)/ССД), where:

У is the amount of the reduction;

ФП is a positive amount of financial profit before taxation of a controlled foreign company;

Д (6) – income in the form of remuneration and (or) from value gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan previously subject to corporate income taxation at the source of payment in the Republic of Kazakhstan, provided that the financial profit before taxation of the controlled foreign company includes such income;

ССД – the total amount of income;

7) the amount of reduction, determined by the following formula:

У = ФП × (Д(7)/ССД), where:

У is the amount of the reduction;

ФП is a positive amount of financial profit before taxation of a controlled foreign company;

Д (7) – the income from the increase in value received by one controlled foreign company from the sale of another controlled foreign company, which is the founder of a resident of the Republic of Kazakhstan, complying with the conditions of subparagraph 4) of Article 681 of this Code, provided that the financial profit of one controlled foreign company includes such income;

ССД – the total amount of income;

8) income in the form of remuneration and (or) from value gains and (or) in the form of royalties received by a controlled foreign company from sources in the Republic of Kazakhstan that are not subject to corporate income taxation at the source of payment in accordance with subparagraphs 1), 4) and 9) of Article 681 of this Code, provided that the financial profit before taxation of a controlled foreign company includes such income;

9) the amount of dividends received by a controlled foreign company from sources in the Republic of Kazakhstan that were previously subject to corporate income tax at the source of

payment in the Republic of Kazakhstan, provided that the financial profit before taxation includes such dividends;

10) the amount of dividends received by a controlled foreign company from a foreign company that is part of a single organizational structure of the consolidated group.

At the same time, the financial profit of one controlled foreign company must include such dividends received from sources of the Republic of Kazakhstan that were previously subject to corporate income tax at the source of payment in the Republic of Kazakhstan and (or) were not subject to corporate income tax at the source of payment in accordance with subparagraph 7) of Article 681 of this Code.

The provisions of part one of this paragraph do not apply to a controlled foreign company and (or) a permanent establishment of a controlled foreign company that are registered in countries with preferential taxation.

In order to apply part one of this paragraph, a resident individual must have the supporting documents specified in paragraph 11 of Article 335 of this Code.

4. A resident individual must submit an application for participation (control) in a controlled foreign company in accordance with the procedure established by Article 336 of this Code.

Note.

The concepts used in this article are defined by Article 332 of this Code.

Paragraph 8. Reduction of taxable income and personal tax deductions

Article 400. General provisions on reducing taxable income

1. The income of an individual subject to taxation is reduced by the following income:

1) income from the increase in value in the sale of government-issued securities;

2) income from the increase in value in the sale of agency bonds;

3) income from the increase in value in the sale of shares of open and interval mutual funds;

4) income from the increase in value from the sale of shares, participation interests in a resident legal entity or a consortium established in the Republic of Kazakhstan.

This subparagraph applies if the following conditions are fulfilled simultaneously:

as of the date of sale of shares or participation shares, the taxpayer has owned these shares or participation shares for more than three years;

such a legal entity is an issuer or a legal entity in which a participation interest is being sold, or a participant in such a consortium that sells a participation interest in such a consortium, is not a subsurface user;

the property of persons (person) who are subsurface users (subsurface user) in the value of assets of such a legal entity - issuer or such a legal entity in which the share of participation is being sold, or the total value of assets of participants in such a consortium in which the share of participation is being sold, as of the date of such sale, is not more than 50 percent.

For the purposes of this subparagraph, a subsurface user who is such solely because of his possession of the right to extract groundwater and (or) widespread minerals for his own needs is not recognized as a subsurface user.

In this case, the share of property of persons (person) who are subsurface users (subsurface user) in the value of assets of a legal entity or consortium, whose shares or participation interests are being sold, is determined in accordance with Article 687 of this Code;

5) income from the increase in value from the sale of debt securities issued by a resident legal entity, with the exception of income of a person who is a resident of a state with preferential taxation, subject to the following conditions:

as of the date of sale of debt securities, the taxpayer has owned these debt securities for more than three years;

such an issuing legal entity is not a subsurface user;

the property of persons (person) who are subsurface users (subsurface user) in the value of the assets of such an issuing legal entity on the day of such sale is not more than 50 percent.

For the purposes of this subparagraph, a subsurface user who is such solely because of his possession of the right to extract groundwater and (or) widespread minerals for his own needs is not recognized as a subsurface user.

In this case, the share of the property of persons (person) who are subsurface users (subsurface user) in the value of the assets of the issuing legal entity is determined in accordance with Article 687 of this Code;

6) income from the increase in value of securities sold by open trading on a stock exchange operating in the territory of the Republic of Kazakhstan, which on the day of the sale are in the official lists of this stock exchange;

7) income from value gains in the sale of digital assets, for which income is determined from digital mining activities;

8) the value of property received in the form of charitable and sponsorship assistance from a person who is not a tax agent;

9) the value of property received in the form of humanitarian aid from a person who is not a tax agent;

10) official income of diplomatic or consular staff who are not citizens of the Republic of Kazakhstan;

11) official income of foreign nationals in the civil service of a foreign state, in which their income is subject to taxation;

12) official income in foreign currency of individuals who are citizens of the Republic of Kazakhstan and serve in diplomatic and equivalent missions of the Republic of Kazakhstan abroad, paid from the budget;

13) alimony payments received in accordance with the legislation of the Republic of Kazakhstan on marriage (matrimony) and family;

14) compensation for damage caused to the life and health of an individual, in accordance with the legislation of the Republic of Kazakhstan, with the exception of moral damage;

15) the amounts of compensation for material damage awarded under a judicial act that has entered into force, as well as court costs;

16) the cost of vouchers to children's camps for children under the age of sixteen;

17) the employee's income specified in Article 429 of this Code;

18) the remuneration specified in Article 430 of this Code;

19) lump-sum pension payments, pension payments specified in Article 431 of this Code;

20) payments from the budget funds specified in Article 432 of this Code;

21) gratuitously received property specified in Article 433 of this Code;

22) scholarships, payments and compensations related to education specified in Article 434 of this Code;

23) insurance payments specified in Article 435 of this Code;

24) income not provided for in subparagraphs 1) - 23) of this paragraph and specified in Article 436 of this Code.

2. If the income of an individual subject to taxation has not been reduced by the income provided for in subparagraphs 12) – 24) of paragraph 1 of this Article, by a tax agent to an individual's income due to an individual's request later than the date of withholding individual income tax from such income, the individual has the right, during the calendar year in which the income was paid and the calendar year following it, to submit to the tax agent who withheld individual income tax from such income, an application and supporting documents, on the basis of which the tax agent recalculates the income subject to taxation.

Article 401. General provisions on personal tax deductions

1. An individual has the right to apply the following types of personal tax deductions:

1) tax deduction of social payments;

2) basic tax deduction;

3) social tax deductions.

2. An individual applies tax deductions:

1) at the tax agent;

2) independently, if not applied by a tax agent.

3. Tax deductions in determining the object of taxation shall be applied consistently in the order in which they are reflected in paragraph 1 of this Article.

Article 402. Tax deduction of social payments

The tax deduction of social payments includes those calculated in accordance with the legislation of the Republic of Kazakhstan:

1) mandatory pension contributions;

2) contributions for compulsory social health insurance;

3) social deductions withheld from the income of individuals under civil law contracts.

Article 403. Basic tax deduction

The basic tax deduction is 30 times the monthly calculation index effective on January 1 of the corresponding fiscal year, applied for each calendar month. The total amount of the basic tax deduction for a calendar year should not exceed 360 times the monthly calculation index effective on January 1 of the corresponding fiscal year.

Article 404. Social tax deductions

1. Social tax deductions:

1) 5,000 times the monthly calculation index effective on January 1 of the relevant financial year for a calendar year based on the fact that such a person is a person with a disability of the first or second category as of the date of application of this subparagraph;

2) 882-fold monthly calculation index effective on January 1 of the relevant financial year for a calendar year based on the fact that such a person, as of the date of application of this subparagraph, is:

a person with a disability of the third category;

a child with a disability;

a participant in the Great Patriotic War,

a person equated in terms of benefits to participants in the Great Patriotic War, and (or) a veteran of military operations on the territory of other states;

a person awarded orders and medals of the former USSR for selfless work and impeccable military service in the rear during the Great Patriotic War;

a person who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and was not awarded the orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War;

3) 882 times the monthly calculation index effective on January 1 of the relevant financial year for a calendar year based on the fact that such a person is, as of the date of application of this subparagraph:

one of the parents, guardians, and trustees of a child with a disability, - for each such child with a disability until he reaches the age of eighteen;

one of the parents, guardians, and trustees of a person who has been recognized as a person with a disability as "a person with a disability since childhood" – for each such person during his or her lifetime;

one of the adoptive parents, – for each such person until the adopted child reaches the age of eighteen;

one of the foster parents who have adopted orphaned children and children left without parental care into a foster family, - for each such person for the duration of the agreement on the transfer of orphaned children and children left without parental care to a foster family.

The provisions of this subparagraph shall not apply to:

employees of the administrations of relevant educational organizations, medical organizations, and social protection organizations who are guardians and trustees of persons in need of guardianship by virtue of their employment relationships with such organizations;

persons entering into marriage (matrimony) with the mother or father of the adopted child (children) in accordance with the marriage and family legislation of the Republic of Kazakhstan.

2. Social tax deductions are applied in the calendar year in which the basis for the application of these tax deductions arose, exist or was.

Chapter 41. PROCEDURE FOR CALCULATING AND PAYING INDIVIDUAL INCOME TAX AND SUBMITTING TAX REPORTS ON INCOME SUBJECT TO TAXATION BY AN INDIVIDUAL INDEPENDENTLY Paragraph 1. Income and deductions

Article 405. Types of income

1. Income subject to taxation by an individual independently includes the following income:

1) property income;

2) income of an individual entrepreneur;

3) income of a person engaged in private practice;

4) the employee's income received from a person who is not a tax agent;

5) income in the form of gratuitously received property from a person who is not a tax agent;

6) income in the form of pension payments received from a person who is not a tax agent;

7) income in the form of dividends received from a person who is not a tax agent;

8) income in the form of remuneration received from a person who is not a tax agent;

9) income in the form of winnings received from a person who is not a tax agent;

10) income in the form of scholarships received from a person who is not a tax agent;

11) income from insurance contracts received from a person who is not a tax agent;

12) income from the sale of goods, performance of works, provision of services to persons who are not tax agents;

13) income of a public mediator in accordance with the Law of the Republic of Kazakhstan "On Mediation";

14) income from the provision of services and works to diplomatic and equivalent representative offices of a foreign state, consular offices of a foreign state accredited in the Republic of Kazakhstan that are not tax agents;

15) income from the provision of services and works to international organizations and government organizations, foreign and Kazakh non-governmental public organizations and foundations exempt from the obligation to calculate, withhold and transfer individual income tax at the source of payment in accordance with international treaties ratified by the Republic of Kazakhstan;

16) income from a private subsidiary farming received from a person who is not a tax agent;

17) the total profit of controlled foreign companies or permanent establishments of controlled foreign companies, determined in accordance with Article 399 of this Code;

18) other income from a person who is not a tax agent.

2. Income that is subject to taxation by an individual independently is recognized in the following manner:

1) the income specified in subparagraphs 2) and 3) of paragraph 1 of this Article shall be recognized on an accrual basis, regardless of the fact of receipt or payment of money or its equivalent. In this case, the date of receipt of income is the date of the transaction, including the date of performance of work, provision of services, shipment and transfer of property, including goods, to the buyer or his authorized representative for the purpose of sale or registration of property;

2) the remaining types of income specified in paragraph 1 of this Article shall be recognized on the latest of the following dates:

the date from which the income is to be received;

the date of receipt of income by payment, transfer of property, including money or its equivalent, or other property as payment of income.

The provisions of subparagraph 2) of part one of this paragraph shall not apply to income to be received and not received before January 1, 2026, which were to be recognized as income before January 1, 2026 in accordance with the legislation of the Republic of Kazakhstan in force on the date from which the income is to be received.

3. Income that is subject to taxation by an individual independently, which is subject to receipt (received) in a foreign currency, is converted into the national currency of the Republic of Kazakhstan using the arithmetic mean of the official exchange rate for the calendar year in which the income was received.

Article 406. Income of employee subject to taxation independently

1. An employee's income that is subject to taxation independently is the income of an employee that is subject to be received (received) from a person who is not a tax agent, including:

1) income of a domestic worker;

2) income of a resident migrant worker;

3) the income of an employee under employment agreements (contracts) concluded with diplomatic and equivalent representative offices of a foreign state, consular offices of a foreign state accredited in the Republic of Kazakhstan, which are not tax agents;

4) income of an employee under employment agreements (contracts) concluded with international and state organizations, foreign and Kazakh non-governmental public organizations and foundations exempt from the obligation to calculate, withhold and transfer individual income tax at the source of payment in accordance with international treaties ratified by the Republic of Kazakhstan;

5) the employee's income received from sources outside the Republic of Kazakhstan.

2. The income of an employee subject to taxation independently is determined in the amount of income to be received from the employer on the basis of an employment agreement (contract, agreement) concluded in accordance with the legislation of the Republic of Kazakhstan or a foreign state, as well as decisions of the employer.

Article 407. Income from the sale of goods, performance of works, provision of services to persons who are not tax agents

1. When an individual sells goods, works, and services to persons who are not tax agents, the provisions of this paragraph shall be applied by an individual for income that simultaneously meets the following conditions:

1) the income received is not included in the taxable income of an individual entrepreneur , a person engaged in private practice, as well as in the income of a special tax regime for the self-employed;

2) the income is received from a person who is not a tax agent.

2. Income received by an individual from the sale of goods, performance of works, provision of services to persons who are not tax agents includes:

1) income from the sale of goods, performance of works, provision of services to persons who are not tax agents;

2) income of a public mediator in accordance with the Law of the Republic of Kazakhstan "On Mediation";

3) income under civil law agreements concluded with diplomatic and equivalent representative offices of a foreign state, consular offices of a foreign state accredited in the Republic of Kazakhstan, which are not tax agents;

4) income under civil law contracts concluded with international and state organizations, foreign and Kazakh non-governmental public organizations and foundations that are exempt from the obligation to calculate, withhold and transfer individual income tax at the source of payment in accordance with international treaties ratified by the Republic of Kazakhstan;

5) income received (to be received) by a member of the board of directors or other governing body of a taxpayer who is not a supreme governing body.

Article 408. Income in the form of gratuitously received property from persons who are not tax agents

Income in the form of gratuitously received property from persons who are not tax agents is determined in the following amount:

1) in the amount of the value of the property determined by the contract or other document on the basis of which the property is transferred to an individual;

2) the amount of the debt or obligation forgiven (written off), determined by the document on the basis of which the forgiveness (write-off) is performed.

Article 409. Features of the application of tax deductions by an individual independently

1. An individual applies a tax deduction of social payments and a social tax deduction on the basis of documents confirming the right to apply tax deductions. The originals of such

documents are kept by an individual during the limitation period established by paragraph 2 of Article 65 of this Code.

2. The amount of excess tax deductions incurred by the tax agent, as well as the amount of tax deduction not applied by the tax agent, shall be taken into account by an individual independently when calculating the taxable income of an individual subject to taxation independently.

Article 410. Features of tax deduction of social payments

The tax deduction of social payments is applied by an individual independently on the basis of a document confirming the payment of contributions to mandatory social health insurance and (or) mandatory pension contributions in the tax period that falls on the latest of the following dates:

1) the date of calculation of contributions;

2) the date of payment of contributions.

Paragraph 2. The object of taxation

Article 411. Determination of the taxable income of an individual subject to taxation by an individual independently

1. The taxable amount of income subject to taxation by an individual independently (with the exception of the taxable amount in the form of income of an individual entrepreneur, in the form of dividends and in the form of income of a resident immigrant worker) is determined in the following order:

income of an individual subject to taxation by an individual independently (with the exception of the taxable amount in the form of income of an individual entrepreneur, in the form of dividends and in the form of income of a resident migrant worker),

plus

the amount of income accrued by a tax agent that is subject to taxation (with the exception of income in the form of dividends) at the source of payment,

minus

the income by which the income subject to taxation provided for in paragraph 1 of Article 400 of this Code is reduced,

minus

the tax deductions specified in paragraph 1 of Article 401 of this Code, including the excess of tax deductions incurred by the tax agent, as well as the amount of tax deduction not applied by the tax agent, specified in paragraph 2 of Article 409 of this Code.

The provisions of paragraphs three and four of these paragraphs shall apply if the cumulative amount of income subject to taxation at the source of payment and by an individual independently exceeds the 8,500-fold monthly calculation index effective on January 1 of the relevant financial year.

2. The taxable amount of an individual entrepreneur's income in accordance with the generally established procedure is determined as follows:

the taxable income of an individual entrepreneur, determined in accordance with paragraph 1 of Article 393 of this Code,

minus

income by which the income of an individual subject to taxation independently is reduced, provided for in paragraph 1 of Article 400 of this Code,

minus

the tax deductions specified in paragraph 1 of Article 401 of this Code, including the excess of tax deductions incurred by the tax agent, as well as the amount of tax deduction not applied by the tax agent, specified in paragraph 2 of the article 409 of this Code.

3. Peasant or farm enterprises applying the generally established procedure for determining taxable income, on the basis of separate tax accounting, determine the taxable amounts of income in accordance with paragraph 2 of this Article separately according to:

1) activities related to the production and sale of agricultural products of its own production, as well as the processing of agricultural products of its own production and the sale of products of such processing;

2) other activities.

4. The taxable amount of income of a resident migrant worker in the form of excess is defined as:

income received from the performance of work (provision of services) for each month of the performance of work (provision of services) of the corresponding period specified in the permit (permits) for a labor immigrant, ‘

minus

the amount of the minimum taxable income for the same period,

minus

the amount of 14 times the monthly calculation index effective on January 1 of the corresponding fiscal year, for each month of performance of work (provision of services) for the same period.

5. The taxable amount of income in the form of dividends is determined as follows:

income in the form of dividends subject to taxation at the source of payment,

plus

income in the form of dividends subject to taxation by an individual independently, including those received from sources outside the Republic of Kazakhstan,

minus

income by which income is reduced in accordance with paragraph 1 of Article 400 of this Code,

minus

tax deductions applied by a tax agent when calculating income in the form of dividends, which is subject to taxation at the source of payment.

Paragraph 3. Calculation, payment of taxes and tax period

Article 412. Calculation of individual income tax of an individual's income subject to taxation independently

1. The calculation of individual income tax on the income of an individual subject to taxation independently is carried out by an individual:

1) in the declaration of individual income tax on entrepreneurial activity - on the income of an individual entrepreneur, determined in accordance with the generally established procedure;

2) in the declaration of income and property – for the rest of the income subject to taxation independently.

2. The amount of individual income tax on the income of an individual subject to taxation independently shall be calculated by applying the rates established by Article 363 of this Code to the corresponding taxable amount of an individual's income.

3. The amount of individual income tax payable to the budget shall be determined in the following order:

the amount of individual income tax calculated in accordance with the procedure specified in paragraph 2 of this Article,

minus

the amount of individual income tax for which the offsetting is carried out in accordance with Article 413 of this Code,

minus

the amount of corporate income tax for which the offsetting is carried out in accordance with Article 414 of this Code,

minus

the amount of individual income tax calculated on income subject to taxation at the source of paymeny if they are included in the taxable amount of income subject to taxation by an individual independently.

4. The calculation of the amount of individual income tax on the income of labor immigrants is carried out by labor immigrants independently:

1) from the amount of the minimum taxable income – in the amount of 4 times the monthly calculation index effective on January 1 of the relevant financial year, for each month of performance of work (provision of services) of the relevant period specified by the resident labor immigrant in the application for obtaining (extension) a permit for a labor immigrant;

2) in the income and property declaration, from the amount of income in excess of the income received under the employment contract for the relevant period over the amount of

the minimum taxable income for the same period at the end of the tax period – by applying the rate established by subparagraph 1) of Article 363 of this Code to the taxable amount of income in the form of such excess.

Article 413. Offset of the amounts of income taxes paid outside the Republic of Kazakhstan or other foreign tax similar to individual income tax

1. The amounts of income taxes paid outside the Republic of Kazakhstan or other foreign tax similar to individual income tax (hereinafter referred to as foreign income tax for the purposes of this article) on income received by a resident individual from sources outside the Republic of Kazakhstan shall be offset against the payment of individual income tax in the Republic of Kazakhstan in accordance with the procedure defined by Article 346 of this Code , within the limits of the individual income tax rate, if there is a document confirming the payment of such foreign income tax.

2. The amount of foreign income tax on the financial profits of a controlled foreign company or the financial profits of a permanent establishment of a controlled foreign company, calculated according to the following formula,

Нз = П х Д х Сэ/100 %,

is offset against the payment of individual income tax in the Republic of Kazakhstan, where:

Нз is the amount of foreign income tax to be offset;

П is the positive amount of financial profit of a controlled foreign company or the positive amount of financial profit of a permanent establishment of a controlled foreign company included in the annual income of a resident individual in accordance with Article 399 of this Code;

Д is the coefficient of direct or indirect, or constructive participation, or direct or indirect, or constructive control of a resident in a controlled foreign company, determined in accordance with Article 335 of this Code;

Сэ is the effective rate calculated in accordance with Article 332 of this Code.

The provisions of this paragraph shall apply in the case of payment of foreign income tax on the financial profits of a controlled foreign company or the financial profits of a permanent establishment of a controlled foreign company at an effective rate of less than 10 percent in the states in which the following is registered:

1) a controlled foreign company or a permanent establishment of a controlled foreign company;

2) a controlled foreign company that has established a permanent establishment;

3) a controlled person through whom a resident indirectly owns shares (voting shares) or has indirect control in a controlled foreign company.

If the financial profit of a controlled foreign company or the financial profit of a permanent establishment of a controlled foreign company has been subject to foreign income tax in two or more foreign countries, then only that foreign income tax whose effective rate is

the maximum of the effective rates of foreign income tax paid in such foreign countries is taken into account. The provisions of this paragraph shall apply:

1) in case of indirect ownership of shares (voting shares) or indirect control in a controlled foreign company and payment of foreign income tax in two or more foreign countries (in which the controlled person(s) are registered (registered), through whom such indirect ownership or such indirect control is carried out) from financial profits of a controlled foreign company or the financial profits of a permanent establishment of a controlled foreign company;

or

2) upon direct ownership of shares (voting shares) or direct control in a controlled foreign company and payment of foreign income tax on the financial profits of a permanent establishment of a controlled foreign company in foreign countries in which the following are registered:

a permanent establishment of a controlled foreign company;

a controlled foreign company that has established a permanent establishment.

In the case of a resident's ownership, directly and indirectly or directly and constructively, of shares (voting shares) or the resident's direct and indirect or direct and constructive control in a controlled foreign company, the amount of foreign income tax on the financial profits of a controlled foreign company or the financial profits of a permanent establishment of a controlled foreign company to be offset in accordance with this paragraph, is calculated separately for each direct and indirect ownership or direct and constructive ownership of participation shares (voting shares) or direct and indirect control or direct and constructive control in a controlled foreign company.

In this case, the amount of such foreign income tax calculated separately for direct and indirect ownership or direct and constructive ownership of participation shares (voting shares) or direct and indirect control or direct and constructive control in a controlled foreign company is subject to offset in accordance with this paragraph.

In order to apply this paragraph, a resident must have the documents specified in part five of paragraph 4 of Article 346 of this Code.

Article 414. Offsetting the tax of a controlled foreign company

1. The individual income tax is reduced by an amount determined in one of the following ways:

1) the amount of corporate income tax withheld from the source of payment in the Republic of Kazakhstan during the tax period from income or taxable income of a controlled foreign company from sources in the Republic of Kazakhstan included in the financial profit of a controlled foreign company subject to taxation (taxed) in the reporting or previous tax period in the Republic of Kazakhstan in accordance with Article 399 of this Code, with the exception of the amount of corporate income tax, withheld from the source of payment in the Republic of Kazakhstan from income in the form of dividends. The provision of this

subparagraph applies to the amount of corporate income tax withheld at the source of payment, calculated using a rate of less than 10 percent, and if the provisions of paragraph 2 of Article 413 of this Code are not applied by a resident;

2) the value determined in the following order:

Нв = Д х (Ск - Сэ)/100 %, where:

Нв – the tax to be deducted in accordance with this subparagraph;

Д – income or taxable income received by a controlled foreign company from sources in the Republic of Kazakhstan, with the exception of income in the form of dividends;

Ск is the corporate income tax rate withheld in the Republic of Kazakhstan from the income or taxable income of a controlled foreign company from sources in the Republic of Kazakhstan at a rate of less than 10 percent (hereinafter referred to as the corporate income tax rate);

Сэ is the effective rate of foreign income tax or other foreign tax, similar to corporate income tax in the Republic of Kazakhstan, paid in a foreign country from the financial profits of a controlled foreign company, including income or taxable income from sources in the Republic of Kazakhstan, according to which the foreign income tax is calculated, attributed or subject to offset in accordance with paragraph 2 of Article 413 of this Code (hereinafter referred to as the effective foreign income tax rate).

The provision of part one of this subparagraph is used in cases where the provisions of paragraph 2 of Article 413 of this Code are applied by a resident and if the corporate income tax rate is higher than the effective foreign income tax rate.

2. The provisions of subparagraph 1) or 2) of paragraph 1 of this Article shall apply if a resident individual has copies of the following documents:

confirming the withholding and transfer by a resident to the budget of the Republic of Kazakhstan of corporate income tax at the source of payment from income or taxable income of a controlled foreign company received from sources in the Republic of Kazakhstan;

an internal document (documents) prepared (compiled) in a foreign language (with mandatory translation into Kazakh or Russian) confirming the inclusion of income or taxable income from sources in the Republic of Kazakhstan in the financial profit of a controlled foreign company in the Republic of Kazakhstan;

specified in part five of paragraph 4 of Article 346 of this Code when applying subparagraph 2) of paragraph 1 of this Article.

Article 415. Tax period

1. The tax period for calculating individual income tax on income subject to taxation by an individual independently is a calendar year, unless otherwise established by this article.

2. When an individual is registered as an individual entrepreneur, a person engaged in private practice, after the beginning of a calendar year, the first tax period for him is the period of time from the date of his registration:

1) before the date of de–registration as an individual entrepreneur or a person engaged in private practice, - in the case of such de-registration in the same calendar year;

2) before the end of the calendar year – in all other cases.

3. When an individual entrepreneur or a person engaged in private practice is de-registered as an individual entrepreneur or a person engaged in private practice, before the end of the calendar year the last tax period for him/her is the time period:

1) from the date of his registration as an individual entrepreneur, a person engaged in private practice, until the date of his deregistration – in the case of an individual's registration as an individual entrepreneur, a person engaged in private practice, after the beginning of the calendar year;

2) from the beginning of the calendar year to the day of de–registration as an individual entrepreneur or a person engaged in private practice - in all other cases.

Paragraph 4. Tax return

Article 416. General provisions on the tax return

1. Individuals submit the following types of tax returns:

1) declaration of income and property;

2) declaration of individual income tax on business activities;

3) a declaration of assets and liabilities.

2. The conditions, procedure and deadlines for submitting tax returns are set out in paragraph 4 of this Chapter and Chapter 42 of this Code.

Article 417. Declaration of income and property

1. Unless otherwise specified in part two of this paragraph, a declaration of income and property shall be submitted by resident individuals if, during the reporting tax period, one of the following conditions is met:

1) persons who, in accordance with the laws of the Republic of Kazakhstan "On Combating Corruption", "On Banks and banking activities in the Republic of Kazakhstan", " On insurance activities", "On the Securities Market" are required to submit a declaration of income and property;

2) heads, founders (participants) of quasi–public sector entities, legal entities owning more than 10 percent of the share in the authorized capital (shares of a joint-stock company), as well as their resident spouses, with the exception of founders (participants) of non-profit organizations;

3) individuals who have received income that is subject to taxation by an individual independently, with the exception of income from entrepreneurial activity;

4) individuals who, as of December 31 of the reporting tax period, have money in bank accounts with foreign banks located outside the Republic of Kazakhstan in an amount collectively exceeding 1,000 times the monthly calculation index;

5) individuals who, as of December 31 of the reporting tax period, own the following property:

property that is subject to state or other registration (accounting), or rights and (or) transactions for which are subject to state or other registration (accounting) with the competent authority of a foreign state in accordance with the legislation of a foreign state;

securities whose issuers are registered outside the Republic of Kazakhstan;

the share of participation in the authorized capital of a legal entity registered outside the Republic of Kazakhstan;

intellectual property and copyright objects registered outside the Republic of Kazakhstan;

investment gold;

6) persons who, during the reporting tax period, acquired property, the total value of which exceeds 20,000 times the monthly calculation index effective on December 31 of the reporting tax period, in the Republic of Kazakhstan and (or) abroad:

immovable property subject to state or other registration, as well as property for which rights and (or) transactions are subject to the state or other registration;

mechanical vehicles and trailers subject to state registration;

participation shares in the authorized capital of a legal entity;

securities;

derivative financial instruments (with the exception of derivative financial instruments that are executed through the acquisition or sale of an underlying asset);

shares of participation in housing construction; investment gold.

The total value of the property is determined by summing up the purchase prices during the reporting tax period;

7) persons who own digital assets as of December 31 of the reporting tax period;

8) individuals who have received the income specified in subparagraph 1) of Article 363 of this Code, including outside the Republic of Kazakhstan, in an amount exceeding for the reporting tax period the 8,500–fold monthly calculation index effective on December 31 of the reporting tax period, with the exception of those who have received an employee's income subject to taxation at the source of payment, which is the only source of income to which the individual income tax rate is applied, indicated in row 2 of the table provided for in subparagraph 1) of Article 363 of this Code

9) individuals who have received income in the form of dividends, including outside the Republic of Kazakhstan, in an amount exceeding for the reporting tax period the 230,000-fold monthly calculation index effective on December 31 of the reporting tax period.

The obligations to submit a declaration of income and property arising in the cases specified in subparagraphs 5) and 6) of this paragraph shall not apply to persons performing in the current reporting period the obligation to submit a declaration of assets and liabilities in accordance with Article 422 of this Code.

2. The income and property declaration shall reflect accounts receivable from other persons to an individual and (or) accounts payable from an individual to other persons formed on the date of the declaration:

1) between individuals – in the presence of a notarized contract (transaction, agreement), which is the basis for an obligation or claim concluded with an individual. The debt specified in this subparagraph is subject to notarization no later than the deadline for submitting the declaration established by Article 418 of this Code;

2) between an individual and a legal entity and (or) an individual entrepreneur, including a non–resident, - if there is a reconciliation report and a civil law agreement, with the exception of debt owed to banking organizations and microfinance organizations established in accordance with the legislation of the Republic of Kazakhstan;

3) confirmed by a court decision that has entered into legal force.

The documents specified in this paragraph shall be submitted simultaneously with the declaration of income and property.

The debt for which no supporting documents have been submitted is considered to be zero

At the same time, the income and property declaration does not reflect accounts receivable and/or accounts payable under an agreement concluded using a borrowed crowdfunding platform of an AIFC participant operating under an issued license.

3. The provisions of this article shall not apply to foreign nationals or stateless persons, who are employees of diplomatic missions or equivalent missions accredited in the Republic of Kazakhstan, consular offices of foreign states, international organizations and their missions, as well as members of their families, residing with them.

4. The individuals specified in subparagraphs 1), 2) and 6) of paragraph 1 in the income and property declaration also reflect information on the acquisition, alienation and (or) gratuitous receipt of property, as well as on the sources of coverage of expenses for the acquisition of the following property during the reporting tax period, including outside the Republic of Kazakhstan:

1) immovable property subject to state or other registration, as well as property for which rights and (or) transactions are subject to state or other registration;

2) vehicles and trailers subject to state registration;

3) participation shares in the authorized capital of a legal entity;

4) shares of participation in housing construction;

5) securities;

6) digital assets;

7) derivative financial instruments (with the exception of derivative financial instruments, the execution of which occurs through the acquisition or sale of the underlying asset);

8) investment gold;

9) objects of intellectual property, copyright.

5. Individuals who, in accordance with the Law of the Republic of Kazakhstan "On Combating Corruption", take anti-corruption restrictions on opening and holding accounts (deposits) in foreign banks located outside the Republic of Kazakhstan, storing cash and valuables in foreign banks located outside the Republic of Kazakhstan, shall reflect the information about the availability of money in foreign banks located outside the Republic of Kazakhstan in their income and property declarations, regardless of the amount of the bank deposit.

The requirement to reflect this information is indicated in the appendix to the income and property declaration.

6. For the purposes of this Code, the tax obligation of a minor and (or) an incompetent or a person with limited legal capacity is fulfilled by a legal representative in accordance with the laws of the Republic of Kazakhstan.

7. Appendices to the income and property declaration are intended to provide detailed information on the calculation of tax liability used by tax authorities for tax control purposes.

8. Failure by an individual to submit a declaration of income and property within the time period established by Article 418 of this Code shall be considered as confirmation that such individual does not have:

income, which is subject to taxation by the individual independently;

property and obligations established by this Article.

Article 418. Deadlines for submitting income and property declarations

1. Unless otherwise specified in paragraph 2 of this Article, a declaration of income and property shall be submitted at the place of residence (stay) no later than September 15 of the year following the reporting calendar year.

2. A declaration of income and property shall be submitted by labor immigrants – residents of the Republic of Kazakhstan who have received income provided for in Article 373 of this Code, in case the amount of individual income tax calculated for the reporting tax period exceeds the amount of advance payments for individual income tax.

A declaration of income and property on income provided for in Article 373 of this Code shall be submitted by resident labor immigrants to the tax authority at their place of residence no later than September 15 of the year following the reporting tax period.

At the same time, in the case of departure from the Republic of Kazakhstan of a resident migrant worker who has received income provided for in Article 373 of this Code during the tax period, the income and property declaration(s) shall be submitted before the date of departure of such person from the Republic of Kazakhstan.

3. If there are no approved financial statements as of the date of submission of the income and property declaration, the total profits of controlled foreign companies or permanent establishments of controlled foreign companies are calculated in an additional income and

property declaration submitted within sixty working days following the day of approval of the financial statements, but no later than July 1 of the second the year following the reporting tax period, subject to the provisions of Article 115 of this Code.

Article 419. The procedure and terms of payment of the individual income tax calculated in the income and property declaration

1. Payment of individual income tax calculated from the taxable amount of income subject to taxation by an individual independently based on the results of a calendar year shall be carried out by a taxpayer no later than ten calendar days after the deadline set for submitting the declaration of income and property, unless otherwise established by paragraph 3 of Article 418 of this Code, at the place of residence (stay).

2. The payment of the individual income tax calculated by a resident migrant worker from the amount of the minimum taxable income is made before obtaining (extending) the permit to the migrant worker at the place of residence of the migrant worker.

3. The payment of individual income tax calculated on the total profit of a controlled foreign company and (or) a permanent establishment of a controlled foreign company based on the results of the tax period shall be made no later than ten calendar days after the deadline set by paragraph 3 of Article 418 of this Code.

The provisions of this paragraph shall not apply to individual income tax calculated on the total profits of controlled foreign companies and (or) permanent establishments of controlled foreign companies registered in countries with preferential taxation.

Paragraph 5. Declaration of individual income tax on entrepreneurial activity

Article 420. Declaration of individual income tax on entrepreneurial activity

1. Individual entrepreneurs applying the generally established taxation procedure shall submit a declaration on individual income tax on entrepreneurial activity.

2. The declaration of individual income tax on entrepreneurial activity is submitted to the tax authority at the location no later than March 31 of the year following the reporting tax period, with the exception of liquidation tax reporting.

3. The deadline for submitting the liquidation declaration for individual income tax on entrepreneurial activity upon termination of the activity of an individual entrepreneur is established by Articles 74-76 of this Code.

Article 421. Procedure and terms of payment of individual income tax calculated in the declaration on individual income tax on entrepreneurial activity

1. Unless otherwise established by this Article, payment of the individual income tax calculated in the declaration on individual income tax on entrepreneurial activity shall be carried out at the place of location no later than ten calendar days after the deadline set for submitting such declaration.

2. Payment of the individual income tax calculated in the liquidation declaration for individual income tax on entrepreneurial activity, upon termination of the activity of the

individual entrepreneur, is carried out at the location no later than ten calendar days from the date of submission of the liquidation tax report.

Chapter 42. DECLARATION OF ASSETS AND LIABILITIES BY INDIVIDUALS

Article 422. Declaration of assets and liabilities

1. The individuals specified in paragraph 2 of this Article shall draw up a declaration of assets and obligations as of December 31 of the year preceding the year of submission of the declaration of assets and obligations, unless otherwise established by the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the laws of the Republic of Kazakhstan "On Combating Corruption", "On banks and banking activities in the Republic of Kazakhstan", "On Insurance Activities" and "On the Securities Market".

2. The declaration of assets and liabilities shall be submitted by:

1) persons who are required to submit such a declaration in accordance with the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the laws of the Republic of Kazakhstan "On Combating Corruption", "On Banks and Banking Activities in the Republic of Kazakhstan", "On Insurance Activities", "On the Securities Market";

2) adult citizens, residents of the Republic of Kazakhstan, in case of ownership (claim) of the following property outside the Republic of Kazakhstan:

property for which rights and (or) transactions are subject to state or other registration with the competent authority of a foreign state in accordance with the legislation of a foreign state;

the amount of money in bank accounts with foreign banks is cumulatively more than 1,000 times the monthly calculation index effective on December 31 of the reporting tax period for all bank deposits;

investment gold;

participation shares in the authorized capital of a legal entity established outside the Republic of Kazakhstan;

shares of participation in housing construction; securities, derivative financial instruments, issuers of which are registered outside the Republic of Kazakhstan;

money in foreign brokerage accounts;

objects of intellectual property and copyright outside the Republic of Kazakhstan;

debts of other persons to an individual (accounts receivable) and (or) debts of an individual to other persons (accounts payable) outside the Republic of Kazakhstan specified in paragraph 2 of Article 423 of this Code;

other property specified in paragraph 3 of Article 423 of this Code.

3. For the purposes of this Code, the tax obligation of a minor and (or) an incompetent or a person with limited legal capacity is fulfilled by a legal representative in accordance with the laws of the Republic of Kazakhstan.

4. The provisions of this article shall not apply to foreign nationals or stateless persons, who are employees of diplomatic missions or equivalent missions accredited in the Republic of Kazakhstan, consular offices of foreign states, international organizations and their missions, as well as members of their families, residing with them.

5. The declaration of assets and liabilities is divided into the following types:

1) initial – submitted by an individual for the first time;

2) regular – submitted by an individual in accordance with the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the laws of the Republic of Kazakhstan "On Combating Corruption", "On Banks and Banking Activities", " On Insurance Activities", "On the Securities Market" after such individual submits the initial declaration of assets and obligations;

3) additional – submitted by an individual when making changes and (or) additions to a previously submitted declaration of assets and liabilities of an individual, to which these changes and (or) additions relate;

4) additional upon notification – submitted by an individual when making changes and (or) additions to a previously submitted declaration of assets and liabilities, in which the tax authority revealed violations based on the results of desk control of the assets and liabilities of an individual.

If an individual fails to submit an initial declaration of assets and liabilities within the time period established by Article 409 of this Code, the tax authorities, when conducting tax administration, use information on property (assets) and liabilities received from authorized bodies, third parties, second-tier banks and organizations engaged in certain types of banking operations as of December 31 of the year preceding the year in which the obligation or right to submit the declaration arose.

The authorized body annually publishes information on the following issues in the web application of an individual before June 1 of a calendar year:

on property subject to state or other registration, as well as property for which rights and (or) transactions are subject to state or other registration;

on cash balances on bank accounts as of December 31 of the reporting year;

income received during the reporting calendar year.

6. The declaration of assets and liabilities is submitted once, except for the submission:

1) by persons who are required to submit a declaration in accordance with the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the laws of the Republic of Kazakhstan "On Combating Corruption", "On Banks and Banking Activities in the Republic of Kazakhstan", "On Insurance Activities", "On the Securities Market";

2) of additional tax reporting provided for in Article 117 of this Code.

Note. For the purposes of this section, the monthly calculation index is the monthly calculation index effective on December 31 of the reporting tax period preceding the year of filing the declaration of assets and liabilities of an individual.

Article 423. Features of a declaration of assets and liabilities

1. A declaration of assets and liabilities is intended to reflect information by individuals, specified in paragraph 2 of Article 422 of this Code, on availability of:

1) property for which rights and (or) transactions are subject to state or other registration with the competent authority of a foreign state in accordance with the legislation of a foreign state:

immovable property, land plots and (or) land shares, air and sea vessels, inland waterway vessels, river-sea navigation vessels;

vehicles, special equipment and (or) trailers;

money in bank accounts with foreign banks located outside the Republic of Kazakhstan in an amount cumulatively exceeding 1,000 times the monthly calculation index for all bank deposits;

2) property and obligations in the Republic of Kazakhstan and (or) abroad:

a share in real estate construction;

a share of participation in the authorized capital of a legal entity established outside the Republic of Kazakhstan;

securities, derivative financial instruments (with the exception of derivative financial instruments, the execution of which occurs through the acquisition or sale of the underlying asset);

digital assets;

investment gold;

objects of intellectual property and copyright;

cash, which is indicated in an amount not exceeding the limit of 10,000 times the monthly calculation index;

debts of other persons to an individual (accounts receivable) and (or) debts of an individual to other persons (accounts payable) specified in paragraph 2 of this Article;

money in foreign brokerage accounts;

3) other property specified in paragraph 3 of this Article.

2. The declaration of assets and liabilities shall reflect accounts receivable from other persons to an individual and (or) accounts payable from an individual to other persons formed on the date of such declaration:

1) between individuals – in the presence of a notarized contract (transaction, agreement), which is the basis for an obligation or claim concluded with an individual.

The debt specified in this subparagraph must be notarized no later than the deadline for submitting the declaration established by Article 424 of this Code;

2) between an individual and a legal entity and (or) an individual entrepreneur, who is also a non–resident, - if there is a reconciliation report and a civil law agreement, with the exception of debt owed to banking organizations and microfinance organizations established in accordance with the legislation of the Republic of Kazakhstan;

3) confirmed by a court decision that has entered into legal force.

The documents specified in this paragraph are subject to mandatory attachment when submitting a declaration of assets and liabilities.

The debt, which is not confirmed by the attached documents, is considered equal to zero.

At the same time, the declaration of assets and liabilities does not reflect accounts receivable and/or accounts payable in the presence of an agreement concluded using a borrowed crowdfunding platform of an AIFC participant operating on the basis of an issued license.

3. In the declaration of assets and liabilities, an individual has the right to indicate other property worth more than 1,000 times the monthly calculation index effective on December 31 of the reporting tax period, if the value is determined in the assessment report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on valuation activities or the legislation of a foreign state.

In this case, the estimated value is determined no later than the deadline for submitting the declaration established by Article 424 of this Code.

The provision of part one of this subparagraph does not apply to property subject to state or other registration, as well as property for which rights and (or) transactions are subject to state or other registration.

4. Persons who, in accordance with the Law of the Republic of Kazakhstan "On Combating Corruption" are required to submit declarations of individuals, also include information on the transfer of property to trust management and trusts in the annexes to the declaration of assets and obligations.

5. Appendices to the declaration of assets and liabilities are intended to provide detailed information on the information specified in paragraph 1 of this Article used by tax authorities for tax control purposes.

Article 424. Deadlines for submitting a declaration of assets and liabilities

The declaration of assets and liabilities is submitted at the place of residence (stay) by September 15 of the current year, in which the obligation to submit the declaration arose.

The provisions of part one of this article regarding the time limits for submitting a declaration of assets and liabilities do not apply to persons who submit a declaration of assets and liabilities as:

1) candidates for elective positions, for a public position or a position related to the performance of state or equivalent functions, in accordance with the Constitutional Law of the Republic of Kazakhstan "On Elections in the Republic of Kazakhstan" and the Law of the Republic of Kazakhstan "On Combating Corruption" and their spouses;

2) persons wishing to become major participants in a bank, insurance (reinsurance) organization, investment portfolio manager in accordance with the laws of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", "On Insurance activities", "On the Securities Market".

Chapter 43. THE PROCEDURE FOR CALCULATING, PAYING AND SUBMITTING TAX REPORTS ON INDIVIDUAL INCOME TAX WITHHELD AT THE SOURCE OF PAYMENT

Paragraph 1. Types of income subject to taxation at the source of payment

Article 425. Types of income

1. Income subject to taxation at the source of payment includes the following types of income received from sources in the Republic of Kazakhstan:

1) the employee's income from the tax agent;

2) income from the sale of goods, performance of works, provision of services to a tax agent;

3) income in the form of gratuitously received property from a tax agent;

4) income in the form of one-time pension payments from a tax agent;

5) income in the form of pension payments received from a tax agent;

6) income in the form of dividends received from a tax agent;

7) income in the form of remuneration received from a tax agent;

8) income in the form of winnings received from the tax agent;

9) income in the form of scholarships received from a tax agent;

10) income from insurance contracts received from a tax agent;

11) income from private subsidiary farming received from a procurement organization in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials;

12) other income from the tax agent.

Article 426. Income of an employee from an employer – tax agent

The employee's income, subject to taxation at the source of payment, is determined in the amount of the employee's income accrued by the employer, who is a tax agent:

1) recognized in the employer's accounting records as expenses (expenses) in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, if the employer has an accounting obligation;

2) equal to the amount to be received by the employee, including all amounts to be withheld in accordance with the legislation of the Republic of Kazakhstan and (or) by orders and instructions of the employer, in the absence of the employer's obligation to maintain accounting records.

Article 427. Income from the sale of goods, performance of works, provision of services to a tax agent

Income earned by an individual from the sale of goods, works, and services to a tax agent includes income earned by an individual who is not an individual entrepreneur:

1) from the sale of goods, performance of works, provision of services to a tax agent under civil contracts concluded with him in accordance with the legislation of the Republic of Kazakhstan (except for property income);

2) in the form of the cost of goods, works, and services that are transferred (performed, rendered) by an individual to repay debts owed to a tax agent.

Article 428. Income in the form of gratuitously received property from a tax agent

Income in the form of gratuitously received property is determined in the following amount, taking into account the corresponding amount of value added tax and excise taxes:

1) the book value of the property, excluding revaluation. In the absence of the book value of such property – in the amount of the value of the property determined by the contract or other document on the basis of which the property is transferred to an individual;

2) the cost of the work performed, services rendered in the amount of the expenses of the tax agent incurred in connection with such work, services rendered;

3) the cost of goods, works performed, services rendered, received by an individual and paid by a tax agent;

4) the amount of the debt or obligation forgiven (written off), determined by the document on the basis of which the forgiveness (write-off) is performed;

5) an increase in the contribution to the authorized capital of a legal entity made by increasing the authorized capital of a legal entity due to a revaluation increase in the equity of such a legal entity.

Paragraph 2. Income by which the income of an individual subject to taxation at the source of payment is reduced

Article 429. Reduction of an employee's income subject to taxation at the source of payment

The employee's income, which is subject to taxation at the source of payment, is reduced by the following income:

1) income of a serviceman in connection with the performance of military service duties, an employee of special state bodies, an employee of law enforcement agencies (except for an employee of customs authorities), an employee of the state courier service, an employee of civil protection agencies in connection with the performance of official duties;

2) all types of payments received in connection with the performance of official duties in other troops and military formations, law enforcement agencies (with the exception of customs authorities), in the state courier service, service in civil protection agencies, by persons whose rights to have military, special ranks, class ranks and wear uniforms have been abolished since January 1 2012;

3) income of employees of legal entities that are participants of Astana Hub;

4) payments in accordance with the laws of the Republic of Kazakhstan "On Social protection of citizens affected by an environmental disaster in the Aral Sea region" and "On Social protection of citizens affected by nuclear tests at the Semipalatinsk Nuclear Test Site".

The provisions of this subparagraph shall apply when the following is submitted by an individual:

statements indicating the amount of income adjustment within the limits established by the laws of the Republic of Kazakhstan "On Social protection of citizens affected by an environmental disaster in the Aral Sea region" and "On Social protection of citizens affected by nuclear tests at the Semipalatinsk Nuclear Test Site";

copies of supporting documents;

5) official income of diplomatic or consular staff who are not citizens of the Republic of Kazakhstan;

6) official income of foreign nationals in the civil service of a foreign state, in which their income is subject to taxation;

7) official income in foreign currency of individuals who are citizens of the Republic of Kazakhstan and serve in diplomatic and equivalent missions of the Republic of Kazakhstan abroad, paid from the budget;

8) income in the form of expenses incurred by the employer to pay for maternity leave, leave for employees who adopted a newborn child (children), minus the amount of social benefits in case of loss of income in connection with pregnancy and childbirth, adoption of a newborn child (children), carried out in accordance with the legislation of the Republic of Kazakhstan on compulsory social insurance, – within 12 times the monthly calculation index effective on January 1 of the corresponding financial year.

The provisions of this subparagraph shall apply if the expenses of the employer specified in this subparagraph are provided for by the terms of the employment and (or) collective agreement, the act of the employer;

9) insurance bonuses paid by an employer under compulsory insurance contracts for its employees.

Article 430. Reduction of income in the form of remuneration subject to taxation at the source of payment

Income in the form of remuneration, subject to taxation at the source of payment, is reduced by the following income:

1) remuneration paid to individuals on their deposits in second-tier banks and organizations engaged in certain types of banking operations on the basis of a license from the authorized body for regulation, control and supervision of the financial market and financial organizations registered in the territory of the Republic of Kazakhstan;

2) remuneration on debt securities, the issuers of which are established in accordance with the legislation of the Republic of Kazakhstan;

3) remuneration on securities that are on the official list of stock exchanges operating in the territory of the Republic of Kazakhstan as of the date of accrual of such remuneration;

4) income from an investment deposit placed in an Islamic bank.

Article 431. Reduction of income in the form of lump-sum pension payments, pension payments subject to taxation at the source of payment

Income in the form of lump-sum pension payments and pension payments subject to taxation at the source of payment is reduced by the following income:

1) pension payments made by the unified accumulative pension fund and (or) voluntary accumulative pension funds from the pension savings of individuals in accordance with the legislation of the Republic of Kazakhstan on social protection;

2) pensions provided by the unified accumulative pension fund in accordance with international treaties ratified by the Republic of Kazakhstan;

3) lump-sum pension payments in accordance with the legislation of the Republic of Kazakhstan on social protection;

4) lump-sum payments for the burial of a deceased person who had pension savings in a unified accumulative pension fund, a voluntary accumulative pension fund, in accordance with the procedure and amounts established by the legislation of the Republic of Kazakhstan on social protection.

Article 432. Reduction of income in the form of payments from the state budget, subject to taxation at the source of payment

Income in the form of payments from the state budget, which is subject to taxation at the source of payment, is reduced by the following income:

1) in the form of a positive difference between the amount of actually paid mandatory pension contributions, mandatory occupational pension contributions, adjusted for inflation, and the amount of pension savings in the unified accumulative pension fund at the time the recipient acquired the right to pension payments in accordance with the legislation of the Republic of Kazakhstan on social protection;

2) age-related pension payments, long-service pension payments and (or) state basic pension payment in accordance with the legislation of the Republic of Kazakhstan on social protection;

3) in case of harm to life and health and (or) in case of death – to civil servants, including employees of special state and law enforcement agencies, civil protection agencies, military personnel, members of their families, dependents, heirs and persons entitled to receive them in the amounts established by the legislation of the Republic of Kazakhstan;

4) in the form of encouragement – to persons who have reported the fact of a corruption offense or otherwise assist in combating corruption in accordance with the procedure determined by the authorized body for combating corruption;

5) in the form of compensation for harm (damage) due to an emergency situation, including natural or man-made nature in accordance with the legislation of the Republic of Kazakhstan on civil protection;

6) in the form of compensation for material damage caused during the period of the state of emergency, in accordance with the legislation of the Republic of Kazakhstan on the state of emergency;

7) in the form of encouragement – to champions and prize-winners of international sports competitions, coaches and members of national teams of the Republic of Kazakhstan in sports (national teams in sports) in accordance with the legislation of the Republic of Kazakhstan on physical culture and sports;

8) in the form of a monthly lifetime allowance – to retired judges who have reached retirement age, in accordance with the procedure and amounts established by the Constitutional Law of the Republic of Kazakhstan "On the Judicial System and the Status of Judges of the Republic of Kazakhstan";

9) in the form of state awards, state scholarships established by the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan in the amounts established by the legislation of the Republic of Kazakhstan;

10) state targeted social assistance, allowances and compensations paid in the amounts established by the legislation of the Republic of Kazakhstan;

11) payments to certain categories of citizens for housing rented in a private housing fund in accordance with the housing legislation of the Republic of Kazakhstan;

12) severance pay to a civil servant in the amounts, in the cases and in accordance with the procedure established by the legislation of the Republic of Kazakhstan in the field of public service;

13) payments in connection with vocational training, made in 12 times the monthly calculation index effective on January 1 of the relevant financial year;

14) bonuses for contributions to housing construction savings (state bonuses), paid in the amounts established by the legislation of the Republic of Kazakhstan;

15) state bonuses on educational accumulative deposits, insurance contracts, paid in the amounts established by the Law of the Republic of Kazakhstan "On the State Educational Accumulative System".

Article 433. Reduction of income in the form of gratuitously received property subject to taxation at the source of payment

Income in the form of gratuitously received property, which is subject to taxation at the source of payment, is reduced by the following income:

1) the value of property received in the form of charitable and sponsorship assistance;

2) the value of property received in the form of humanitarian aid.

Article 434. Reduction of income in the form of scholarships, payments and compensations related to education, subject to taxation at the source of payment

Income in the form of scholarships, payments and compensations related to education, which is subject to taxation at the source of payment, is reduced by the following income:

1) state scholarships paid to persons studying in educational institutions in accordance with the procedure and amounts established by the Government of the Republic of Kazakhstan;

2) special scholarships of the President of the Republic of Kazakhstan and scholarships of the President of the Republic of Kazakhstan, paid to persons studying in educational institutions in the manner and amounts established by the legislation of the Republic of Kazakhstan;

3) state nominal scholarships established by the Government of the Republic of Kazakhstan, paid to persons studying in educational institutions in the manner and amounts established by the legislation of the Republic of Kazakhstan;

4) payments to pay for expenses related to the organization of training and internships for the winners of the Bolashak International Scholarship Award of the President of the Republic of Kazakhstan, in accordance with the procedure and amounts established by the legislation of the Republic of Kazakhstan;

5) compensation of travel expenses for persons studying on the basis of a state educational order, paid in the amounts established by the legislation of the Republic of Kazakhstan on education;

6) scholarships and grants paid to persons studying in educational institutions outside the Republic of Kazakhstan.

Article 435. Reduction of income in the form of insurance payments subject to taxation at the source of payment

Income in the form of insurance payments subject to taxation at the source of payment is reduced by the following income:

1) insurance payments related to an insured event that occurred during the period of validity of the non-cumulative insurance contract, payable for any type of insurance;

2) insurance payments under cumulative insurance contracts for which insurance bonuses have been paid:

due to pension savings in the unified accumulative pension fund and voluntary accumulative pension funds and repurchase amounts received upon termination of the pension annuity agreement with one insurance company and sent to another insurance company in accordance with the procedure provided for by the legislation of the Republic of Kazakhstan on social protection;

by an individual for his own benefit and (or) for the benefit of close relatives, spouse;

by the employer in favor of the employee;

3) insurance payments under employee accident insurance contracts in the performance of his/her labor (official) duties and annuity insurance contracts, as well as under pre-retirement annuity insurance contracts in accordance with the legislation of the Republic of Kazakhstan

on compulsory insurance of an employee against accidents in the performance of his/her labor (official) duties;

4) redemption amounts paid by insurance organizations under cumulative insurance contracts in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities;

5) lump-sum payments for the burial of a deceased person to the family or the person who carried out the burial, at the expense of the insurance company's own funds in the manner and amounts established by the legislation of the Republic of Kazakhstan.

Article 436. Reduction of other income subject to taxation at the source of payment

Other income of an individual subject to taxation is reduced by the following income:

1) alimony payments received in accordance with the marriage and family legislation of the Republic of Kazakhstan;

2) income of a person engaged in a private subsidiary farming, as well as his adult family members, recorded in the household accounting book as a member of a private subsidiary farming, - for the year within 282 times the monthly calculation index effective on January 1 of the corresponding financial year.

At the same time, income from private subsidiary farming is recognized as income from the sale by a person engaged in private subsidiary farming of agricultural products from a private subsidiary farming to a procurement organization in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials, and (or) a commercial market for the sale of farm animals.

The provisions of this subparagraph are applied only by one tax agent – a procurement organization in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials, in respect of an individual who submitted the following documents to the procurement organization in the field of the agro-industrial complex, an agricultural cooperative and (or) a legal entity engaged in the processing of agricultural raw materials:

application for reduction;

a certificate of the availability of a private subsidiary farming in accordance with the legislation of the Republic of Kazakhstan;

confirmation of the local executive authority on the availability of following items, used in private subsidiary farming:

land plot with area indication;

domestic animals with an indication of the number; domestic birds with an indication of the number.

In this case, the documents are submitted to the tax agent at least once in the calendar year in which such exemption is applied.

If the limit set by part one of this subparagraph is exceeded, the income of an individual is reduced by 80 percent of the amount of income from a private subsidiary farming exceeding

282 times the monthly calculation index effective on January 1 of the corresponding financial year;

3) payments for the burial of an individual within 94 times the monthly calculation index effective on January 1 of the relevant financial year, made by a tax agent during a calendar year if there is a death certificate of an individual;

4) social benefits from the State Social Insurance Fund; 5) income of an individual received in the form of expenses of a non-profit organization, except for those registered in accordance with the civil legislation of the Republic of Kazakhstan in the form of a joint-stock company, institution and consumer cooperative, as part of the implementation of statutory goals and objectives for travel, accommodation and meals of an individual who is not in an employment relationship with such an organization and (or) who has not concluded a contract for the provision of services or performance of work;

6) the net income from the trust management of the founder of the trust management received from the individual entrepreneur who is the trustee;

7) the unclaimed amount of guaranteed compensation recorded in an individual pension account to account for voluntary pension contributions in accordance with the terms of the pension provision agreement at the expense of voluntary pension contributions in accordance with the legislation of the Republic of Kazakhstan on social protection;

8) payments at the expense of grants (except for payments in the form of wages);

9) compensation for damage caused to the life and health of an individual, in accordance with the legislation of the Republic of Kazakhstan, with the exception of moral damage;

10) the amounts of compensation for material damage given under a judicial act that has entered into force, as well as court costs;

11) the cost of vouchers to children's camps for children under the age of sixteen;

12) winning one lottery within 6 times the monthly calculation index effective on January 1 of the corresponding financial year;

13) dividends on securities that are on the official list of stock exchanges operating in the territory of the Republic of Kazakhstan as of the date of accrual of such dividends.

The provision of part one of this subparagraph applies to dividends on securities that were traded on the stock exchange during the calendar year in accordance with the criteria determined by the Government of the Republic of Kazakhstan.

Paragraph 3. General provisions on the application of tax deductions at a tax agent

Article 437. The specifics of applying tax deductions at a tax agent

1. Tax deductions for income subject to taxation at the source of payment shall be applied in accordance with the norms established by Articles 401 - 404 of this Code.

2. Basic tax deductions and social tax deductions shall be applied by a tax agent at the source of payment on the basis of:

1) application of an individual for the application of tax deductions;

2) copies of supporting documents for the application of the social tax deduction.

3. An individual has the right to apply a basic tax deduction at only one tax agent.

If a tax agent has obligations for a calendar month to pay income to one individual in the form of employee income and income from the sale of goods, performance of work, provision of services, the basic tax deduction is applied within the amount of the basic tax deduction for the calendar month in the following sequence:

1) to the employee's income – within the amount of such income;

2) income from the sale of goods, performance of works, provision of services to a tax agent – in the remaining amount of the basic tax deduction.

When a tax agent is replaced during a calendar year, except in cases of reorganization, the unused amount of the basic tax deduction accumulated at the previous tax agent is not taken into account by the other tax agent.

4. The unused amount of a social tax deduction received from one tax agent shall be accounted for by another tax agent within the limits established by this Code. To do this, an individual submits a certificate of settlements with an individual issued by a tax agent(s) who has applied a social tax deduction for the period since the beginning of the calendar year in accordance with the procedure established by Article 446 of this Code.

Article 438. Tax deduction of social payments from a tax agent

The tax deduction of social payments from a tax agent is applied to the amount of mandatory pension contributions, social deductions from individuals' income under civil contracts in accordance with the legislation of the Republic of Kazakhstan on social protection and contributions to compulsory social health insurance calculated in accordance with the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance".

Paragraph 4. The object of taxation, calculation, withholding and payment of taxes

Article 439. Determination of the amount of taxable income of an individual at the source of payment

1. The amount of an employee's taxable income is determined in the following order:

the amount of the employee's income subject to taxation at the source of payment accrued during the tax period, minus

the amount of income by which the income subject to taxation at the source of payment provided for in paragraph 1 of Article 400 of this Code is reduced for the tax period

minus

the amount of tax deductions specified in paragraph 1 of Article 401 of this Code.

2. The amount of an individual's taxable income from the sale of goods, performance of works, and provision of services to a tax agent shall be determined in the following order:

the amount of an individual's income from the sale of goods, performance of works, and provision of services to a tax agent subject to taxation at the source of payment accrued during the tax period,

minus

the amount of income by which the income subject to taxation at the source of payment provided for in paragraph 1 of Article 400 of this Code is reduced for the tax period

minus

the amount of tax deductions of social payments specified in Article 402 of this Code,

minus

the amount of social tax deductions specified in Article 404 of this Code,

minus

the amount of the basic deduction in accordance with the procedure established in paragraph 3 of Article 437 of this Code.

3. The amount of taxable income in the form of pension payments and lump-sum pension payments is determined in the following order:

the amount of income in the form of pension payments and lump-sum pension payments subject to taxation,

minus

the amount of income by which the income subject to taxation at the source of payment provided for in Article 431 of this Code is reduced for the tax period.

4. The amount of taxable income of an individual under insurance contracts is determined in the following order:

the amount of income of an individual under insurance contracts subject to taxation at the source of payment accrued during the tax period,

minus

the amount of income by which the income subject to taxation at the source of payment provided for in Article 435 of this Code is reduced for the tax period

minus

the amount of social tax deductions specified in paragraph 1 of Article 404 of this Code.

5. The amount of taxable income of an individual in the form of remuneration, dividends, winnings, scholarships, payments, compensations related to education, and other income subject to taxation at the source of payment not specified in paragraphs 1-4 of this Article shall be determined in the following order:

the amount of an individual's income in the form of remuneration, dividends, winnings, scholarships and other income subject to taxation at the source of payment, not specified in paragraphs 1-4 of this Article, accrued during the tax period,

minus

the amount of income by which the income subject to taxation at the source of payment provided for in paragraph 1 of Article 400 of this Code is reduced for the tax period,

minus

the amount of social tax deductions specified in paragraph 1 of Article 404 of this Code.

Article 440. General provisions on individual income tax withheld at the source of payment, as well as the calculation, withholding and payment of this tax

1. The calculation, withholding and payment of individual income tax to the budget shall be carried out at the source of payment by a tax agent on the income specified in Article 425 of this Code, if such income is payable (paid) by the said tax agent.

2. The calculation of individual income tax on income subject to taxation at the source of payment is carried out by a tax agent when calculating income subject to taxation.

The amount of individual income tax is calculated by applying the rates established by Article 363 of this Code to the amount of the corresponding taxable income at the source of payment determined in accordance with this section, with the exception of the employee's income.

The amount of individual income tax on an employee's income is calculated in accordance with the procedure established by Article 441 of this Code.

3. The individual income tax is withheld by the tax agent no later than the day of payment of the income subject to taxation at the source of payment.

4. A tax agent shall transfer individual income tax on the income paid no later than twenty-five calendar days after the end of the month in which the income was paid, at his location.

5. On the incomes of employees of the structural divisions of the tax agent, the transfer of individual income tax is made to the relevant budgets at the location of these structural divisions.

6. By its decision, a resident legal entity has the right to recognize the simultaneous fulfillment of obligations by its structural unit for:

calculating, withholding and transferring individual income tax on income subject to taxation at the source of payment, which are accrued and paid by such a structural unit;

calculation and payment of social tax on taxable objects that are expenses of such a structural unit.

At the same time, such a decision of a resident legal entity is put into effect:

in respect of a newly created structural subdivision of a legal entity – from the date of creation of this structural subdivision or from the beginning of the quarter following the quarter in which this structural subdivision was created;

in all other cases, - from the beginning of the quarter following the quarter in which such a decision was made.

The cancellation of such a decision by a resident legal entity shall take effect from the beginning of the quarter following the quarter in which such decision was cancelled.

7. The calculation and withholding of individual income tax on income on depositary receipts is carried out by the issuer of the underlying asset of such depositary receipts.

8. When a tax agent pays the amount of individual income tax calculated from income subject to taxation at the source of payment in accordance with the provisions of this Code, at

his own expense without withholding it, the tax agent's obligation to withhold and transfer individual income tax at the source of payment shall be deemed fulfilled.

Article 441. Calculation of individual income tax on employee's income

The calculation of individual income tax withheld at the source of payment from an employee's income is carried out by a tax agent for the tax period according to the following formula:

the amount of the employee's taxable income to be received from the tax agent in accordance with paragraph 1 of Article 439 of this Code, determined on an accrual basis from January 1 of the calendar year to the tax period inclusive, for which the individual income tax is calculated within the amount provided for in row 1 of the table of subparagraph 1) of Article 363 of this Code

multiply

the tax rate according to row 1 of the table of subparagraph 1) of Article 363 of this Code

plus

the amount of excess of the employee's taxable income to be received from the tax agent in accordance with paragraph 1 of Article 439 of this Code, determined on an accrual basis from January 1 of the calendar year for the tax period inclusive, for which the individual income tax is calculated, over the amount provided for in row 1 of the table of subparagraph 1) of Article 363 of this Code,

multiply

the tax rate according to row 2 of the table of subparagraph 1) of Article 363 of this Code

minus

the amount of individual income tax calculated by the tax agent for the previous tax periods of the calendar year, starting on January 1, on an accrual basis.

Article 442. Procedure for fulfillment of a tax obligation by a tax agent on income paid to a resident in the form of dividends on shares, which are the basic asset of depositary receipts, as well as the refund of individual income tax withheld at the source of payment

The procedure for the fulfillment of a tax obligation by a tax agent on income paid to a resident in the form of dividends on shares that are the basic asset of depositary receipts, as well as the refund of individual income tax withheld at the source of payment, is determined in accordance with Article 354 of this Code.

Article 443. The specifics of calculating, withholding, and paying individual income tax by government agencies

1. By decision of a state body, its structural subdivisions and (or) territorial bodies may be considered as income tax agents for employees of state institutions subordinate to them.

2. A state body or a local executive body, by its decision, has the right to recognize the simultaneous performance of duties by its structural divisions and (or) territorial bodies on:

calculation, withholding and transfer of individual income tax on income subject to taxation at the source of payment, which are accrued and paid to employees of structural divisions and (or) territorial bodies subordinate to such a state body or local executive body;

calculation and payment of social tax on taxable objects that are expenses of structural divisions and (or) territorial bodies subordinate to such a state body or local executive body.

At the same time, such a decision of a state body or a local executive body is put into effect:

in respect of a newly created structural subdivision of a legal entity and (or) a territorial body – from the date of creation of this structural subdivision and (or) a territorial body or from the beginning of the quarter following the quarter in which this structural subdivision and (or) territorial authority was established;

in all other cases, - from the beginning of the quarter following the quarter in which such a decision was made.

The cancellation of such a decision by a state body or a local executive body is put into effect from the beginning of the quarter following the quarter in which such a decision was canceled.

3. By decision of a local executive body, its structural subdivisions and (or) territorial (subordinate) bodies may be considered as income tax agents for employees of state institutions subordinate to them.

At the same time, state institutions recognized as tax agents for the purposes of Section 12 of this Code in accordance with the procedure established by this Article shall be recognized as payers of social tax.

Individual income tax is paid to the relevant budgets at the location of the tax agent.

Payment of individual income tax on the objects of taxation of a structural and (or) territorial body is made at the location of such a structural and (or) territorial body.

4. The calculation, withholding and payment of individual income tax shall be carried out by a tax agent in accordance with the procedure and terms established by Articles 440 and 441 of this Code.

5. A declaration on individual income tax and social tax shall be submitted by a tax agent in accordance with the procedure and time limits established by Article 445 of this Code.

Paragraph 5. Tax, accounting periods and tax reporting

Article 444. Tax and accounting periods

1. The tax period for calculating individual income tax by tax agents on income subject to taxation at the source of payment is a calendar month.

2. The reporting period for the preparation of a declaration on individual income tax and social tax is a calendar quarter.

Article 445. Declaration of individual income tax and social tax

1. The declaration on individual income tax and social tax is submitted to the tax authorities at the location of the tax agent no later than the 15th day of the second month following the reporting period by:

tax agents;

agents or payers of social payments, including for their own benefit in accordance with the laws of the Republic of Kazakhstan, with the exception of individuals who are not individual entrepreneurs and (or) persons engaged in private practice.

2. The tax agent shall provide data on the calculation, withholding and transfer of individual income tax amounts for each individual - resident of the Republic of Kazakhstan who is a recipient of income subject to taxation at the source of payment in the form of an appendix to the declaration on individual income tax and social tax, which:

1) is compiled based on the results of the calendar year and submitted with a declaration of individual income tax and social tax for the last reporting period of the calendar year;

2) is compiled and submitted with declaration of individual income tax and social tax when submitting liquidation tax reports.

3. Tax agents with structural divisions shall submit an appendix on calculating the amount of individual income tax and social tax for the structural division to the declaration of individual income tax and social tax to the tax authority at the location of this structural division.

Article 446. The procedure for issuing a certificate of settlements with an individual by a tax agent

1. In the case of accrual and (or) payment to an individual during a calendar year of income subject to taxation at the source of payment, the tax agent, at the request of the individual, must issue a certificate of settlements with the individual within five calendar days after the date of the individual's request.

2. The certificate of settlements with an individual must contain information about the amounts of:

1) income subject to taxation at the source of payment; 2) reduction of income subject to taxation at the source of payment;

3) applied tax deductions in the form of:

mandatory pension contributions;

contributions to compulsory social health insurance;

social deductions withheld from income under civil law contracts;

basic tax deduction;

social tax deductions;

4) taxable income of an individual;

5) calculated individual income tax;

6) paid income.

SECTION 7. VALUE ADDED TAX Chapter 44. GENERAL PROVISIONS

Article 447. Payers

1. The payers of the value added tax are:

1) persons who have been registered for value added tax in the Republic of Kazakhstan in the taxpayer database;

2) persons importing goods into the territory of the Republic of Kazakhstan in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

2. Registration for value added tax is carried out in accordance with Articles 99-101 of this Code.

3. Foreign companies that have been conditionally registered for value-added tax in the Republic of Kazakhstan in accordance with Article 102 of this Code shall calculate and pay value-added tax in accordance with Section 21 of this Code.

Article 448. Objects of taxation

The objects of value added tax are:

1) taxable turnover;

2) taxable imports.

Article 449. Definition of taxable turnover

1. The taxable turnover is:

1) turnover carried out by a value-added tax payer for the sale of goods, works, and services, with the exception of the non-taxable turnover specified in Article 450 of this Code.

In case of non-compliance with the requirements established by Article 213 of this Code, the previously released turnover during the transfer of property to financial leasing is recognized as taxable turnover retrospectively from the date of the turnover on sale;

2) turnover made by a value-added tax payer when purchasing works and services from a non-resident in accordance with Article 454 of this Code;

3) turnover in the form of remaining goods when the taxpayer is deregistered for value added tax.

For the purposes of this subparagraph, turnover in the form of remaining goods is the goods for which the value-added tax has been accounted for as a value-added tax offset, with the exception of the non-taxable turnover specified in subparagraph 3) of Article 450 of this Code.

The remaining goods include goods owned by the value-added tax payer on the date preceding the date of submission of liquidation reports.

The provision of this paragraph shall not apply when a legal entity is deregistered for value added tax in connection with its reorganization, provided that all new legal entities created as a result of a merger or a legal entity to which another legal entity (legal entities) joined are payers of value added tax after the reorganization.

2. For the purposes of this section, goods include fixed assets, intangible and biological assets, investments in real estate and other property, with the exception of:

1) works, services;

2) money, including advances, in national and foreign currencies;

3) digital assets.

Article 450. Non-taxable turnover

The non-taxable turnover is:

1) turnover in the sale of goods, works, and services exempt from value-added tax in accordance with this Code;

2) turnover in the sale of goods, works, and services, the place of sale of which is not the Republic of Kazakhstan.

Unless otherwise established by this article, the place of sale of goods, works, and services shall be determined in accordance with Article 459 of this Code.

The place of sale of goods, works, and services in the EAEU member states is determined in accordance with Article 515 of this Code;

3) turnover in the form of remaining goods, which are goods listed in Article 474 of this Code;

4) turnover in the field of gambling business;

5) turnover in the sales of goods, works, and services for which a special tax regime is applied;

6) lottery activity turnover.

Article 451. Definition of taxable imports

Taxable imports are goods imported or imported into the territory of the EAEU member states (with the exception of those exempt from value added tax in accordance with Article 479 of this Code), which are subject to declaration in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

Chapter 45. TURNOVER IN THE SALE OF GOODS, WORKS, AND SERVICES AND TURNOVER IN THE PURCHASE OF WORKS AND SERVICES FROM A NON-RESIDENT

Article 452. Turnover in the sale of goods, works, and services

1. Turnover in the sale of goods means:

1) transfer of ownership rights to goods, including:

sale of goods, shipment of goods, including on installment payment terms and (or) in exchange for other goods, works, services;

the sale of the company as a whole as a property complex;

gratuitous transfer of goods;

transfer of goods by the employer to the employee to repay the debt owed to the employee ;

transfer of the pledged property by the mortgagor to the ownership of the buyer or the mortgagee;

2) export of goods;

3) shipment of goods, including on the terms of installment payment and (or) in exchange for other goods, works, services;

4) transfer of property to financial leasing in terms of the value at which the leased item was transferred;

5) shipment of goods under a commission agreement or an assignment agreement;

6) placing under the customs procedure of re-import of goods previously exported and placed under the customs procedure of export;

7) loss of goods purchased without value added tax, with placement under the customs procedure of a free customs zone, except for the goods specified in Article 474 of this Code.

2. Turnover in the sale of works and services means any performance of work or provision of services, including gratuitous, as well as any activity for remuneration other than the sale of goods, including:

1) provision of property for temporary possession and use under property lease agreements, except for leasing agreements;

2) remuneration for the transfer of property under a lease agreement to financial leasing;

3) granting of intellectual property rights;

4) performance of works, provision of services by the employer to the employee in order to repay the debt owed to the employee;

5) assignment of claims related to the sale of goods, works, and services, with the exception of advances and penalties;

6) consent to limit or terminate business activities;

7) remuneration for loans (loans, micro-loans);

8) financing by an Islamic bank in accordance with the banking legislation of the Republic of Kazakhstan of individuals and legal entities as a trade intermediary by providing a commercial loan on the terms of subsequent sale of goods to a third party or without such conditions;

9) receiving a temporary balancing fee in accordance with the legislation of the Republic of Kazakhstan on railway transport.

3. Non–residents operating in the Republic of Kazakhstan through structural divisions recognize turnover in the sale of works and services of such structural divisions subject to one of the following conditions:

availability of a contract concluded by a structural division of a non-resident legal entity;

availability of an invoice for works and services issued by a structural subdivision of a non–resident legal entity;

availability of an act of completed works and services, signed by the structural subdivision of a non–resident legal entity;

availability of a contract concluded with a non–resident legal entity, providing that the performance of works and provision of services are carried out by a structural subdivision of such a non–resident legal entity;

the act of work performed and services rendered, signed by a non–resident legal entity, states that the work was performed and the services were provided by a structural subdivision of such a non–resident legal entity;

income is paid for the work performed and services rendered to the structural subdivision of a non–resident legal entity.

Article 453. Non-sales transactions

The following operations are not a turnover for sale:

1) transfer of property as a contribution to the authorized capital;

2) transfer of goods to a shareholder, participant, or founder during the distribution of property in the event of:

liquidation of a legal entity or reduction of the authorized capital – within the amount of the paid-up authorized capital attributable to the participation share, the number of shares for which the authorized capital is reduced;

repurchase by a legal entity from the founder, participant of an equity interest or part of it in this legal entity – within the amount of the paid-up authorized capital attributable to the purchased equity interest;

the withdrawal of a lawyer who is a partner of a law firm from such a law firm, termination of legal activity through such a law firm, or liquidation of the law firm – within the limits of the value of the property transferred by the lawyer who is a partner of the law firm to the ownership of such a law firm;

3) gratuitous transfer of goods for advertising purposes if the unit price of such goods does not exceed 5 times the monthly calculation index effective on the date of such transfer;

4) shipment of toll-free goods by the customer to the contractor for the manufacture, processing, assembly (installation), repair by the latter of finished products and (or) construction of facilities. In the case of manufacture, processing, assembly, repair outside the customs territory of the EAEU, the shipment of these goods is not a turnover for sale if they are exported in the customs procedure of processing outside the customs territory in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

5) shipping of returnable containers. A returnable container is a container whose value is not included in the cost of selling the products sold in it and which is subject to return to the supplier on the terms and within the time limits established by the contract for the supply of these products, but not more than a period of six months. If the container is not returned within the prescribed period, the cost of such a container is included in the turnover for sale in accordance with paragraph 14 of Article 462 of this Code;

6) the return of the goods by the recipient (buyer), who is a value added tax payer;

7) shipment of goods imported earlier in the customs procedure of the free customs zone to the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU;

8) export of goods outside the customs territory of the EAEU for exhibitions, other cultural and sporting events, subject to re-import on the terms and within the time limits established by the agreement, if such export is documented in the customs procedure of temporary export in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

9) transfer by the subsurface user to the ownership of the Republic of Kazakhstan of the property newly created and (or) acquired by the subsurface user, used for performing subsurface use operations and subject to transfer to the Republic of Kazakhstan in accordance with the terms of the concluded subsurface use contract;

10) placement of equity securities by the issuer;

11) transfer of fixed assets, intangible assets and other property of the reorganized legal entity to its legal successor(s), including goods for which turnover in the form of remaining goods is recognized in accordance with subparagraph 3) of paragraph 1 of Article 449 of this Code;

12) transfer of the concession object to the concessionaire, as well as the subsequent transfer of the concession object to the concessionaire (legal successor or a legal entity specially created exclusively by the concessionaire for the implementation of the concession agreement) for operation under the concession agreement;

13) turnover in the sale by an individual who is an individual entrepreneur or a person engaged in private practice, private property of such an individual.

For the purposes of this section, the private property of an individual is recognized as the things of an individual in material form that are owned by him or are his shares in common ownership, provided that such property is not used by an individual for business purposes;

14) transfer of property to the trustee by the founder of the trust management;

15) the return of property to the trustee upon termination of the grounds for the occurrence of trust management;

16) transfer by the trustee of the net income from the trust management to the founder of the trust management;

17) receipt by the depositor (client) of the amount of remuneration accrued and (or) paid to him under the bank account and (or) bank deposit agreements;

18) export of goods from the territory of the Republic of Kazakhstan to the territory of another EAEU member state in connection with their transfer (movement) within the same legal entity;

19) transfer of minerals to the recipient on behalf of the state by the subsurface user in order to fulfill the tax obligation to pay taxes in kind;

20) the sale of minerals transferred by a subsurface user to fulfill a tax obligation to pay taxes in kind, by the recipient on behalf of the state or by a person authorized by the recipient on behalf of the state for such sale;

21) provision of services for the sale of minerals transferred by a subsurface user to fulfill a tax obligation to pay taxes in kind by the recipient on behalf of the state or by a person authorized by the recipient on behalf of the state for such sale, for a commission fee expressed in reimbursement of expenses related to the sale of such minerals;

22) activities, the financing of which is provided free of charge through a targeted contribution provided for by the budget legislation of the Republic of Kazakhstan;

23) fulfillment of the conditions of their provision by the recipient of charitable, sponsorship, grant assistance;

24) a budget subsidy for losses determined in the form of a negative difference between income and expenses, and (or) expenses.

For the purposes of this subparagraph, income and expenses are determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

25) receipt of money to the current account of a private bailiff, intended for storing the collected amounts in favor of the recoverers;

26) distribution of digital assets by a digital mining pool among persons engaged in digital mining activities;

27) provision by the National infrastructure operator of services of the mainline railway network for the carriage of passengers by rail to a railway carrier engaged in the carriage of passengers, baggage, cargo, and mail, free of charge, including the application of a temporary reduction coefficient of 0 to the tariff for regulated services of the mainline railway network for the carriage of passengers by rail in accordance with the legislation of the Republic of Kazakhstan;

28) transfer of property on a gratuitous basis to a state institution in accordance with the legislation of the Republic of Kazakhstan;

29) transfer of property, performance of works, provision of services by the operator in the field of official development assistance or to him on a gratuitous basis within the framework of the official development assistance project, defined in accordance with the Law of the Republic of Kazakhstan "On Official Development Assistance";

30) transfer of property as a contribution to a law firm by a lawyer who is a partner of such law firm;

31) for a law firm, the provision of legal assistance under a contract for the provision of legal assistance concluded by the law firm at the expense and in the interests of lawyers working in the law firm;

32) for a resident legal entity, - the sale of goods, works, and services, the place of sale of which is not the Republic of Kazakhstan, by a structural subdivision of such a legal entity, which is registered in the territory of a foreign state;

33) the amount of a loan (credit, microloan) due (received), as well as any adjustment (indexation) to the amount of a loan (credit, microloan) due (received) in tenge, in connection with a change in the exchange rate.

Article 454. Turnover for the purchase of works and services from a non-resident

1. Unless otherwise provided by paragraph 3 of this Article, works performed and services rendered by a non-resident on a reimbursable basis, the place of sale of which is recognized as the Republic of Kazakhstan, upon acquisition by a value-added tax payer, are the turnover of such a value-added tax payer for the purchase of works and services from a non-resident, which is subject to value-added taxation in accordance with this Code.

2. A value-added tax payer for purchased works and services from a non-resident, the place of sale of which is recognized as the Republic of Kazakhstan, issues an invoice in accordance with the procedure provided for in Chapter 50 of this Code.

3. The works and services specified in paragraph 1 of this Article are not turnover for the purchase of works and services from a non-resident if:

1) the works performed and the services rendered are the works and services listed in Article 474 of this Code;

2) the cost of such works and services is included in the customs value of imported goods, determined in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, for which the value-added tax on imported goods has been paid to the budget of the Republic of Kazakhstan and is non-refundable in accordance with the customs legislation of the Republic of Kazakhstan;

3) the works have been performed and services provided to the legal entities specified in Article 17 of this Code, subject to the acquisition of such works and services for the implementation of activities included in the list of priority activities in the field of information and communication technologies, approved by the authorized body in the field of informatization in coordination with the central authorized body for state planning, the authorized body in the field of technical regulation and by the authorized body;

4) the cost of such works and services is included in the amount of taxable imports, determined in accordance with Article 518 of this Code, according to which the value–added tax on imported goods from the EAEU member states has been paid to the budget of the Republic of Kazakhstan and is non-refundable in accordance with Chapter 52 of this Code;

5) the work performed and services rendered are the turnover of a structural subdivision of a non–resident legal entity in accordance with paragraph 3 of Article 452 of this Code;

6) the cost of electronic services received from a non-resident includes the amount of value-added tax paid by a foreign company in accordance with Section 21 of this Code.

Confirmation of the inclusion of value added tax in the cost of the electronic service by a foreign company is the bold amount of tax in the act of work performed, services rendered or other document confirming the provision of services.

Article 455. Sales (acquisition) turnover carried out under agency agreements

1. The following is not a turnover for the sale (acquisition) of an attorney:

1) sale of goods, performance of works or provision of services, purchase of goods, works , and services on behalf of and at the expense of the principal;

2) transfer by the attorney to the principal of the goods purchased for the principal;

3) performance of works and services by a third party for the principal under a deal concluded by the attorney with such third party on behalf of and at the expense of the principal.

2. The provision of paragraph 1 of this article shall not apply to:

1) the sale of goods received from a non-resident principal who is not a value-added tax payer in the Republic of Kazakhstan and does not operate through a structural subdivision. In this case, the shipment of the goods is a turnover for the sale of the attorney;

2) the sale of goods, the performance of works, the provision of services, as well as the purchase of goods, works, and services by the operator in the cases provided for in paragraph 3 of Article 507 of this Code.

Article 456. Sales turnover carried out on terms consistent with the terms of the commission agreement

1. The following is not the sales turnover for the commission agent:

1) sale of goods, performance of works, provision of services by a commission agent on behalf of the consignor on the terms corresponding to the terms of the commission agreement;

2) transfer by the commission agent to the consignor of goods purchased for the consignor on the terms corresponding to the terms of the commission agreement;

3) the performance of works and the provision of services by a third party for a consignor under a deal concluded by such third party with a commission agent, except in cases where such works and services are the turnover of the commission agent for the purchase of works and services from a non-resident.

2. The provisions of paragraph 1 of this Article shall not apply to the sale of goods received from a non-resident consignor that is not a value-added tax payer in the Republic of Kazakhstan and does not operate through a structural subdivision. In this case, the sale of the goods is a turnover for the sale of the commission agent.

Article 457. Sales (acquisition) turnover carried out under a freight forwarding agreement

The performance of works and the provision of services specified in the freight forwarding agreement by the carrier and (or) other suppliers for the party that is a customer under the freight forwarding agreement is not a turnover for the forwarder.

Article 458. Sales (acquisition) turnover carried out as a result of the establishment of trust management of property

The sale of goods, the performance of works, the provision of services, the purchase of goods, works, and services carried out by the trustee in accordance with the contract of trust management of property or in other cases of trust management of property, is a turnover for the sale (acquisition) of the trustee.

Article 459. Place of sale of goods, works, and services

1. For the purposes of this section, the Republic of Kazakhstan is recognized as the place of sale of goods if:

1) the start of transportation of goods is the Republic of Kazakhstan – for goods that are transported (shipped) by the supplier, recipient or a third party;

2) the goods are transferred to the recipient on the territory of the Republic of Kazakhstan – in other cases. 2. For the purposes of this section, the Republic of Kazakhstan is recognized as the place of performance of works and services if:

1) works and services are directly related to real estate located in the territory of the Republic of Kazakhstan. The location of immovable property is the place of state registration of rights to immovable property or the place of actual location in the absence of an obligation to state registration of such property.

For the purposes of this article, buildings, structures, perennial plantings and other property firmly connected to the earth are recognized as immovable property, that is, objects that cannot be moved without disproportionate damage to their purpose, as well as pipelines, power lines, space objects, and an enterprise as a property complex. At the same time, for the purposes of this article, property not classified as immovable property in this subparagraph is recognized as movable property;

2) works and services related to movable property were actually provided on the territory of the Republic of Kazakhstan.

Such works and services include: installation, assembly, repair, maintenance;

3) services relate to services in the field of culture, entertainment, science, art, education, physical culture or sports and are actually provided on the territory of the Republic of Kazakhstan.

For the purposes of this subparagraph, entertainment services include entertainment and leisure services provided in entertainment venues, including gambling establishments, nightclubs, café - bars, restaurants, Internet cafes, computer rooms, billiard rooms, bowling clubs and cinemas;

4) the buyer of works and services carries out business or any other activity in the territory of the Republic of Kazakhstan.

For the purposes of this subparagraph, the territory of the Republic of Kazakhstan is recognized as the place of business or other activity of the buyer of works and services if the buyer of works and services is in the territory of the Republic of Kazakhstan on the basis of state (accounting) registration with the registration authority or on the basis of registration with the tax authorities as an individual entrepreneur.

If the buyer of works and services is a non-resident, and the recipient is his structural subdivision, the registration of which was made with the registration authority, then the Republic of Kazakhstan is recognized as the place of performance of works and services.

The provisions of this subparagraph apply to the following works and services:

transfer of intellectual property rights; maintenance and software updates;

providing access to Internet resources;

consulting, auditing, engineering, design, marketing, legal, accounting, advertising services, as well as services for the provision and (or) processing of information, except for the distribution of mass media products, as well as providing access to mass media posted on an Internet resource;

lawyer activity;

provision of personnel;

leasing of movable property (except vehicles);

the services of an agent for the purchase of goods, works, and services, as well as the involvement of persons on behalf of the main party to the agreement (contract) for the provision of services provided for in this subparagraph;

communication services;

consent to limit or terminate business activities for remuneration;

radio and television services;

services for the rental and (or) use of freight wagons and containers;

5) works and services not provided for in subparagraphs 1), 2), 3) and 4) of part one of this paragraph and paragraph 4 of this article are performed or provided by a taxpayer engaged in entrepreneurial or any other activity in the territory of the Republic of Kazakhstan.

The territory of the Republic of Kazakhstan is considered to be the place of business or other activity of a taxpayer who performs work or provides services not specified in subparagraphs 1), 2), 3) and 4) of part one of this paragraph:

with respect to passenger and baggage transportation services, transportation of goods, including mail, – if such a taxpayer is in the territory of the Republic of Kazakhstan on the basis of state (accounting) registration with the registration authority or on the basis of registration with the tax authorities as an individual entrepreneur and subject to one or more of the following conditions:

passengers, transported goods (mail, baggage) are imported into the territory of the Republic of Kazakhstan;

passengers, transported goods (mail, baggage) are exported outside the territory of the Republic of Kazakhstan;

passengers are transported, goods (mail, baggage) are transported through the territory of the Republic of Kazakhstan;

with respect to other works and services, - if such a taxpayer is in the territory of the Republic of Kazakhstan on the basis of state (accounting) registration with the registration authority or on the basis of registration with the tax authorities as an individual entrepreneur.

For the purposes of subparagraphs 2) and 3) of part one of this paragraph, the actual place of work and services provision is the place of presence of the taxpayer providing such work and services.

3. If the sale of goods, works, and services is of an auxiliary nature in relation to the sale of other basic goods, works, and services, the place of such sale is the place of sale of the basic goods, works, and services.

4. Notwithstanding the provisions of this article, the Republic of Kazakhstan is recognized as the place of implementation of works and services when performing works and rendering services by a non–resident legal entity operating in the territory of the Republic of Kazakhstan through a permanent establishment without opening a structural subdivision to a taxpayer of the Republic of Kazakhstan.

5. When applying paragraph 2 of this Article, the place of performance of works or services corresponding to the provisions of more than one of the sub-paragraphs of the said paragraph shall be determined in accordance with sub-paragraph one in numerical order of these sub-paragraphs.

6. The provisions of this Article shall not apply in the cases established by Section 21 of this Code.

Article 460. The date of turnover for the sale of goods, works, and services

1. The date of the turnover for the sale of goods, with the exception of the turnover specified in paragraphs 2, 5, 7-12 and 14 of this Article, is:

1) if, in accordance with the terms of the contract, the obligation of the supplier (seller) to deliver the goods is provided for, - one of the following dates:

the date of delivery of the goods to the person delivering the goods, designated by the supplier (seller), including his authorized representative;

the day the goods were loaded onto the supplier's (seller's) vehicle;

2) if there is no obligation of the supplier (seller) to deliver the goods under the contract:

when, in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, a document confirming the transfer of goods is to be drawn up, - the date of signing by the supplier (seller) and the recipient (buyer) of such a document;

in all other cases, - the date determined in accordance with the civil legislation of the Republic of Kazakhstan on which the goods are placed at the disposal of the recipient (buyer) or a person designated by him, including the person delivering such goods.

2. When selling goods on the basis of documents of title confirming the provision of identified goods to the buyer and the sale of goods by gas stations, the value-added tax payer has the right to recognize as the date of turnover for sale the last day of the month on which the date of the actual transfer of such goods to the buyer falls.

3. The date of the turnover for the sale of works and services is the day of the performance of works and the provision of services, with the exception of the cases specified in paragraphs 4, 5, 6 and 13 of this Article.

At the same time, the date of signing, indicated in the following documents is recognized as the day of performance of work, rendering of services:

an act of completed works, rendered services;

a document (other than an invoice) confirming the fact of work performed and services rendered, issued in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, in the absence of an act of work performed and services rendered.

4. In carrying out banking operations, providing services for the provision of credit (loan, microcredit), services for the transportation of passengers, baggage, cargo and mail on railway transport, services for the provision of slot machines without winnings, personal computers, game lanes (bowling (bowling alley), go-karting, billiard rooms tables (billiards), the date of the turnover for the sale of services is the earliest of the following dates:

1) the date of receipt of each payment (regardless of the payment form);

2) the date of recognition of the provision of services in accounting.

5. The date of turnover for the sale of goods, works, and services is the last day of the calendar month in which the goods were delivered, work was performed, and services were provided:

for the sale of electric and (or) thermal energy, water, gas, utilities, communications services, passenger, baggage, and cargo transportation by air, cargo transportation services via the main pipeline system;

for provision of services by the National Highway Management Operator for which toll roads are charged;

for provision of services by the State Corporation;

when providing services for the collection, exchange, processing and distribution of information generated during payments and (or) money transfers, including transactions with payment cards and electronic money.

For the purposes of this section, public utilities include wastewater and sewage treatment, waste collection (waste disposal), elevator and intercom services.

6. When performing works and rendering services (except for the transportation of passengers, baggage, cargo and mail by rail), during which documents are drawn up in accordance with the legislation of the Republic of Kazakhstan on railway transport, the date of turnover for the performance of works and services is the latest date indicated in the document confirming the fact of work, provision of services.

7. When selling periodicals or other mass media products, including placement on an Internet resource in telecommunications networks, the date of turnover is the day of transfer of the periodical or the day of sending mass media products to an e-mail or an electronic

subscriber mailbox, and (or) the day of placing mass media products on an Internet resource in publicly accessible telecommunication networks.

8. In the case of export of goods placed under the customs procedure of export, the date of turnover for the sale of goods is:

1) the date of registration of the goods declaration in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

2) the date of registration of the full declaration of goods with the notes of the customs authority that carried out the customs declaration, in the case of export of goods placed under the customs procedure of export using a temporary customs declaration;

3) the date of making changes (additions) to the information stated in the goods declaration on the actual quantity of exported goods, and other missing information entered after the end of the declared period of delivery of goods placed under the customs procedure of export using periodic customs declaration in accordance with the customs legislation of the Republic of Kazakhstan.

9. In the case of import of goods placed under the customs procedure of reimport, previously exported with placement under the customs procedure of export, the date of turnover for the sale of goods is:

1) the date of registration of the goods declaration upon export of goods placed under the customs procedure of export without the use of periodic or temporary declaration, determined in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

2) the date of registration of the full declaration of goods with the notes of the customs authority that carried out the customs declaration, when exporting goods and placing them under the customs procedure of export using a temporary customs declaration;

3) the date of making changes (additions) to the information stated in the goods declaration on the actual quantity of exported goods, and other missing information entered after the end of the declared period of delivery of goods placed under the customs procedure of export using periodic customs declaration in accordance with the customs legislation of the Republic of Kazakhstan.

10. In the case of transfer of pledged property (goods) by the pledgor, the date of the turnover for sale for the pledgor is the date of transfer of ownership of the pledged object from the pledgor to the winner of the auction held in the process of foreclosure on the pledged property, or to the pledgee.

11. When transferring property to financial leasing, the date of the sale turnover is:

1) in terms of the amount of the periodic lease payment established by the lease agreement, excluding the amount of remuneration, except for the cases specified in subparagraphs 2) and 3) of this paragraph, - the due date of receipt of such payment;

2) in terms of the amount of all periodic lease payments, excluding the amount of remuneration, the due date of which under the lease agreement is set before the date of transfer of property to the lessee, - the date of transfer of property to financial leasing;

3) in terms of the amounts of lease payments paid ahead of schedule provided for in the lease agreement, excluding the amount of remuneration subject to the requirements of Article 213 of this Code, - the date of receipt of such payment (regardless of the form of payment);

4) in terms of the accrued amount of remuneration, the date of turnover is the earliest of the following dates:

the last day of the reporting tax period;

the last day of termination of accrual of remuneration under the financial leasing agreement.

The provisions of this paragraph shall also apply in case of non-compliance with the requirements established by Article 213 of this Code.

12. In case of loss of goods purchased without value added tax and placed under the customs procedure of a free customs zone, except for goods that are goods listed in Article 474 of this Code, the date of turnover for the sale of goods is the date of establishment of the fact of loss by the taxpayer.

13. If the works and services performed and rendered by a non-resident are recognized as a turnover of a value-added tax payer in accordance with Article 454 of this Code, the date of such turnover is one of the following dates:

the date of signing by the supplier (seller) and the recipient (buyer), who are parties to the contract, the act of work performed, services rendered;

the date of recognition in accounting of the costs of acquiring works and services from a non–resident - if there is another document confirming the fact of work performed, services rendered, in the absence of an act of work performed, services rendered.

14. In case of de-registration for value-added tax, the date of the turnover specified in subparagraph 3) of part one of paragraph 1 of Article 449 of this Code is the date preceding the date on which the value-added tax payer submitted the liquidation tax statements for value-added tax.

15. If several dates are indicated in the documents specified in paragraphs 3 and 13 of this article, the date of signing of the document is the latest of the specified dates.

16. When selling collateral on an installment basis, which was previously accepted on the balance sheet of a subsidiary of the bank that acquires doubtful and uncollectible assets of the parent bank to pay off debt, the date of the sale turnover is the due date of receipt of such payment under the purchase agreement or the date of receipt of such payment, depending on the event which comes first.

Chapter 46. DETERMINING THE AMOUNT OF TURNOVER AND IMPORTS

Article 461. The amount of turnover for the sale of goods, works, and services

1. Unless otherwise provided for in Article 462 of this Code, the amount of sales turnover is determined as the cost of goods, works, and services sold based on prices and tariffs applied by the parties to the transaction without including value-added tax, unless otherwise provided for by the legislation of the Republic of Kazakhstan on transfer pricing.

When selling goods on installment payment terms, the cost of the goods being sold is determined taking into account all payments stipulated in the terms of the contract.

2. When providing payment services for third parties, the amount of sales turnover is determined in the amount of the commission fee.

3. The amount of excise tax payable (paid) in accordance with the provisions of this Code:

1) when transferring gasoline (with the exception of aviation), diesel fuel, which is a product of processing of toll-free raw materials, is not included in the amount of the sale turnover of the manufacturer of such excisable goods providing services for processing toll-free raw materials;

2) in all other cases, - it is included in the amount of sales turnover.

4. The amount of turnover in the form of the remaining goods of a value-added tax payer is determined in the amount of the book value of such goods, which is subject to be reflected in the accounting records of such a value-added tax payer, as of the date of turnover, excluding revaluation and impairment.

For the purposes of this paragraph, the book value of the goods held by the value-added tax payer is:

1) when it is deregistered for value–added tax in connection with reorganization, as well as during reorganization by separation, - the value of the goods reflected in the dividing balance sheet or transfer act, but not lower than the book value to be reflected (reflected) in the accounting records of such a value-added tax payer, as of the date of the turnover;

2) in all other cases, - the book value of the goods to be reflected (reflected) in the accounting records of such a value–added tax payer, as of the date of turnover, excluding revaluation and impairment.

For turnover in the form of remaining goods, a value-added tax payer shall compile a tax register for remaining goods in accordance with Article 205 of this Code.

5. The amount of turnover made by a value-added tax payer when purchasing works and services from a non-resident is determined in accordance with Article 463 of this Code.

6. For the purposes of this section, a transaction in a foreign currency is converted into the national currency of the Republic of Kazakhstan using the official exchange rate established on the date of the turnover.

Article 462. Features of determining the amount of sales turnover in individual cases

1. When the mortgagor transfers the mortgaged property into the ownership of the buyer or the mortgagee, the amount of the sale turnover for the mortgagor is determined by:

1) sale of pledged property – in the amount of the value of the pledged property being sold based on the applied sale price without including value-added tax;

2) conversion of the pledged property into the property of the mortgagee – in the amount of the current estimated value, established by a court decision or a trustee based on the conclusion of an individual or legal entity licensed to carry out property valuation activities (with the exception of intellectual property objects, the value of intangible assets), without including value-added tax. At the same time, the trustee is determined in accordance with the civil legislation of the Republic of Kazakhstan when selling the pledged property in a compulsory out-of-court manner through bidding.

2. The amount of the sale turnover for a taxpayer when placed under the customs procedure of reimport of goods previously exported and placed under the customs procedure of export is determined in proportion to the volume of goods placed under the customs procedure of reimport, in units of measurement used when placing goods under the customs procedure of export, based on the value of this product, according to which the declaration of the value added tax reflected the turnover on the sale of goods for export.

3. When selling an enterprise as a whole as a property complex, the amount of sales turnover is determined in the amount of the book value of the property transferred during the sale, for which value-added tax was previously offset:

1) increased by the positive difference between the cost of sale under the purchase and sale agreement of the enterprise and the book value of the transferred assets, reduced by the book value of the transferred liabilities, according to accounting data at the date of sale;

2) reduced by the negative difference between the cost of sale under the purchase and sale agreement of the enterprise and the book value of the transferred assets, reduced by the book value of the transferred liabilities, according to accounting data at the date of sale.

4. When transferring property to financial leasing, the amount of sales turnover is determined in the amount of:

1) as of the date of turnover specified in subparagraph 1) of paragraph 11 of Article 460 of this Code – on the basis of the amount of the lease payment established in accordance with the financial leasing agreement without including in it the amount of remuneration for financial leasing and value added tax;

2) as of the date of turnover specified in subparagraph 2) of paragraph 11 of Article 460 of this Code – on the basis of the sum of all periodic lease payments without including in them the amount of remuneration for financial leasing and value-added tax, the due date of which, in accordance with the financial leasing agreement, is set before the date of transfer of property to the lessee;

3) as of the date of turnover specified in subparagraph 3) of paragraph 11 of Article 460 of this Code, - as the difference between the total amount of all lease payments received (to be received) under a financial leasing agreement without including the amount of remuneration for financial leasing and value–added tax, and the amount of taxable turnover, defined as the sum of the amounts of taxable turnover attributable to the previous dates of turnover for sale under this agreement;

4) as of the date of the turnover specified in subparagraph 4) of paragraph 11 of Article 460 of this Code – in the amount of the accrued remuneration.

5. The amount of sales turnover in the case of gratuitous transfer of goods is determined in the amount of the book value of the transferred goods, which is subject to reflection (reflected) in the taxpayer's accounting records as of the date of their transfer, excluding revaluation and impairment, unless otherwise provided by the legislation of the Republic of Kazakhstan on transfer pricing.

The amount of sales turnover for gratuitously performed works and services rendered is determined based on the book value of the goods to be reflected (reflected) in the accounting records of such a value-added tax payer, excluding revaluation and depreciation, the cost of works and services in case of simultaneous compliance with the following conditions:

used for gratuitous performance of works, provision of services;

the value-added tax on the purchase of such goods, works, and services was accounted for as a value-added tax, which was allowed to be offset, including the one determined using the proportional method;

are to be attributed to expenses in the taxpayer's accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The value of fixed assets, as well as assets provided for in subparagraphs 2), 3), 4) and 8) of paragraph 2 of Article 250 of this Code, in case of their transfer for gratuitous use for inclusion in taxable turnover, is determined in the following order:

Са = (НДС пр/Си) х Тф/ставка, where:

Са – the value of the asset included in the taxable turnover when transferred for gratuitous use;

НДС пр - is the amount of value–added tax credited to the acquisition of an asset transferred for free us.;

Си – the period of use of the asset, calculated in calendar months, is determined by:

for assets subject to depreciation in accounting, as the useful life of an asset determined in accounting for depreciation in accordance with international financial reporting standards and (or) the legislation of the Republic of Kazakhstan on accounting and financial reporting;

for other assets – as the service life of the asset, determined on the basis of the technical documentation for the asset, and in the absence of such documentation – 120 months;

Тф – the actual number of months of transfer for use during the reporting tax period;

the rate is the value–added tax rate in percent, effective on the date of provision for use.

6. In the case of assignment of rights of claim for goods, works, and services sold, except for advances and penalties, the amount of sales turnover is determined as the positive difference between the value of the right of claim for which the assignment was made and the value of the claim to be received from the debtor on the date of assignment of the right of claim, according to the taxpayer's primary documents.

In case of assignment of the right of claim for loans (loans, micro-loans), the amount of sales turnover is determined as the positive difference between the amount of remuneration included in the cost of the right of claim for which the assignment was made and the amount of remuneration to be received from the debtor on the date of assignment of the right of claim, according to the taxpayer's primary documents.

7. The amount of sales turnover is determined in the amount of remuneration without including value–added tax provided for in:

1) an agreement on the limitation or termination of entrepreneurial activity, - if they agree to limit or terminate entrepreneurial activity;

2) an agreement on granting a loan (loan, micro–loan), - when granting a loan (loan, micro-loan);

3) a contract of assignment, – when selling goods, performing works, providing services to an attorney on behalf of and at the expense of the principal, transferring goods purchased for the principal to the attorney, as well as performing works, providing services to a third party for the principal under a deal concluded by the attorney with such third party on behalf of and at the expense of the principal.

8. The amount of sales turnover when financed by an Islamic bank in accordance with the banking legislation of the Republic of Kazakhstan for individuals and legal entities as a trade intermediary by providing a commercial loan in accordance with subparagraphs 7) and 8) of paragraph 2 of Article 452 of this Code is determined in the amount of income to be received by the Islamic bank.

For the purposes of this paragraph, the income to be received by the Islamic bank includes the amount of the margin on the goods sold to the buyer, which is determined by the terms of the Islamic bank's commercial loan agreement concluded in accordance with the banking legislation of the Republic of Kazakhstan.

The provisions of this paragraph do not apply to cases when an Islamic bank sells goods to a third party if the buyer refuses to fulfill a commercial loan agreement.

9. When selling goods, performing works, and providing services on terms that comply with the terms of the commission agreement, transfer of goods by the commission agent to the consignor purchased for the consignor on terms that comply with the terms of the commission agreement, as well as when performing works, providing services to a third party for the consignor under a deal concluded by such third party with the commission agent, the amount of sales turnover of the commission agent is determined in the amount of one of the following amounts:

his commission fee without including value added tax;

the cost of works and services that are the turnover of a commission agent for the purchase of works and services from a non-resident.

10. When performing works and rendering services specified in the freight forwarding agreement, the carrier and (or) other suppliers for the party that is a customer under the

freight forwarding agreement, the amount of turnover for the forwarder's sales is determined in the amount of the following amounts:

his remuneration without including the value-added tax stipulated in the freight forwarding contract;

the cost of works and services that are the freight forwarder's turnover for the purchase of works and services from a non-resident.

11. The amount of turnover for the sale of periodicals and other mass media products, including those posted on an Internet resource in publicly accessible telecommunications networks, is determined as the cost of sales based on the prices and tariffs applied by the parties to the transaction without including value-added tax, transferred (shipped, posted) periodicals and other mass media products in the reporting tax period.

12. The amount of sales turnover during the transfer of goods, performance of works, provision of services by the employer to the employee due to repayment of debts owed to the employee is determined by the following formula:

Op = Зp x 100/(100+ставка), where:

Op is sales turnover during the transfer of goods, performance of works, provision of services by the employer to the employee due to repayment of debt owed to an employee;

ставка (the rate) - is the value–added tax rate effective on the date of transfer of the goods , in percent;

Зp is the amount to be paid to the employee, which is used to repay the transfer of goods, work, or services. 13. The amount of sales turnover in case of loss of goods purchased without value added tax and placed under the customs procedure of a free customs zone, except for goods that are goods listed in Article 474 of this Code, is determined in the amount of the book value of the goods to be reflected (reflected) in the taxpayer's accounting records as of the date of their loss excluding revaluation and impairment.

14. The amount of turnover for the sale of containers that are recognized as returnable containers in accordance with subparagraph 5) of Article 453 of this Code and are not returned within the prescribed period is determined as the book value of such containers, subject to be reflected in the accounting on the date of its return, excluding revaluation and impairment.

15. Notwithstanding the provisions of paragraphs 1 - 14 of this Article, the amount of sales turnover is determined by:

1) when selling cars purchased by a legal entity from individuals to an individual, - as a positive difference between the cost of sales and the cost of purchasing cars;

2) when providing services of a tour operator for outbound tourism – as a positive difference between the cost of selling a tourist product and the cost of insurance, passenger transportation and accommodation, including meals, if the cost of such meals is included in the cost of accommodation, remuneration of the travel agent;

3) when carrying out transactions with securities, participation shares – as an increase in value in the sale of securities, participation shares, determined in accordance with Article 250 of this Code;

4) when selling goods for which the value-added tax indicated in the invoices issued upon purchase of these goods in accordance with the tax legislation of the Republic of Kazakhstan in force on the date of their purchase is not recognized as value–added tax, to be counted as, - as a positive difference between the cost of sales and the book value of the goods. reflected in accounting records as of the date of its transfer, excluding revaluation and impairment;

5) when transferring the goods:

to a shareholder, participant, or founder in the event of liquidation of a legal entity or distribution of property in the event of a decrease in the authorized capital – as a positive difference between the book value of the transferred goods, which is reflected (reflected) in the accounting records of the legal entity transferring such goods at the date of its transfer, excluding revaluation and impairment, and the amount of the paid-up authorized capital attributable to the participation share, the number of shares in proportion to which the distribution of property is carried out;

to the participant, founder, when a legal entity repurchases a share or part of a share in this legal entity from such a founder, participant, - as a positive difference between the book value of the transferred goods, which is reflected (reflected) in the accounting records of the legal entity transferring such goods, as of the date of its transfer, excluding revaluation and impairment, and the amount of the authorized capital paid attributable to the repurchased share of participation;

the shareholder, when an issuing legal entity repurchases, shares issued by that issuer from a shareholder, - as a positive difference between the book value of the transferred goods, which is reflected (reflected) in the accounting records of the legal entity transferring such goods at the date of its transfer, excluding revaluation and impairment, and the amount of paid–up authorized capital attributable to the redeemed shares;

6) when selling a residential building (part of a residential building) purchased without value added tax, - as a positive difference between the sale price and the book value of the residential building (part of the residential building), reflected in accounting records at the date of sale, excluding revaluation and impairment.

Article 463. The amount of turnover for the purchase of works and services from a non-resident

1. The amount of turnover for the purchase of works and services from a non-resident is determined based on the cost of the purchase of works and services specified in paragraph 1 of Article 454 of this Code, including corporate or individual income tax, which is subject to withholding at the source of payment. In this case, the purchase price is determined based on:

the act of work performed, services rendered;

in the absence of an act of work performed or services rendered, - another document confirming the fact of work performed or services rendered.

2. In the case when payment for the received works and services is made in a foreign currency, the taxable turnover is converted into the national currency of the Republic of Kazakhstan using the official exchange rate established on the date of the turnover.

Article 464. Adjustment of turnover amount

1. In the event of a change in the amount of turnover for the sale of goods, works and services in one direction or another in the cases provided for in paragraph 2 of this article, the amount of turnover shall be adjusted accordingly after the date of its commission.

2. Adjustments are made in the following cases:

1) full or partial return of the goods, except for the importation of goods placed under the customs procedure of reimport, previously exported with placement under the customs procedure of export;

2) changes in the terms of the transaction;

3) price changes, compensation for goods, works, and services sold. The provision of this subparagraph also applies to the changes in the payable value of goods, works, and services sold based on the terms of the contract, including in connection with the application of the coefficient (index);

4) discounts on prices, discounts on sales;

5) the return of containers included in the turnover for sale in accordance with subparagraph 5) of Article 453 of this Code;

6) the occurrence of other cases, as a result of which there is a change in the amount of turnover.

3. The provisions of this article shall not apply in the event of a change in the amount of taxable (non-taxable) turnover as a result of error correction.

4. The amount of the taxpayer's turnover is adjusted if there are documents on the basis of which the amount of the taxable (non-taxable) turnover is changed.

5. The amount of the adjustment of the taxable (non-taxable) turnover shall be included in the taxable (non-taxable) turnover of the tax period on which the date of occurrence of the cases provided for in paragraph 2 of this Article falls. This date is the date of the turnover for the amount of the adjustment.

6. The reduction in the amount of taxable (non-taxable) turnover should not exceed the amount of previously reflected taxable (non-taxable) turnover for the sale of goods, works, and services.

7. When adjusting the amount of taxable turnover upward, the amount of value-added tax on such turnover shall be determined at the rate effective on the date of occurrence of the cases provided for in paragraph 2 of this Article.

Article 465. Adjustment of the amount of taxable turnover for questionable claims

1. If part or whole amount of a claim for goods, works, or services sold is a questionable claim, the value-added tax payer has the right to reduce the amount of taxable turnover on such claim:

1) after the expiration of three years from the beginning of the tax period, which includes:

the deadline for fulfilling the claim for goods, works, and services sold, if such a deadline is determined;

the date of transfer of goods, performance of works, provision of services, the deadline for the claim for which is not defined;

2) in the tax period in which the decision of the registering authority was made to exclude the debtor declared bankrupt from the National Register of Business Identification Numbers;

3) in the tax period in which the out-of-court bankruptcy procedure has been completed or a court decision has been issued on the application of the judicial bankruptcy procedure in accordance with the Law of the Republic of Kazakhstan "On Restoration of Solvency and Bankruptcy of Citizens of the Republic of Kazakhstan".

The amount of taxable turnover in accordance with this paragraph is adjusted subject to the conditions specified in Article 267 of this Code.

2. The reduction of the amount of taxable turnover on a doubtful claim is carried out within the limits of the amount of the previously reflected taxable turnover for the sale of goods, performance of works, provision of services using the value-added tax rate in effect on the date of the turnover for sale.

3. If payment is received for goods, works, and services sold after the value-added tax payer has used the right granted to him in accordance with paragraph 1 of this Article, the amount of taxable turnover shall be increased by the value of the specified payment in the tax period in which the payment was received, applying the value-added tax rate, effective as of the date of the sales turnover.

Article 466. The amount of taxable imports

1. Unless otherwise established by this article, the amount of taxable imports includes the customs value of imported goods, determined in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, taking into account the legislation of the Republic of Kazakhstan on transfer pricing, as well as the amounts of taxes and customs duties, special, anti-dumping and countervailing duties subject to payment to the budget upon import of goods into the Republic of Kazakhstan, with the exception of value added tax on imports.

2. The amount of taxable imports when importing processed products placed under the customs procedure of release for domestic consumption is determined as the cost of operations for processing goods outside the customs territory of the EAEU in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

Chapter 47. ZERO-RATE TURNOVER

Article 467. Turnover in the sale of goods for export

1. Turnover in the sale of goods for export, with the exception of turnover in the sale of goods provided for in Article 474 of this Code, is taxed at a zero rate.

The export of goods is the export of goods from the customs territory of the EAEU, carried out in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

2. The documents confirming the export of goods are:

1) an agreement (contract) for the supply of exported goods;

2) a copy of the goods declaration with the notes of the customs authority responsible for the release of goods placed under the customs procedure of export, as well as with the note of the customs authority of the Republic of Kazakhstan or the customs authority of another EAEU member state located at the checkpoint at the customs border of the EAEU, except in the cases specified in subparagraphs 3) and 6) of this paragraph;

3) a copy of the full declaration of goods with the notes of the customs authority that carried out the customs declaration, when exporting goods placed under the customs procedure of export:

through a system of main pipelines or through power transmission lines;

using a temporary customs declaration;

4) copies of shipping documents.

In the case of export of goods placed under the customs procedure of export through the system of main pipelines or through power transmission lines, instead of copies of shipping documents, an act of acceptance and delivery of goods is submitted;

5) confirmation of the authorized state body in the field of copyright and related rights on the right to an intellectual property object, as well as its value – in case of export of an intellectual property object;

6) copies of the goods declaration with the notes of the customs authority responsible for the release of goods in the customs procedure of export, as well as with the note of the customs authority located at the checkpoint of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU;

7) a copy of the goods declaration with amendments (additions) made after the end of the declared period of delivery of goods, containing information on the actual quantity of exported goods, in the case of export of goods placed under the customs procedure of export using periodic customs declaration.

3. In case of further export of goods previously exported outside the customs territory of the EAEU with placement under the customs procedure of processing outside the customs territory, or products of their processing, export confirmation is carried out in accordance with paragraph 2 of this article, as well as on the basis of the following documents:

1) copies of the goods declaration, according to which the customs procedure for processing outside the customs territory is changed to the customs procedure for export;

2) copies of the goods declaration issued with placement under the customs procedure of processing outside the customs territory;

3) copies of the goods declaration issued upon importation of goods into the territory of a foreign state with placement under the customs procedure of processing in the customs territory (processing of goods for domestic consumption), certified by the customs authority of the foreign state that carried out such registration;

4) copies of the goods declaration, according to which the customs procedure for processing for domestic consumption in the territory of a foreign state is changed to the customs procedure for release for domestic consumption in the territory of a foreign state or the customs procedure for export.

4. The declaration of goods in the form of an electronic document, according to which the information system of the tax authorities contains a notification to the customs authorities about the actual export of goods, is also a document confirming the export of goods. If there is a declaration for goods in the form of an electronic document provided for in this paragraph , the submission of the documents specified in subparagraphs 2), 3) and 6) of paragraph 2 and subparagraphs 1) and 2) of paragraph 3 of this article is not required.

Article 468. Taxation of international transportation

1. Turnover in the sale of international transportation services is taxed at a zero rate.

International transportation is recognized as:

1) transportation of goods, including postal items, exported from the territory of the Republic of Kazakhstan and imported into the territory of the Republic of Kazakhstan;

2) transportation of transit cargoes through the territory of the Republic of Kazakhstan;

3) transportation of passengers, baggage and cargo in international traffic;

4) the service of passenger trains (wagons) in international traffic.

For the purposes of this chapter, transportation is considered international if the transportation is executed using the unified international transport documents established by paragraph 4 of this article.

2. In the case of international transportation by several carriers, except for the cases specified in paragraph 3 of this Article, international transportation includes transportation carried out by the carrier to the border of the Republic of Kazakhstan or by the carrier by means of which the passengers, goods (mail, baggage, cargo) were imported into the territory of the Republic of Kazakhstan.

3. In cases of international transportation by several carriers in direct international railway and ferry transportation and international railway and water transportation with cargo transshipment from railway to water transport, international transportation is recognized as transportation carried out by carriers on railway and water transport.

4. For the purposes of this article, the documents confirming international transportation are:

1) when transporting goods:

in international road transport – a bill of lading;

in international railway traffic, including in direct international railway and ferry transportation and international railway and water transportation with cargo transshipment from railway to water transport, - a unified consignment invoice;

by air – waybill (air waybill);

by sea – bill of lading or sea waybill;

transit by two or more modes of transport (multimodal transport) – a unified bill of lading (single bill of lading);

by the system of main pipelines:

a copy of the declaration for goods placed under the customs procedures of export and release for domestic consumption for the billing period or the declaration for goods placed under the customs procedure of customs transit for the billing period;

acts of work performed (services rendered), acts of acceptance and delivery of goods from the seller or from other persons who previously delivered the specified goods to the buyer or to other persons carrying out further delivery of the specified goods;

2) when transporting passengers, baggage and cargo:

by road:

for regular transportation, - a report on the sale of travel tickets sold in the Republic of Kazakhstan, as well as billing statements on passenger tickets compiled by bus stations along the route;

in case of irregular transportation – an agreement on the provision of transport services in international traffic;

by rail:

a report on the sale of travel, transportation and postal documents sold in the Republic of Kazakhstan;

bill of account for passenger tickets sold in the Republic of Kazakhstan in international traffic;

balance sheet on mutual settlements for passenger transportation between railway administrations and a report on registration of travel and transportation documents;

by air:

the general declaration;

passenger manifest;

cargo manifest;

loggit (central loading schedule);

summary loading list (travel ticket and baggage receipt);

for the service of passenger trains (wagons) in international traffic:

full-scale sheet of a passenger train.

The documents specified in this paragraph may be drawn up on paper and (or) in electronic form.

5. The declaration of goods in the form of an electronic document, according to which the information systems of the tax authorities have a notification to the customs authorities about the actual export of goods, is also a document confirming the export of goods. If there is a declaration for goods in the form of an electronic document provided for in this paragraph, the submission of the documents specified in subitem 8 of subparagraph 1) of part one of paragraph 4 of this article is not required.

Article 469. Taxation of sales of fuels and lubricants carried out by airports, ground handling service providers, and retail sellers of petroleum products when refueling aircraft of foreign airlines operating international flights and international air transportation

1. Turnover in the sale of fuels and lubricants carried out by airports, ground handling service providers, and retail sellers of petroleum products when refueling aircraft of foreign airlines operating international flights and international air transportation is taxed at a zero rate.

The provisions of this article apply to airports, ground handling service providers, and retail sellers of petroleum products that sell fuels and lubricants when refueling aircraft of foreign airlines operating international flights and international air transportation.

2. For the purposes of this article:

1) airlines of foreign countries, including the EAEU member states, are recognized as foreign airlines;

2) an international flight is an aircraft flight crossing the border of a foreign state;

3) international air transportation is defined as air transportation in which the points of departure and destination, regardless of whether there is a break in transportation or transshipment, are located on:

the territory of two or more states;

the territory of one state, if there is a stopover on the territory of another state.

The provision of paragraph three of this subparagraph does not apply if the points of departure and destination are the territory of the Republic of Kazakhstan.

3. Documents confirming zero-rate turnover in the sale of fuels and lubricants carried out by airports, ground handling service providers, and retail sellers of petroleum products when refueling aircraft of foreign airlines operating international flights and international air transportation are:

1) an agreement between an airport, a ground handling service provider, a retail seller of petroleum products with a foreign airline, which provides for and (or) includes the sale of fuels and lubricants, - during regular flights;

an application from a foreign airline and (or) an agreement (contract) between an airport, a ground handling service provider, a retail seller of petroleum products with a foreign airline – when performing non–scheduled flights.

At the same time, the following information must be indicated in the application:

the name of the airline, indicating the state in which it is registered;

the date of the intended landing of the aircraft.

When landing a foreign aircraft due to force majeure circumstances, the application provided for in this subparagraph shall not be filled in.

For the purposes of this subparagraph:

a regular flight is a flight operated according to a schedule established and published by the airline in accordance with the procedure established by the legislation of the Republic of Kazakhstan on the use of the airspace of the Republic of Kazakhstan and aviation activities;

an irregular flight is a flight that is not regular and is performed for a specific customer for the purpose of air transportation or without it;

2) an expense order or a request for refueling of a foreign aircraft with a note of the customs authority confirming refueling with fuel and lubricants of the aircraft, which must contain the following information:

name of the airline;

quantity of refilled fuels and lubricants;

date of refueling of the aircraft;

signatures of the aircraft commander or a representative of a foreign airline and an employee of the relevant airport service, a ground handling service provider, a retail seller of petroleum products who refueled it.

The provisions of this subparagraph shall not apply when refueling aircraft of airlines operating international flights, international air transportation, in respect of which, in accordance with the customs legislation of the EAEU and (or) the Republic of Kazakhstan, customs clearance and customs control are not provided;

3) a document confirming the fact of payment for fuel and lubricants sold by the airport, ground handling service provider, retail seller of petroleum products;

4) the conclusion of an employee of an authorized organization in the field of civil aviation involved in conducting a thematic audit to confirm the accuracy of the amounts of value-added tax submitted for refund, confirming the fact that the flight was carried out by an aircraft of a foreign airline and the amount of fuel and lubricants sold (by airline).

At the same time, the conclusion provided for in this subparagraph shall be submitted by an employee of an authorized organization in the field of civil aviation in cases of flights for which, in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, customs clearance and customs control are not provided.

Article 470. Taxation of goods sold to the territory of the special economic zone

1. The sale of goods to the territory of a special economic zone that are fully consumed in carrying out activities that meet the goals of creating special economic zones, according to the list of goods determined by the central executive body responsible for state regulation in the field of creation, operation and abolition of special economic and industrial zones in coordination with the authorized body and the authorized body in the field of tax policy, is subject to value added tax at a zero rate.

In this case, the taxpayer has the right to apply the value-added tax rate in accordance with Article 503 of this Code for the goods specified in part one of this paragraph.

For the purposes of this article, the goods specified in part one of this paragraph are goods placed (placed) under the customs procedure of a free customs zone and under customs control.

2. Documents confirming the turnover taxed at a zero rate when selling goods that are fully consumed in carrying out activities that meet the goals of creating special economic zones are:

1) an agreement (contract) for the supply of goods with organizations operating in the territories of special economic zones or a person who has concluded an investment agreement ;

2) copies of the declaration of goods and (or) transport (shipping), commercial and (or) other documents with the attachment of the list of goods marked by the customs authority responsible for the release of goods under the customs procedure of the free customs zone;

3) copies of shipping documents confirming the shipment of goods to the organizations specified in subparagraph 1) of this paragraph;

4) copies of documents confirming receipt of goods by the organizations specified in subparagraph 1) of this paragraph.

3. The declaration of goods in the form of an electronic document received by the tax authorities through information communication channels from the customs authorities is also a document confirming the turnover taxed at a zero rate. If there is a declaration of goods in the form of an electronic document provided for in this paragraph, the submission of a copy of the declaration of goods provided for in subparagraph 2) of paragraph 2 of this article is not required.

4. The refund of excess value-added tax to suppliers of goods sold to the territory of the special economic zone is made in part of the imported goods actually consumed in carrying out activities that meet the purposes of creating special economic zones.

5. When determining the amount of value-added tax to be refunded in accordance with this Article, information from the customs authority confirming the actual consumption of imported goods in carrying out activities that meet the purposes of creating special economic zones, which are formed on the basis of data provided by a participant of the special economic zone or a person who has concluded an investment agreement, shall be taken into account.

In case of non-fulfillment by a participant of the special economic zone or a person who has concluded an investment agreement of the conditions provided for in part one of paragraph 1 of this article, the goods placed under the customs procedure of the free customs zone are recognized as taxable imports and are subject to value-added tax from the date of importation of the goods into the territory of the special economic zone with the accrual of penalties from the time, established for the payment of value-added tax on imported goods, in accordance with the procedure and amount, which are determined by the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

Article 471. Peculiarities of taxation of goods sold to the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU

1. The sale to the territory of a special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU, of goods consumed or sold in the course of activities that meet the purposes of creating such a special economic zone, is subject to value-added tax at a zero rate.

For the purposes of this article, the goods specified in part one of this paragraph, are goods placed (placed) under the customs procedure of a free customs zone and under customs control.

2. Documents confirming the turnover taxed at a zero rate when selling goods consumed or sold in the course of activities that meet the goals of creating a special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU, are:

1) an agreement (contract) for the supply of goods with organizations and (or) persons operating in the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU;

2) copies of the declaration of goods and (or) transport (shipping), commercial and (or) other documents with the attachment of the list of goods marked by the customs authority responsible for the release of goods under the customs procedure of the free customs zone;

3) copies of shipping documents confirming the shipment of goods to the organizations and (or) persons specified in subparagraph 1) of this paragraph;

4) copies of documents confirming receipt of goods by the organizations and (or) persons specified in subparagraph 1) of this paragraph.

3. The refund of excess value-added tax to suppliers of goods sold to the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU, is made in terms of imported goods actually consumed in carrying out activities that meet the goals of creating special economic zones.

4. When determining the amount of value-added tax to be refunded in accordance with this Article, information from the customs authority confirming the sale or actual consumption of imported goods in carrying out activities that meet the purposes of creating a

special economic zone, which are formed on the basis of data provided by a participant of the special economic zone, shall be taken into account.

If a participant in the special economic zone fails to comply with the conditions stipulated in part one of paragraph 1 of this article, the goods placed under the customs procedure of the free customs zone are recognized as taxable imports and are subject to value-added tax from the date of importation of goods into the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU, with accrual of penalties from the time period established for the payment of value-added tax on imported goods, in the order and amount, which are determined by the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

Article 472. Turnover of refined gold sales

1. Turnover on the sale by taxpayers, who are subjects of precious metals production and persons who have become owners of refined gold as a result of its processing, to the National Bank, of refined gold from raw materials of their own production to replenish the assets in precious metals is subject to value added tax at a zero rate.

2. The documents confirming the turnover taxed at the zero rate specified in paragraph 1 of this Article are:

1) an agreement on the general terms of purchase and sale of refined gold for replenishment of assets in precious metals concluded between the taxpayer and the National Bank;

2) copies of documents confirming the value of refined gold sold to the National Bank;

3) copies of documents confirming receipt of refined gold by the National Bank, indicating the amount of refined gold.

For the purposes of this article, self-produced raw materials are understood to be raw materials obtained by the taxpayer independently or acquired by him for the purpose of processing.

Article 473. Taxation in individual cases

1. The turnover on the sale of goods of their own production to taxpayers operating in the territory of the Republic of Kazakhstan under a subsurface use contract, a production sharing agreement (contract) is subject to value-added tax at a zero rate, in accordance with the terms of which the imported goods are exempt from value-added tax.

If a subsurface use contract or a production sharing agreement (contract) defines a list of imported goods exempt from value-added tax, turnover on the sale of goods specified in this list is taxed at a zero rate.

For the purposes of this article, a product (commodity) produced by a taxpayer, for which there is a certificate of origin, is recognized as a product of its own production.

The list of taxpayers specified in part one of this paragraph is approved by the authorized body in the field of hydrocarbons in coordination with the authorized body and the authorized body in the field of tax policy.

2. The turnover on the sale of unstable condensate produced and sold by a subsurface user operating under a subsurface use contract specified in paragraph 1 of Article 755 of this Code from the territory of the Republic of Kazakhstan to the territory of other EAEU member states is subject to value–added tax at a zero rate.

The list of taxpayers specified in this paragraph is approved by the authorized body in the field of hydrocarbons in coordination with the authorized body and the authorized body in the field of tax policy.

3. Value added tax is levied at a zero rate on the turnover of sales by a taxpayer operating under an intergovernmental agreement on cooperation in the gas industry in the territory of another EAEU member state of processed toll-free raw materials previously exported by this taxpayer from the territory of the Republic of Kazakhstan and processed in the territory of such other EAEU member state.

The list of taxpayers specified in this paragraph is approved by the authorized body in the field of hydrocarbons in coordination with the authorized body and the authorized body in the field of tax policy.

4. The documents confirming the sale of goods to taxpayers specified in paragraph 1 of this Article are:

1) an agreement for the supply of goods to taxpayers operating in the territory of the Republic of Kazakhstan under a subsurface use contract, a production sharing agreement (contract), in accordance with the terms of which the imported goods are exempt from value-added tax, indicating in it that the supplied goods are intended to fulfill the work program of the subsurface use contract, a production sharing agreement (contract);

2) copies of shipping documents confirming the shipment of goods to taxpayers;

3) copies of documents confirming receipt of goods by taxpayers.

5. The documents confirming the sale of unstable condensate specified in paragraph 2 of this Article are: 1) an agreement (contract) for the supply of unstable condensate exported from the territory of the Republic of Kazakhstan to the territory of other EAEU member states ;

2) the act of taking readings from metering devices for the amount of unstable condensate sold through the pipeline system;

3) an act of acceptance and delivery of unstable condensate exported from the territory of the Republic of Kazakhstan to the territory of other EAEU member states through the pipeline system.

The procedure for taking readings from metering devices for the amount of unstable condensate sold through the pipeline system is determined by the authorized body in the field of hydrocarbons.

6. The documents confirming the sale of the goods specified in paragraph 3 of this Article are:

1) agreements (contracts) for the processing of toll-free raw materials;

2) agreements (contracts) on the basis of which the sale of processed products is carried out;

3) documents confirming the fact of processing of toll raw materials;

4) copies of shipping documents confirming the export of toll-free raw materials from the territory of the Republic of Kazakhstan to the territory of another EAEU member state.

In the case of export of toll-free raw materials through the main pipeline system, instead of copies of shipping documents, an act of acceptance and delivery of such toll-free raw materials is submitted;

5) documents confirming the shipment of processed products to their taxpayer buyer of the EAEU member state, in whose territory the processing of toll-free raw materials was carried out;

6) documents confirming the receipt of foreign exchange earnings from processed products sold to the taxpayer's bank accounts in second-tier banks in the territory of the Republic of Kazakhstan, opened in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

7) the conclusion of the relevant authorized state body on the conditions of processing goods in the territory of the EAEU member state, provided for in paragraph 8 of Article 523 of this Code.

When determining the amount of excess value–added tax to be refunded, the results of the audit carried out against the buyer of processed products by the tax service of the EAEU member state at the request of the tax authority of the Republic of Kazakhstan are taken into account.

Chapter 48. NON-TAXABLE TURNOVER AND NON-TAXABLE IMPORTS

Article 474. Turnover in the sale of goods, works, and services exempt from value-added tax

Turnover on the sale of the following goods, works, and services, the place of sale of which is the Republic of Kazakhstan, is exempt from value-added tax:

1) specified in Articles 475 – 478 of this Code;

2) services provided by a state-owned Islamic special financial company for temporary possession and use under property lease agreements of buildings and structures acquired under contracts concluded in accordance with the terms of issue of state Islamic securities, and land plots occupied by such property;

3) property in the form of winnings issued by the lottery operator to the lottery participant ;

4) services for processing and (or) repair of goods imported into the customs territory of the EAEU with placement under the customs procedure of processing in the customs territory ;

5) services within the framework of the activities of the association of property owners of an apartment building, a cooperative of apartment owners (non-residential premises) for the

management of a condominium facility, carried out in accordance with the housing legislation of the Republic of Kazakhstan;

6) banknotes and coins of the national currency;

7) goods, works, and services, if in the tax period in which the sale was carried out, as well as for the four previous tax periods, the following conditions are simultaneously met:

the average number of persons with disabilities is at least 51 percent of the total number of employees;

the cost of remuneration for persons with disabilities is at least 51 percent of the total cost of remuneration.

In this case, the provisions of this subparagraph shall apply if the number of employees who are persons with disabilities is at least 10 people and the production of goods, services, and work is carried out with the participation of such employees.

The provisions of this subparagraph do not apply to sales turnover of excisable goods.

With respect to sales turnover under long-term contracts, the provisions of this subparagraph shall apply subject to the conditions established by this paragraph for the entire period of validity of such contract;

8) works and services for gratuitous repair and (or) maintenance of goods during the warranty period of their operation established by the deal, including the cost of spare parts and parts for them, if the terms of the deal provide for the provision by the taxpayer of a guarantee of the quality of goods sold, works performed, services rendered;

9) unless otherwise established by Article 472 of this Code, investment gold in the form of bars and plates on the basis of a deal concluded on the stock exchange, or if one of the parties to such a deal is a second-tier bank, an authorized organization that, in accordance with the Law of the Republic of Kazakhstan "On Currency Regulation and Currency Control" has the right to the purchase and (or) sale of refined gold in bullion issued by the National Bank through its exchange offices, a legal entity – a professional participant in the securities market or the National Bank;

10) services of a tour operator for inbound and domestic tourism;

11) remuneration for a loan (loan, micro-loan) in cash on the terms of payment, urgency and repayment;

12) goods placed under the customs procedure of duty-free trade;

13) scrap and waste of non-ferrous and ferrous metals;

14) services for conducting religious rites and ceremonies by religious associations in accordance with the legislation of the Republic of Kazakhstan;

15) objects of religious use by religious associations registered in the Republic of Kazakhstan.

The list of goods specified in part one of this subparagraph and the criteria for its formation are approved by the Government of the Republic of Kazakhstan;

16) funeral services of funeral homes, cemeteries and crematoriums;

17) special social services provided by non-profit organizations in accordance with the legislation of the Republic of Kazakhstan on social protection;

18) services for conducting socially significant cultural events, spectacular cultural events, carried out within the framework of a state assignment in accordance with the legislation of the Republic of Kazakhstan on culture;

19) services for implementation of cultural, educational, scientific and research functions by museums and popularization of the historical and cultural heritage of the Republic of Kazakhstan;

20) services related to the implementation of information, cultural, and educational functions by libraries;

21) services and works in the field of culture and education carried out by theaters, philharmonic halls, cultural and leisure organizations;

22) scientific and restoration works on historical and cultural monuments carried out on the basis of a license for the right to carry out this type of activity;

23) educational services in the field of preschool education and training;

24) additional education services provided by an educational organization licensed to engage in educational activities;

25) educational services provided under licenses for educational activities;

26) services of autonomous educational organizations for the implementation of educational activities according to the following levels of education established by the laws of the Republic of Kazakhstan:

primary school, including preschool education and training;

basic school;

high school;

post-secondary education;

higher education;

postgraduate education;

27) additional education services provided by autonomous educational organizations engaged in educational activities in accordance with subparagraph 26) of this paragraph;

28) medicines and medical services, including those provided in a complex, in accordance with the legislation of the Republic of Kazakhstan by a healthcare entity licensed for medical activity:

within the guaranteed scope of free medical care and compulsory medical insurance;

for the treatment of orphan and socially significant diseases.

The list of medicines and medical services specified in this subparagraph is established by the Government of the Republic of Kazakhstan;

29) vehicles and (or) agricultural machinery, as well as their components, subject to the following conditions:

the composition of the sold vehicle and (or) agricultural machinery, as well as their components, includes previously imported raw materials and (or) materials, as well as their components, which are exempt from value-added tax in accordance with subparagraph 9) of paragraph 1 of Article 479 or subparagraph 3) of paragraph 2 of Article 525 of this Code;

the import of raw materials and (or) materials, as well as components in the composition of the sold vehicle and (or) agricultural machinery, as well as their components, is carried out by a legal entity selling these vehicles and (or) agricultural machinery, as well as their components;

vehicles and (or) agricultural machinery, as well as their components, are included in the list of vehicles and (or) agricultural machinery, as well as their components, the sale of which is exempt from value-added tax, approved by the authorized body in the field of state support for innovation activities in coordination with the central authorized body for state planning and the authorized body;

30) goods, works and services sold on the territory of the special economic zone, the limits of which fully or partially coincide with the sections of the customs border of the EAEU;

31) scientific and research works carried out on the basis of contracts for the implementation of a state assignment, as well as state order agreements in priority areas in accordance with the legislation of the Republic of Kazakhstan on science and technology policy;

32) services provided by physical culture and sports organizations on the basis of contracts for the implementation of state assignments;

33) goods produced and sold by Astana Hub participants that comply with the terms of Article 17 of this Code;

34) works and services provided by Astana Hub participants that comply with the terms of Article 17 of this Code;

35) goods produced and sold in the course of priority activities in the territory of special economic zones, subject to the following conditions:

availability of an agreement (contract) for the supply of goods with organizations operating in the territory of special economic zones of the Republic of Kazakhstan;

availability of documents confirming the shipment of goods to the participant of the special economic zone;

availability of documents confirming receipt of goods by a buyer – participant in a special economic zone;

36) vehicles and (or) agricultural machinery by a legal entity that is an authorized representative of the manufacturer of vehicles and (or) agricultural machinery, provided that the vehicles and (or) agricultural machinery being sold were purchased from the manufacturer without value added tax in accordance with subparagraph 29) of part one of this Article.

For the purposes of applying this subparagraph, an authorized representative of a manufacturer of vehicles and (or) agricultural machinery is a legal entity appointed by an authorized representative within the framework of a deal concluded with a manufacturer of vehicles and (or) agricultural machinery, and included in the list of authorized representatives applying value-added tax exemption for the sale of vehicles and (or) agricultural machinery purchased from their manufacturer.

The list of authorized representatives who apply value-added tax exemption for the sale of vehicles and (or) agricultural machinery purchased from their manufacturer is approved by the authorized body in the field of state stimulation of industry;

37) services of the designated operator, formalized by uniform documents in accordance with the acts of the Universal Postal Union, by the transit of international mail of designated operators of other member countries of the Universal Postal Union through the territory of the Republic of Kazakhstan;

38) goods, works, services on a gratuitous basis within the framework of charitable assistance by a non-profit organization established in the form of a foundation, in accordance with the civil legislation of the Republic of Kazakhstan;

39) refined gold and (or) silver by subjects of production of precious metals to subjects of production of jewelry and other products operating in the territory of the Republic of Kazakhstan;

40) household appliances and (or) consumer electronics devices, as well as their components, included in the list approved by the authorized body in the field of state stimulation of industry in coordination with the central authorized body for state planning and the authorized body, subject to the following conditions:

for the manufacturer of household appliances and (or) consumer electronics appliances, as well as their components, - the composition of the household appliance and (or) consumer electronics appliance sold, as well as their components, includes previously imported raw materials and (or) materials that are exempt from value–added tax in accordance with paragraph 2 of Article 479 or paragraph 5 of Article 525 of this Code;

for the authorized representative of the manufacturer of household appliances and (or) consumer electronics appliances, as well as their components – household appliances and (or) consumer electronics appliances, as well as their components, were purchased from the manufacturer without value added tax in accordance with this subparagraph;

for other persons selling household appliances and (or) consumer electronics appliances, as well as their components, - the specified household appliances and (or) consumer electronics appliances, as well as their components, were purchased from the manufacturer or an authorized representative without value–added tax in accordance with this subparagraph.

For the purposes of applying this subparagraph, an authorized representative of a manufacturer of household appliances and (or) consumer electronics appliances, as well as their components, and another person selling household appliances and (or) consumer

electronics appliances, as well as their components, is a legal entity included in the list of authorized representatives and other persons selling household appliances and (or) consumer electronics devices.

The list of authorized representatives and other persons selling household appliances and (or) consumer electronics appliances that apply value-added tax exemption in accordance with this subparagraph is approved by the authorized body in the field of state incentives for industry;

41) operation by the concessionaire of a state-owned concession facility with the use of accessibility fees for concession projects of particular importance, the list of which is determined by the Government of the Republic of Kazakhstan;

42) management by the concessionaire of the concession object with the use of accessibility fees for concession projects of special importance, the list of which is determined by the Government of the Republic of Kazakhstan;

43) receipt of fees by operators of extended obligations of producers (importers) for the organization of collection, transportation, preparation for reuse, processing, neutralization and (or) disposal of waste;

44) obtaining financing by enterprises in the framework of stimulating the production in the Republic of Kazakhstan of environmentally friendly motor vehicles (corresponding to the environmental class established by the EAEU technical regulations; with electric motors) and their components;

45) accounting and control stamps intended for marking excisable goods in accordance with Article 175 of this Code;

46) books of domestic publication, services for the publication of books in printed form;

47) archaeological works;

48) goods, works, and services sold by an organization specializing in improving the quality of credit portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, for activities defined in Article 5-1 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan ."

Article 475. Turnover related to international transportation

1. Turnover from the sale of the following works and services related to international transportation in accordance with Articles 468 and 522 of this Code, the place of sale of which is the Republic of Kazakhstan, shall be exempt from value-added tax:

1) loading, unloading, reloading (discharge, filling, transfer of products to other main pipelines, transshipment to another type of transport);

2) the rearrangement of wagons on trolleys or wheel sets of a different gauge when crossing the customs border of the EAEU member states;

3) forwarding of goods, including mail, exported from the territory of the Republic of Kazakhstan, imported into the territory of the Republic of Kazakhstan, as well as transit cargo ;

4) services of the operator of wagons (containers);

5) airfield and ground handling services for the sale of goods, works, and services that are part of airport operations in accordance with the legislation of the Republic of Kazakhstan on the use of the airspace of the Republic of Kazakhstan and aviation activities;

6) seaports services for international sea passages;

7) universal postal services;

8) services for forwarding registered mail items.

2. For the purposes of this section, the services of the operator of wagons (containers) are the following services provided by it in a complex for the purpose of organizing cargo transportation and provided by the operator of wagons (containers) indicated in the transportation document as a participant in the transportation process:

1) the formation of a plan for the provision of wagons (containers) and its coordination between the participants in the transportation process;

2) provision of wagons (containers) for use;

3) dispatching through centralized operational control and remote control of the actual movement of loaded and empty wagons (containers).

Article 476. Sales turnover related to land and residential buildings

1. The following is exempt from value added tax:

1) the sale of a residential building (part of a residential building), the construction of which has begun and (or) the commissioning of which was carried out before January 1, 2026 , except for a part of a residential building consisting exclusively of non-residential premises. The provisions of this subparagraph shall be applied by the person who carries out construction of such an apartment building (part of an apartment building);

2) lease of a residential building (part of a residential building) under a long-term lease agreement with the right of purchase, concluded before January 1, 2026;

3) sale of student and school dormitories, children's rest homes;

4) accommodation services in student and school dormitories, work settlements, children's rest homes, railway sleeping cars.

2. The transfer of the right of ownership and (or) use, and (or) disposal of a land plot, and (or) lease of a land plot (land share), including subletting, are exempt from value-added tax, except for:

1) transfer of the right of ownership and (or) use, and (or) disposal, and (or) lease of a land plot (land share) provided and (or) used for the placement of paid parking lots (car parking);

2) transfer of the right of ownership and (or) use, and (or) disposal of a land plot (land share) during the sale of a part of a residential building consisting exclusively of non-residential premises;

3) transfer of the right of ownership and (or) use, and (or) disposal of a land plot (land share) during the sale of a residential building (part of a residential building) subject to value-added tax, subject to the provisions of paragraph 1 of this Article.

Article 477. Turnover of financial transactions exempt from value added tax

1. Financial transactions provided for in paragraph 2 of this Article shall be exempt from value-added tax.

2. Financial transactions exempt from value added tax include:

1) securities transactions;

2) services of professional participants in the securities market, as well as persons engaged in professional activities in the securities market without a license in accordance with the legislation of the Republic of Kazakhstan on permits and notifications;

3) operations with derivative financial instruments;

4) insurance (reinsurance) operations, as well as services of insurance brokers (insurance agents) for the conclusion and execution of insurance (reinsurance) contracts;

5) activities of the asset management of the State Social Insurance Fund (SSIF);

6) housing mortgage loan claim management services;

7) sale of the share of participation;

8) the issuance of guarantees, sureties and other obligations by the credit partnership to its participants, providing for the fulfillment in monetary form, for the participants of the credit partnership;

9) sale of investment gold through metal accounts opened in second-tier banks, as well as in the National Bank for the category of legal entities serviced by the National Bank;

10) assignment of the right of claim for loans (loans, micro-loans);

11) operations specified in paragraph 3 of this Article;

12) services of the unified accumulative pension fund and voluntary accumulative pension funds for attracting pension contributions and voluntary pension contributions, distributing and crediting the received investment income from pension assets;

13) guaranteeing the obligations of private business entities, carried out by the special fund for the development of private entrepreneurship within the framework of the system of guaranteeing the obligations of private business entities;

14) services of the social health insurance fund for the accumulation of deductions and contributions for compulsory social health insurance, the purchase of services from healthcare entities for the provision of medical care, and implementation of other functions defined by the laws of the Republic of Kazakhstan;

15) foreign currency exchange operations, including foreign currency cash exchange operations;

16) transactions with payment cards.

3. The amount of the margin on the goods sold by the Islamic bank to the buyer, which is determined by the terms of the commercial loan agreement concluded in accordance with the banking legislation of the Republic of Kazakhstan, is exempt from value-added tax.

The provisions of this paragraph shall apply in the case of transfer of property by an Islamic bank in accordance with the banking legislation of the Republic of Kazakhstan in the framework of financing individuals and legal entities as a trade intermediary by providing a commercial loan:

1) without a condition for the subsequent sale of the product to a third party;

2) on the terms of the subsequent sale of the goods to a third party.

The provisions of this paragraph do not apply to cases when an Islamic bank sells goods to a third party if the buyer refuses to fulfill a commercial loan agreement.

4. Services related to the organizational and technical support of trading, issuance, circulation and storage of digital assets provided by the digital asset exchange authorized to operate on the territory of the AIFC are exempt from value-added tax.

Article 478. Transfer of property to financial leasing

1. The transfer of property to financial leasing is exempt from value-added tax in part of the amount of remuneration to be received by the lessor, if such transfer meets the requirements established by Article 213 of this Code.

2. The transfer of property to financial leasing that meets the requirements of Article 213 of this Code shall be exempt from value-added tax in respect of the amount of all periodic lease payments, excluding the amount of remuneration, subject to one of the following conditions:

1) the transferred property was acquired without value added tax in accordance with subparagraph 29) of part one of Article 474 of this Code;

2) the transferred property was imported with the payment of value added tax by the method of offset in accordance with Articles 508 or 509 of this Code.

Article 479. Value-added tax-exempt imports

1. The following import is exempt from value added tax:

1) banknotes and coins of national and foreign currency (except for banknotes and coins of cultural and historical value), as well as securities;

2) raw materials for the production of banknotes carried out by the National Bank and its organizations, provided that the National Bank confirms the purpose of the imported raw materials for the production of banknotes;

3) goods imported by individuals according to the rules of duty-free import of goods approved in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

4) goods imported for official use by foreign diplomatic and equivalent missions of a foreign state, consular offices of a foreign state accredited in the Republic of Kazakhstan, as

well as for personal use by persons belonging to the diplomatic and administrative-technical staff of these missions, including members of their families living with them, consular officials, consular employees, including members of their families living with them, and exempt from value added tax in accordance with international treaties ratified by the Republic of Kazakhstan.

For the purposes of exemption from value added tax, confirmation of the importation of goods is provided by diplomatic or equivalent missions or consular offices;

5) goods subject to customs declaration in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, placed under a customs procedure providing for tax exemption;

6) space objects, equipment of ground-based space infrastructure facilities imported by participants in space activities, the list of which is determined by the Government of the Republic of Kazakhstan. The provisions of this subparagraph shall be applied on the basis of confirmation by the authorized body in the field of space activities on the import of such space objects and equipment for the purposes of space activities, the form of which is approved by the Government of the Republic of Kazakhstan.

At the same time, when these goods are sold or otherwise transferred to persons who are not involved in international cooperation in the field of space exploration and use, including the provision of services for launching spacecraft, value-added tax is payable with penalties from the deadline set for the payment of value-added tax on imported goods, in accordance with the procedure and amount determined by the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

7) investment gold imported by the National Bank, a second–tier bank or a legal entity that is a professional participant in the securities market;

8) religious items imported by religious associations registered in the Republic of Kazakhstan.

The list of specified goods and the criteria for its formation are approved by the Government of the Republic of Kazakhstan;

9) raw materials and (or) materials in vehicles and (or) agricultural machinery, as well as their components placed under the customs procedure of a free warehouse or a free customs zone of the special economic zone "Qyzyljar" by a legal entity under a special investment contract concluded with the authorized body for the conclusion of special investment contracts, determined by the Government of the Republic Kazakhstan, subject to the following conditions:

in relation to vehicle manufacturers, - availability of an agreement on the industrial assembly of motor vehicles or an agreement on the industrial assembly of vehicles with the authorized body in the field of state support for innovation activities;

in relation to manufacturers of agricultural machinery, -availability of an agreement on the industrial assembly of agricultural machinery with the authorized body in the field of state support for innovation activities;

in relation to component manufacturers, - availability of an agreement on the industrial assembly of components for vehicles and (or) agricultural machinery with the authorized body in the field of state support for innovation activities;

10) unprocessed precious metals, scrap and waste of precious metals and raw materials containing precious metals, if:

they are imported by a legal entity included in the list of subjects of production of precious metals in accordance with the Law of the Republic of Kazakhstan "On Precious Metals and Precious Stones";

they are used exclusively in the production of refined gold for sale to the National Bank;

11) goods imported by taxpayers who are participants of Astana Hub, subject to the following conditions:

the goods are included in the list of goods whose import is exempt from value added tax, approved by the authorized body in the field of informatization in coordination with the central authorized body for state planning and the authorized body;

the import of goods is documented in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

the goods were imported solely for the use in the implementation of priority activities in the field of information and communication technologies according to the list approved by the authorized body in the field of informatization in coordination with the central authorized body for state planning, the authorized body in the field of technical regulation and the authorized body;

12) goods imported by the operator in the field of official development assistance under the official development assistance program in accordance with the Law of the Republic of Kazakhstan "On Official Development Assistance";

13) goods, with the exception of excisable goods, imported as humanitarian aid in accordance with the Law of the Republic of Kazakhstan "On Civil Protection".

When importing the goods specified in this subparagraph, for the purposes of exemption from value added tax, the following shall be provided:

shipping documents containing information about the import of goods, indicating the purpose of importing the goods free of charge;

a copy of an international treaty ratified by the Republic of Kazakhstan (if any), under which goods are imported free of charge;

a document from the sender of the goods indicating the sending of the goods as humanitarian aid (including one written in a foreign language) or confirmation of diplomatic

or equivalent missions or consular offices, or international organizations or their representative offices, other organizations or their representative offices on the import of the goods, indicating the purpose of importing the goods free of charge – as humanitarian aid;

14) goods, with the exception of excisable goods, imported through states, governments of states, international organizations for the purpose of charitable assistance, technical assistance.

When importing the goods specified in this subparagraph, for the purposes of exemption from value added tax, the following shall be submitted:

a shipping document containing information on the import of the goods indicating the purpose of importing the goods free of charge;

a copy of an international treaty ratified by the Republic of Kazakhstan (if any), under which goods are imported free of charge;

a document drawn up by the sender of the goods confirming the fact of the gratuitous transfer of the goods, indicating the purpose of importing the goods for free;

a copy of the technical assistance project (contract) for which the goods are supplied;

15) goods carried out at the expense of grants provided by states, governments of states and international organizations.

When importing the goods specified in this subparagraph, for the purposes of exemption from value added tax, the following shall be provided:

a copy of the international agreement of the Republic of Kazakhstan (if any) concluded with a foreign state (or states) or with an international organization;

confirmation by an international organization of the import of goods at the expense of the grant provided by it – in the case of grant provision by such an international organization without the conclusion of an international agreement;

shipping documents containing information about the import of goods and references to an international agreement (if any);

confirmation of the beneficiary (grantee) about the imported goods;

16) technological equipment, components and spare parts for it under the agreement on the processing of solid minerals, while meeting the following conditions:

the list of technological equipment, components and spare parts for it is established in the agreement on processing of solid minerals concluded with the competent authority in the field of subsoil use;

the import of technological equipment, components and spare parts for it is documented in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

the imported technological equipment, components and spare parts for it will be used by the value-added tax payer within the limitation period exclusively when carrying out activities under the agreement on the processing of solid minerals.

Exemption from value added tax on the import of technological equipment and its components is granted for the duration of the agreement on the processing of solid minerals, but not more than five years from the date of registration of the agreement on the processing of solid minerals;

17) medicines within the guaranteed scope of free medical care and compulsory medical insurance, as well as for the treatment of orphan and socially significant diseases.

The list of medicines specified in this subparagraph, as well as the procedure for applying exemption from value-added tax upon their import, shall be established by the Government of the Republic of Kazakhstan;

18) fuels and lubricants used by an aircraft during air transportation.

For the goods specified in this paragraph, instead of shipping documents, a confirmation of the importation of the goods by diplomatic or equivalent missions or consular offices is provided, indicating the purpose of the imported goods free of charge.

The goods specified in this paragraph are used for the purposes according to which the exemption from value added tax is granted. In the case of the use of these goods for other purposes, the value-added tax on imported goods is payable with the accrual of penalties from the time period established for the payment of value-added tax on imported goods upon their import, in accordance with the procedure and amount determined by the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

2. A legal entity that has concluded a special investment contract with the authorized body for concluding special investment contracts, determined by the Government of the Republic of Kazakhstan, has the right to apply exemption from value-added tax when importing goods as part of finished products produced in the territory of a special economic zone or a free warehouse, subject to the following conditions:

1) the goods are placed under the customs procedure of a free customs zone or free warehouse;

2) the customs procedure of a free customs zone or free warehouse is completed by the customs procedure of release for domestic consumption;

3) identification of goods as part of finished products has been carried out in accordance with the customs legislation of the Republic of Kazakhstan.

Chapter 49. VALUE ADDED TAX OFFSET

Article 480. Value added tax offset

1. The amount of value-added tax offset by a recipient of goods, works, and services who is a payer of value-added tax registered in the taxpayer database is the amount of value-added tax payable for the goods, works, and services received, specified in the document in accordance with paragraphs 6 and 7 of this Article, if they are used or will be used for the purposes of taxable sales turnover.

2. If an individual receives services, the expenses of which are recognized as expenses of a value-added tax payer in accordance with international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting and are deductible as compensation for business trips in accordance with Article 260 of this Code, such a value-added tax payer has the right to offset the amount of value-added tax for the specified services in compliance with the requirements of subparagraphs 1) and 2) of paragraph 6 of this Article.

3. In the event of cases of exclusion, increase or decrease provided for in Articles 483, 484 and 485 of this Code, in the same tax period in which the value-added tax offset is taken into account, in accordance with Article 481 of this Code, the amount of the value-added tax offset shall be determined taking into account such exclusion, increase or decrease.

4. The value-added tax offset is subject to reduction by the amount of excess of value-added tax after fulfilling the requirement specified in subparagraph 3) of part one of paragraph 1 of Article 449 of this Code in connection with the deregistration of a taxpayer for value-added tax in the tax period in which the liquidation tax return for added value tax is submitted.

5. The amount of value-added tax on goods, works, and services used or to be used by the National Infrastructure Operator to provide a railway carrier engaged in the transportation of passengers, baggage, cargo, mail, and mainline railway network services when transporting passengers by rail free of charge, including the application of a temporary reduction coefficient in the amount of 0 to the tariff for regulated services of the mainline railway network when transporting passengers by rail in accordance with the legislation of the Republic of Kazakhstan, is subject to offset in compliance with the conditions established by paragraph 1 of this Article.

6. For the purposes of paragraph 1 of this Article, in the case of the purchase of goods, works, and services, with the exception of the cases provided for in subparagraphs 1) and 2) of paragraph 7 of this Article, the amount of value-added tax to be offset shall be determined on the basis of one of the following documents with the value-added tax bolded therein and indicating an identification number of the taxpayer-supplier:

1) an invoice or a travel ticket (on paper, an electronic ticket, an electronic travel document) issued by a supplier who is a value-added tax payer on the date of issuance of the invoice statement;

2) a document confirming the fact of travel by air, issued by a supplier who is a value-added tax payer on the date of issue of such documents;

3) an invoice issued for purchased periodicals and other mass media products, including those posted on an Internet resource in publicly accessible telecommunications networks, in accordance with paragraph 6 of Article 493 of this Code, in the part attributable to the cost of periodicals and other mass media products received in the reporting tax period, including those posted on an Internet resource in publicly accessible telecommunication networks;

4) an invoice issued by the department of the authorized body in the field of the state material reserve when goods are released from the state material reserve. The amount of value added tax is determined according to the following formula, but not more than the amount of tax paid upon delivery of these goods to the state material reserve:

НДС = СВТ х СтНДС / (100 % + СтНДС), where:

НДС (VAT) is the amount of value added tax;

СВТ - the value of released goods subject to value added tax;

СтНДС is the value added tax rate effective on the date of release of the goods.

The amount of value-added tax offset on the basis of an invoice issued in electronic form is subject to reflection in the electronic invoice information system indicating the period of receipt of goods, work, services.

7. For the purposes of paragraph 1 of this Article, in the cases specified in this paragraph, the amount of value-added tax offset shall be determined on the basis of the following documents:

1) in the case of import of goods, - a declaration for goods issued in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, but not more than the amount of tax paid to the budget of the Republic of Kazakhstan and non–refundable in accordance with the terms of the customs procedure, or an application(s) for the import of goods and the payment of indirect taxes, but not more than the amount of tax paid to the budget of the Republic of Kazakhstan and non-refundable;

2) in the case of the purchase of works and services provided by a non-resident and being the turnover of the buyer of such works and services:

an invoice issued in electronic form, provided that such amount of value-added tax is reflected in a payment document or a document issued by the tax authority in the form established by the authorized body and confirming the payment of VAT;

value–added tax declarations, but not more than the amount of tax reflected in the payment document or a document issued by the tax authority in the form established by the authorized body and confirming the payment of value-added tax, - for value-added tax payers in whose location within the borders of administrative-territorial units of the Republic of Kazakhstan there are no public telecommunications.

Information about the administrative-territorial units of the Republic of Kazakhstan, on the territory of which there are no public telecommunications networks, is posted on the Internet resource of the authorized body.

The amount of value-added tax is offset on the basis of an invoice issued in electronic form, provided that the period of receipt of work, services and the amount of value-added tax to be offset on such an invoice are reflected in the electronic invoice information system;

3) if a person specified in subparagraph 1) of paragraph 1 of Article 447 of this Code is registered for value added tax – a tax register compiled in accordance with paragraph 4 of Article 205 of this Code for goods purchased, created, or built by a taxpayer prior to the date

of registration for value-added tax and owned as of the date of registration for value-added tax, provided that such amount is confirmed in accordance with paragraph 6 or subparagraph 1) of this paragraph.

The provisions of this subparagraph shall not apply to goods received by a new legal entity created as a result of reorganization.

8. If the amount of value-added tax is recognized as offset on an invoice received in electronic form, the taxpayer shall make a note of such recognition in the electronic invoice information system prior to submitting the value-added tax return, in which such amount of value-added tax is recorded as offset.

9. If there are several grounds for offset of the amounts of value-added tax specified in paragraphs 6 and 7 of this Article, the amount of value-added tax shall be offset once on the earliest basis.

Article 481. Date of value added tax offset

1. The value added tax, which is offset for purchased goods, works, and services, is taken into account in the tax period on which the date of receipt of the goods, works, and services falls.

In the case of a corrected invoice, the amount of value-added tax is taken into account in the tax period in which such tax was taken into account on the cancelled invoice, except in cases where the dates of turnover indicated in the cancelled invoice and the corrected invoice differ and fall within different tax periods.

If the date of the issuance on paper is indicated in the invoice issued in electronic form, then such date is recognized as the date of the issuance of the invoice for the purposes of this paragraph.

The provisions of this paragraph shall not apply in the cases established by paragraphs 2 - 5 of this article.

2. The value-added tax, which is to be offset, is taken into account in the tax period for which it falls:

1) the date of release of the goods in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan – when importing goods from non-EAEU member states;

2) the date of payment to the budget, including by making offsets in the manner prescribed by Articles 122 and 123 of this Code, but not earlier than the 20th day of the month following the tax period specified in paragraph 6 of Article 530 of this Code for which such tax is calculated – when importing goods from the territory of the EAEU member state.

3. In the case of the purchase of works and services provided by a non-resident and which are the turnover of the buyer of such works and services, the value-added tax, which is offset, is taken into account in the tax period on which the date of the invoice issued in electronic form falls.

Value-added tax payers, in whose location there are no public telecommunications networks within the borders of administrative-territorial units of the Republic of Kazakhstan, take into account the value-added tax offset in the tax period on which the date of payment to the budget falls, including by conducting offsets in accordance with the procedure defined in Articles 122 123 of this Code, on account of the payment of taxes.

4. If a person specified in subparagraph 1) of paragraph 1 of Article 447 of this Code is registered for value-added tax, the value-added tax to be offset shall be taken into account in the tax period on which the date of registration for value-added tax falls.

5. In the case of an additional invoice, the value-added tax, which is to be offset, is taken into account in the tax period on which the date of issue of such invoice falls. In this case, the amount of value-added tax on the additional invoice provided for in part three of paragraph 1 of Article 499 of this Code is taken into account in the tax period on which the date of issue of the additional invoice, recognized as cancelled, falls.

Article 482. Value added tax, not included in the offset

1. The amount of value-added tax that is not included in the offset is the amount of value-added tax that does not comply with the provisions of Article 480 of this Code, as well as the value-added tax specified in paragraphs 2 and 3 of this Article, with the exception of the case provided for in paragraph 6 of Article 484 of this Code.

2. The value-added tax, which is not included in the offset, is recognized as the value-added tax, which is payable in connection with the receipt of:

1) goods, works, and services that are used or will be used for purposes of non-taxable turnover, if the value-added tax payer applies the method of keeping separate records in accordance with Articles 487 and 489 of this Code;

2) goods, works, services for which:

the invoice does not reflect or incorrectly reflects the identification numbers of the person who issued such an invoice and (or) the person to whom such an invoice was issued;

the invoice does not reflect data on the date of the document's issuance, the invoice number, the name of the goods, work, service, and the amount of taxable turnover;

the invoice is not certified by means of an electronic digital signature in accordance with the requirements of Article 492 of this Code;

the invoice was issued on paper in violation of the requirements of paragraph 1 of Article 492 of this Code, with the exception of the case provided for in subparagraph 1) of paragraph 1 of Article 492 of this Code;

3) goods, works, and services related to a civil transaction, the payment of which was made in cash, including value-added tax, regardless of the frequency of payment and exceeds 1,000 times the monthly calculation index effective on the date of payment;

4) goods, works, and services purchased at the expense of the liquidation fund placed in a special deposit account with a bank in the territory of the Republic of Kazakhstan in accordance with Article 301 of this Code;

5) goods, works, and services purchased by autonomous educational organizations, as defined in subparagraph 9) of paragraph 2 of Article 15 of this Code, at the expense of the target contribution received by them, provided for by the budget legislation of the Republic of Kazakhstan, or financing on a gratuitous basis from the funds of such a target contribution.

3. The following is not recognized as a value-added tax that is offset:

1) at the commission agent – the value–added tax payable on goods, works, and services purchased for the consignor on the terms consistent with the terms of the commission agreement;

2) at the freight forwarder – value added tax payable on works and services purchased from the carrier and (or) other suppliers in the performance of duties under the freight forwarding agreement for the party that is a customer under such agreement.

4. The value-added tax on goods, works, and services that are used or will be used for the construction of a residential building (part of a residential building) intended for sale in the form of turnover, both exempt and subject to value-added tax, is taken into account by the value-added tax payer engaged in the construction of such a residential building (part of a residential building), separately in the tax register for the purposes specified in Article 489 of this Code, and is reflected in the declaration before the residential building is put into operation in accordance with the legislation of the Republic of Kazakhstan.

Such value added tax is subsequently accounted for in accordance with the procedure established by Article 489 of this Code.

When such a construction object or part of it is sold before it is put into operation as an object of unfinished construction, the amount of value-added tax, accounted for separately on the date of such sale, is reduced by the amount of value-added tax allowed for offset, determined in accordance with paragraph 3 of Article 489 of this Code.

Article 483. Exclusion from the amount of value added tax offset

1. Value-added tax, previously recognized as a value-added tax, which is offset, is subject to exclusion in the following cases:

1) for a transaction (operation) in which the act(s) of issuing an invoice and (or) other document was (were) recognized by a court or a decision of the criminal prosecution authority to terminate the pre-trial investigation on non-rehabilitating grounds, committed by a private business entity without actually performing work, rendering services, or shipping goods;

2) on a transaction declared invalid on the basis of a court decision that has entered into legal force;

3) in the part of the amount erroneously reflected in the document, which is the basis for value added tax offset;

4) for transactions made without the actual performance of work, provision of services, shipment of goods by a legal entity, the head and (or) founder (participant) of which is not involved in the registration (re-registration) and (or) implementation of financial and

economic activities of such a legal entity, established by a court decision that has entered into force, except for the transactions in which the court has established the actual receipt of goods , works, and services from such a taxpayer.

2. The exclusion from the amount of value-added tax offset provided for in this Article shall be made in the tax period in the declaration for which the value-added tax is recognized as a value-added tax offset.

Article 484. Adjustment of the amount of value added tax to be offset

1. An adjustment of the amount of value-added tax to be offset is an increase or decrease in the amount of value-added tax to be offset in the cases established by this Article and Article 485 of this Code.

2. A reduction in the amount of value-added tax that is offset is made for goods, works, and services for which value-added tax was previously offset in the following cases:

1) for goods, works, and services used not for the purposes of taxable turnover, with the exception of those used for the purposes of non-taxable turnover, in connection with which the taxpayer has applied the proportional method in accordance with Articles 487 and 488 of this Code;

2) for goods in case of their damage or loss (except for cases arising as a result of emergency situations and (or) during the period of the state of emergency). In this case, damage to the goods means deterioration of all or individual qualities (properties) of the goods, as a result of which the goods cannot be used for the purposes of taxable turnover. The loss of goods is understood as an event that resulted in the destruction or loss of goods. The loss of goods incurred by a taxpayer within the limits of the natural loss rates established by the legislation of the Republic of Kazakhstan is not considered a loss.

In case of damage or loss of goods in cases that have arisen as a result of emergency situations, a reduction in the amount of value-added tax to be offset is not carried out if the authorized body in the field of civil protection confirms the occurrence of an emergency situation for goods for which there is:

a document confirming the facts of damage, loss of goods, issued in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting;

information reflected in the tax register compiled in accordance with paragraph 7 of Article 205 of this Code.

In case of damage or loss of goods in cases that occurred during the period of the state of emergency, the amount of value-added tax to be offset is not reduced if there is a copy of the resolution of the body conducting criminal prosecution, recognizing the taxpayer as a victim in criminal cases related to the state of emergency, for goods (with the exception of goods for which money has been received for compensation of property damage caused during the state of emergency, according to the decision of the commission established by the local executive body, when the taxpayer is included in the register formed by the specified local executive body), for which there is:

a document confirming the facts of damage, loss of goods, issued in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting;

information reflected in the tax register compiled in accordance with paragraph 7 of Article 205 of this Code;

3) for excess losses incurred by the natural monopoly entity;

4) for property transferred as a contribution to the authorized capital;

5) in terms of the volume of minerals transferred by the subsurface user due to the fulfillment of a tax obligation in kind;

6) upon the occurrence of the cases provided for in paragraph 2 of Article 464 of this Code;

7) for agricultural products, fish farming or commercial fishing products used for taxable turnover at a zero rate.

3. An increase in the amount of value-added tax to be offset shall be made upon the occurrence of the cases provided for in paragraph 2 of Article 464 of this Code.

An increase or decrease in the amount of value-added tax to be offset, upon the occurrence of the cases provided for in paragraph 2 of Article 464 of this Code, shall be carried out in the amount of the value-added tax indicated in the additional invoice issued by the supplier of goods, works, services in connection with the adjustment of the amount of taxable turnover towards an increase or decrease.

4. Adjustment of the amount of value-added tax to be offset in the cases specified in the sub-paragraphs 1), 2), 3), 4), 5) and 7) of paragraph 2 and subparagraph 3 of this Article, shall be carried out in the tax period in which such cases occurred.

The amount of value-added tax to be offset, in the case established by subparagraph 6) of paragraph 2 of this Article, shall be adjusted in the tax period specified in paragraph 5 of Article 481 of this Code.

5. In the cases established by subparagraphs 1) – 5) of paragraph 2 of this Article, the amount of value-added tax offset for purchased, constructed, created goods shall be adjusted in the amount of the value-added tax determined by applying the value-added tax rate effective on the date of the adjustment to the book value of the goods according to the accounting data as of that date, excluding revaluation and impairment.

In the case specified in subparagraph 7) of paragraph 2 of this Article, the amount of value-added tax offset shall be adjusted by reducing 80 percent of the amount of value-added tax offset for agricultural products, fish farming products or commercial fisheries used for taxable turnover at a zero rate.

6. If the turnover on the sale of the transfer of ownership and (or) use, and (or) disposal of a part of a divisible land plot, for which, prior to the commission of such turnover on sale, the value-added tax was offset, is exempt from value-added tax in accordance with Article 476 of

this Code, according to which separate accounting is carried out in accordance with Article 489 of this Code, then the amount of value-added tax to be offset is adjusted by the amount of value-added tax per such land plot, which is determined by the following formula:

НДСкорр = НДСовз х Sзем /Sобщ, where:

НДСкорр – the amount of the value added tax adjustment;

НДСовз – the amount of value-added tax previously recognized as offset;

Sобщ – the total area of the land plot before its division; Sзем is the area of a land plot, the turnover for the transfer of ownership and (or) use, and (or) disposal of which is exempt from value–added tax in accordance with Article 476 of this Code, for which separate accounting is carried out in accordance with Article 489 of this Code.

7. The adjustments provided for in this Article shall not be made in the cases specified in Article 453 of this Code, with the exception of those specified in subparagraphs 1) and 6) of Article 453 of this Code.

8. The amount of value added tax to be offset, taking into account the adjustments provided for in this Article, may have a negative value.

Article 485. Adjustment of the amounts of value-added tax offset for doubtful liabilities when writing off liabilities

1. Should the part or all of the amount of the obligation for purchased goods, works, and services is recognised as doubtful under Article 241 of this Code, the amount of value-added tax offset shall be adjusted to reduce the amount of value-added tax previously recognised as offset for such goods, works, and services, including size, corresponding to the amount of the doubtful liability, apart from the value-added tax, previously recognised as offset based on sub-parafraphs 1) and 2) of paragraph 7 of Article 480 of this Code. The adjustment envisaged in this paragraph shall be made in the tax period in which the three-year period has expired, calculated from the date of:

1) the day following the expiration date of the obligation for purchased goods, works, and services, the deadline for which has been established;

2) transfer of goods, performance of works, delivery of services under an obligation for purchased goods, works, services, the term of which has not been determined.

2. If, after adjusting the amount of value-added tax attributed to the offset, the value-added tax payer has made payments for goods, works, and services, the amount of value-added tax attributed to the offset shall be adjusted to increase the amount of tax on the specified goods, works, and services in the size, corresponding to the amount of the payment, in the tax period in which the payment has been made.

3. When writing off obligations in the cases mentioned in paragraph 1 of Article 242 of this Code, for which no adjustment has been made under paragraph 1 of this article, the amount of value-added tax to be offset shall be adjusted downward in the sum of the amount

of value-added tax previously recognised as offset, payable payable as part of such obligation. The adjustment stated in this paragraph shall be made in the period in which such cases occurred.

4. Should the obligation for the purchased goods, works, and services is not fully or partially satisfied as of the date of the registration authority's decision to exclude the value-added tax provider's business identification numbers from the National Register, then the amount of value-added tax to be offset shall be adjusted downward in the size of the amount of value-added tax previously recognised as offset, payable on such goods, works, and services, unless such adjustment is made under paragraph 1 of this article. The adjustment mentioned in this paragraph shall be made in the tax period in which the said decision of the registering authority has been made.

5. The adjustment envisaged in this article shall be made at the value-added tax rate indicated in the invoice issued by the supplier of goods, works, and services when making a turnover for the sale of goods, works, and services for which the adjustment is being made.

Article 486. Value added tax to be offset considering adjustments

1. The amount of value-added tax to be offset, with due regard for adjustments, shall calculated for the tax period in the following order:

the amount of value-added tax to be offset, determined under Article 480 of this Code,

minus

the amount of adjustment of value-added tax to be offset, mentioned in Articles 483, 484 and 485 of this Code. Code, downwards

plus

the amount of the adjustment of the value-added tax offset envisaged in paragraph 3 of Article 484 and paragraph 2 of Article 485 of this Code in the direction of increase.

2. The amount of value-added tax to be offset considering adjustment, determined hereunder, may have a negative value.

Article 487. Methods for establishing the amounts of value-added tax allowed for offset

1. Unless otherwise stipulated in paragraph 2 of this article, the value-added tax payer, excluding as specified in paragraph 3 of this article, shall establish the amount of value-added tax allowed for offset by one of the following methods:

by proportional method;

by keeping separate records of the amounts of value-added tax on goods, works, and services that are or will be used for the purposes of taxable and non-taxable turnover.

2. The following persons using the proportional offset method may establish the amount of value-added tax allowed for offset by certain types of turnover via separate accounting:

1) banking organisations and organisations engaged in microfinance activities (with the exclusion of credit partnerships and pawnshops) – for turnover associated with the receipt and sale of collateral (goods);

2) a subsidiary of the bank acquiring doubtful and uncollectible assets of the parent bank – for turnover related to acquisition, ownership and (or) sale:

collateral (goods) obtained as a result of foreclosure on acquired rights of claim for doubtful and uncollectible assets from the parent bank;

property (goods) that became the property of the parent bank as a result of foreclosure on mortgaged property and acquired by a subsidiary of the bank from the parent bank;

3) the lessor – for turnover associated with the transfer of property to financial leasing. The lessor's expenses related to the acquisition of property subject to financial leasing shall be considered as expenses incurred for the purposes of taxable turnover;

4) the Islamic bank – for financing individuals and legal entities as a trade intermediary by providing a commercial loan without a condition for the subsequent sale of goods to a third party under the banking legislation of the Republic of Kazakhstan;

5) the value added tax payer – for the purchase and sale of goods within the framework of financing individuals and legal entities as a trade intermediary by providing a commercial loan on the terms of subsequent sale of goods to a third party in accordance with the banking legislation of the Republic of Kazakhstan;

6) individual entrepreneurs and legal entities licensed for tourist operator activities (tour operator activities) under the laws of the Republic of Kazakhstan on tourism activities, keep records of goods, works, and services to offer services to the tour operator separately from other activities. Accounting for goods, works, and services for the purpose of rendering services to a tour operator shall be conducted separately for turnover exempt from value-added tax as per sub-paragraph 10) of Article 474 of this Code and taxable turnover;

Note!

Subparagraph 7) shall remain in effect until January 1, 2029, pursuant to subparagraph 3) of paragraph 2 of Article 848 of this Code.

7) an organisation specializing in improving the quality of second–tier banks' loan portfolios, the sole shareholder of which is the Government of the Republic of Kazakhstan, using a proportional offset method for turnover related to acquisition, ownership and (or) sale:

collateral (goods) received from a bank for asset claims acquired from such a bank;

property (goods) acquired by the bank as a result of foreclosure on mortgaged property and obtained by an entity specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, for the rights of claim acquired from such a bank for doubtful and uncollectible assets.

3. The person engaged in the construction of facilities for construction facilities intended for sale must keep separate records of the amounts of value-added tax on goods, works, and services that are used or will be used in the course of the construction of each construction facility.

For other turnover, such a person may establish the amount of value-added tax allowed for offset by the proportional method under Article 488 of this Code.

Article 488. The procedure for establishing the amounts of value-added tax allowed for offset by the proportional method

1. As per the proportional method, the amount of value-added tax allowed for offset for the tax period shall be established using the following formula:

VATao = VAToff x T tax / T tot, where:

VATao– the amount of value-added tax allowed for offset. This amount may have a negative value;

VAToff – the amount of value-added tax to be offset, including adjustments. This amount may have a negative value;

T tax – the amount of taxable turnover;

T tot – total turnover, defined as the sum of taxable and non-taxable turnover.

Herewith, the persons specified in paragraph 2 of Article 487 of this Code, when establishing the values of T tax and T tot, shall not consider the turnover for which separate accounting is effected under Article 489 of this Code.

Should there be no sales turnover in the tax period, the amount of value-added tax allowed to be offset shall be established in the size of the amount of value-added tax to be offset with due regard for the adjustment.

2. The value added tax, which is not allowed to be offset, shall be established for the tax period using the following formula:

VATno = VAToff – VATao, where:

VATno– the amount of value-added tax that is not allowed to be offset. This amount may have a negative value;

VAToff – the amount of value-added tax to be offset, including adjustments. This amount may have a negative value;

VATao – the amount of value added tax allowed for offset, established as per paragraph 1 of this Article. This amount may have a negative value.

The amount of value-added tax that is not to be allowed to be offset, including its negative value, shall be considered under the procedure established by Article 259 of this Code.

Article 489. Procedure for determination of amounts of value added tax allowed for offset through separate accounting

1. When determining the amount of value added tax allowed for offsetting, through separate accounting, the value added tax payer shall maintain separate accounting of the amount of value added tax on goods received, works, services used for the purposes of taxable and non-taxable turnover.

2. Except as provided for in paragraph 3 of this Article, when keeping separate records:

1) the amount of value added tax allowed for offsetting shall be determined in the amount of value added tax offset for the goods, works, services received, used for the purposes of taxable turnover, taking into account the adjustment;

2) the amount of value added tax not allowed to be credited shall be determined in the amount of value added tax not credited for the received goods, works, services used for the purposes of non-taxable turnover;

3) the amount of value added tax on received goods, works, services used simultaneously for the purposes of taxable and non-taxable turnover shall be distributed over the amount of value added tax allowed for offset and not allowed for offset, determined by the following formulas:

НДСрз = НДСзач х О обл/ О общ;

НДСнз = НДСзач - НДСрз, where:

НДСрз - the amount of value added tax allowed to be offset. This amount may be negative;

НДСзач - the amount of value added tax credited, taking into account adjustments for goods, works, services used simultaneously for the purposes of taxable and non-taxable turnover. This amount may be negative;

О обл - the amount of taxable turnover for the tax period. At the same time, the individuals specified in paragraph 2 of Article 487 of this Code shall define О обл as the turnover for which separate accounting shall be carried out in accordance with this Article;

О общ - the total amount of turnover, defined as the amount of taxable and non-taxable turnover;

НДСнз - amount of value added tax not allowed for offset. This amount may be negative.

The amount of value added tax not allowed for offsetting shall be taken into account in the procedure prescribed by Article 259 of this Code.

3. In the case of the sale of a construction in progress object previously intended for sale as a turnover, exempt from value added tax in accordance with paragraph 1 of Article 476 of this Code, value added tax permitted to be set-off for goods, works and services used in the process of construction of this facility shall be determined in accordance with this Article and shall be taken into account in the tax period in which the construction in progress facility shall be sold, if:

1) sale of a construction in progress object previously intended for sale in the form of a turnover exempt from value added tax in accordance with Article 476 of this Code - in the amount of value added tax offset for the specified goods at the rate effective on the date of their purchase;

2) sale of a construction-in-progress object, which shall be part of a construction-in-progress object, previously intended for sale in the form of revolutions both

exempted in accordance with Article 476 of this Code and subject to value added tax - in the amount of value added tax attributable to the sold part of the construction-in-progress object, calculated according to the following formula:

НДС рзнс = НДСуо х Sчнс / Sнс, where:

НДС рзнс - value added tax allowed to be offset for the sold part of the construction in progress, previously intended for sale in the form of turnover both exempt and taxable value added tax;

НДСуо - amount of value added tax on goods, works, services used for construction, accounted separately as of the date of implementation in accordance with paragraph 4 of Article 482 of this Code;

Sчнс - the area of the construction in progress under the design and estimate documentation, which shall be part of the construction in progress, previously intended for sale in the form of revolutions, both exempt and subject to value added tax;

Sнс - the total area of the construction in progress, previously intended for sale in the form of revolutions both exempt and taxable on value added tax.

4. Value added tax payer constructing residential building (part of a residential building) intended for sale in the form of revolutions both exempt and subject to value added tax, shall have the right in the tax period on which the date of acceptance of the residential building into operation falls, to determine the amount of value added tax allowed for offset, for goods, works, services used for the construction of such residential building (part of a residential building), according to the following formula:

НДСрз = (НДСзач – НДСрзнс) х Sнп / Sжз, where:

НДСрз - the amount of value added tax allowed to be offset for a residential building (part of a residential building), the turnover of which shall be subject to value added tax, taking into account the provisions of paragraph 1of Article 476 of this Code;

НДСзач - the amount of separately taken into account value added tax, set off, for goods, works, services used for the construction of a residential building (part of a residential building), intended for sale in the form of revolutions both exempt and taxable value added tax. The amount of tax shall be determined on the date of commissioning of the residential building in accordance with the legislation of the Republic of Kazakhstan on architectural, town planning and construction activities;

НДСрзнс - value added tax allowed to be offset for the part of the construction in progress previously intended for sale in the form of turnover both exempt and taxable value added tax. The amount of tax shall be determined in the case and in the procedure prescribed by paragraph 3 of this Article;

Sнп - area of non-residential premises in a residential building (part of a residential building);

Sжз - total area of the residential building (part of the residential building).

In this case, the amount of value added tax not allowed for offsetting shall be taken into account in the procedure specified in Article 259 of this Code and shall be determined by the following formula:

НДСнз = НДСзач – НДСрзнс- НДСрз, where:

НДСнз - the amount of value added tax not allowed to be offset for a residential building (part of a residential building), the turnover of which shall be exempt from value added tax in accordance with paragraph 1of Article 476 of this Code.

Article 490. Additional value added tax offset

1. The following individuals shall be entitled to set off the additional amount of value added tax:

1) producers of agricultural products, products of aquaculture (fish farming), including peasant farms or farms - in terms of turnover in the sale of goods that shall be the result of activities for the production of agricultural products, products of aquaculture (fish farming), processing of these products of their own production;

2) legal entities - on turnover on the sale of goods resulting from the processing of agricultural products, fish products or commercial fishing. Processing of agricultural products , fish farming products shall include the following activities, with the exception of activities in the field of public catering:

processing and canning of meat and production of meat products;

processing and canning of fish, crustaceans and shellfish;

processing and canning of fruits and vegetables;

production of vegetable and animal oils and fats;

milk processing and cheese production;

production of flour and cereal products;

starch production and starch products;

production of bread, bakery products, pancakes;

sugar production;

production of chocolate, sugar confectionery, cookies and flour confectionery for long-term storage, subject to the conclusion by the taxpayer of an agreement in the manner determined by the authorized body in the field of development of the agro-industrial complex;

production of baby food and dietary foods;

yeast production;

production of finished animal feed;

tanning and leather dressing, fur dressing and dyeing, textile fibre preparation and spinning, wool fibre preparation, wool fibre spinning;

3) agricultural cooperatives in terms of turnover by:

sale of agricultural products, products of aquaculture (fish farming) of own production, as well as produced by members of such a cooperative;

sale of products obtained as a result of processing agricultural products, products of aquaculture (fish farming) of own production, purchased from a domestic producer of such products and/or produced by members of such a cooperative;

performance of work, provision of services according to the list determined by the authorized body in the field of development of the agro-industrial complex in agreement with the central authorized body for state planning and the authorized body, members of such a cooperative in order to carry out the turns specified in this subparagraph.

The provisions of this paragraph shall not apply to sales of excisable goods and products of their processing.

Activities for the purposes of this paragraph shall be defined in accordance with the General classifier of economic activities approved by the competent authority in the field of technical regulation.

2. Taxpayers specified in paragraph 1of this Article shall have the right to apply the provisions of this Article subject to separate accounting:

turnovers in the implementation of activities provided for in paragraph 1 of this Article and other activities;

goods, works, services to be received, which shall be used or shall be used in the activities provided for in paragraph 1of this Article, and other activities.

The amount of value added tax on received goods, works, services used simultaneously in the activities provided for in paragraph 1 of this Article, and other activities, is distributed over the amount of value added tax allowed for offset and not allowed for offset, determined by the following formulas:

НДСрз 1 = НДСзач х О обл / О общ;

НДСрз 2 = НДСзач – НДСрз 1, where:

НДСрз 1- the amount of value added tax allowed to be offset for the activities provided for in paragraph 1of this article. This amount may be negative;

НДСзач - the amount of value added tax set off, taking into account the adjustment for goods, works, services used simultaneously in the activities provided for in paragraph 1 of this Article, and other activities. This amount may be negative;

О обл - the amount of taxable turnover for the tax period for which separate accounting shall be carried out in accordance with this Article;

О общ - the total amount of turnover, defined as the sum of turnover for activities provided for in paragraph 1 of this Article and other activities;

НДСрз 2 - the amount of value added tax allowed to be offset for other activities. This amount may be negative.

In the presence of non-taxable turnover, the amount of value added tax allowed for offset for other activities shall be determined taking into account Article 488 and 489 of this Code.

For a different turnover, such a value added tax payer shall have the right to determine the amount of value added tax allowed to be offset by a proportional method in accordance with Article 488 of this Code.

3. Taxpayers, referred to in subparagraphs 1) and 3) of the first part of paragraph 1 of this article are not entitled to apply the provisions of this article, if the person is a foreign citizen or a non-resident legal entity, conducting business in the Republic of Kazakhstan through a permanent establishment.

4. The calculation of the additional amount of value added tax charged to offset shall be made according to the following formula:

НДСдз = (НДСобл – НДСрз– НДСпр) x 80%, where:

НДСдз - an additional amount of value added tax set off;

НДСобл - the amount of value added tax accrued from taxable turnover on sales for activities provided for in paragraph 1 of this Article;

НДСрз - the amount of value added tax allowed to be offset determined in accordance with Article 488 and 489 of this Code. Such amount shall be determined by the goods, works, services to be received (received) that shall be used or will be used in the activities provided for in paragraph 1 of this Article;

НДСпр - the amount of excess of the amount of value added tax set off over the amount of accrued tax at the beginning of the reporting tax period on a cumulative basis for the activities provided for in paragraph 1 of this Article.

The received zero or negative value shall not be taken into account when calculating value added tax for the tax period.

Chapter 50. STATEMENT OF INVOICE BY VALUE ADDED TAX PAYERS

Article 491. General provisions

1. Payers of value added tax when making a turnover on the sale of goods, works, services shall be required to issue an invoice.

The provisions of this paragraph shall not apply when selling personal property by an individual who shall be an individual entrepreneur.

2. Unless otherwise provided in paragraph 3 of this Article, an invoice shall not be required in the following cases:

1) sale of goods, works, services, settlements for which shall be carried out:

presenting the cashier's check and/or payment terminals to the buyer;

with the presentation to the buyer of goods, works, services of a check of a special mobile application. At the same time, at the request of the buyer, such a verification must contain the identification number of such buyer of goods, works, services;

2) sale of goods, works, services to individuals, settlements for which shall be carried out by electronic money or using electronic payment means;

3) making settlements through second-tier banks, postal operator for utilities and communication services provided to an individual;

4) registration of passenger transportation by rail or air transport with a paper ticket, electronic ticket or electronic travel document;

5) free transfer of goods, free performance of work, provision of services to an individual who shall not be an individual entrepreneur or an individual engaged in private practice;

6) implementation of financial transactions provided for by Article 477 of this Code, as well as services sold to individuals subject to value added tax.

The provisions of subparagraph 1) and 2) part one of this paragraph shall not apply in case of sale of goods, works, services to the individuals specified in paragraph 1 of Article 131 of this Code.

3. The statement of the invoice shall not be required when the payer of value added tax sells the goods provided for in subparagraph 8) – 10) of paragraph 1 of Article 208 of this Code:

1) individuals who shall use the purchased goods for personal, family, home or other use not related to entrepreneurial activity (final consumption);

1. Payers of value added tax when making a turnover on the sale of goods, works, services shall be required to issue an invoice.

The provisions of this paragraph shall not apply when selling personal property by an individual who shall be an individual entrepreneur.

2. Unless otherwise provided in paragraph 3 of this Article, an invoice shall not be required in the following cases:

1) sale of goods, works, services, settlements for which shall be carried out:

presenting the cashier's check and/or payment terminals to the buyer;

with the presentation to the buyer of goods, works, services of a check of a special mobile application. At the same time, at the request of the buyer, such a check must contain the identification number of such buyer of goods, works, services;

2) sale of goods, works, services to individuals, settlements for which shall be carried out by electronic money or using electronic payment means;

3) making settlements through second-tier banks, postal operator for utilities and communication services provided to an individual;

4) registration of passenger transportation by rail or air transport with a paper ticket, electronic ticket or electronic travel document;

5) free transfer of goods, free performance of work, provision of services to an individual who shall not be an individual entrepreneur or an individual engaged in private practice;

6) implementation of financial transactions provided for by Article 477 of this Code, as well as services sold to individuals subject to value added tax.

The provisions of subparagraph 1) and 2) of part one of this paragraph shall not apply in case of sale of goods, works, services to the individuals specified in paragraph 1 of Article 131 of this Code.

3. The statement of the invoice shall not be required when the payer of value added tax sells the goods provided for in subparagraphs 8) - 10) of paragraph 1 of Article 208 of this Code:

1) individuals who use the purchased goods for personal, family, home or other use not related to entrepreneurial activity (final consumption);

2) individuals or legal entities that shall be subjects of micro-entrepreneurship in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

4. The recipient of goods, works, services shall have the right, within fifteen calendar days from the date of the supplier's turnover on the sale, to contact the supplier of these goods, works, services with a request to issue an invoice in the following cases provided for:

subparagraph 1) and 2) of paragraph 2 of this Article;

paragraph 3 of this Article.

The supplier shall comply with this requirement taking into account the provisions of this Article, including in terms of specifying in the information about the recipient of goods, works, services the details of the legal entity through whose trustee the goods, works, services shall be purchased, or the individual entrepreneur purchasing the goods, works, services.

5. The service recipient shall have the right, within fifteen calendar days from the date of the implementation turnover by the supplier, to request a document confirming the fact of travel of an individual, or an invoice to the provider of such services in the case provided for in subparagraph 4) of paragraph 2 of this Article. The supplier shall comply with this requirement, taking into account the provisions of this Article, including the indication in the information about the recipient of the work, services of the details of the individual to whom the transportation service has been rendered.

Article 492. Requirements for invoicing by value added tax payers

1. The invoice shall be issued in electronic form, except for the following cases when the value added tax payer shall be entitled to issue a paper invoice:

1) absence at the location of the payer of value added tax within the boundaries of the administrative-territorial subdivisions of the public telecommunications network;

2) confirmation of information on the website of the authorized body about the impossibility of issuing invoices in the information system of electronic invoices due to technical errors.

In this case, a hard copy invoice shall be entered into the electronic invoice information system within fifteen calendar days from the date of elimination of technical errors;

3) when suspending the issuance of invoices in the electronic invoice information system in accordance with Article 88 of this Code.

In this case, an invoice issued in hard copy shall be entered into the information system of electronic invoices within fifteen calendar days from the date of cancellation of the suspension of electronic invoicing in accordance with Article 88 of this Code;

4) during an emergency or state of emergency.

In this case, an invoice issued on paper shall be subject to entry into the information system of electronic invoices within thirty calendar days from the date of completion of the emergency period or the state of emergency. The procedure for drawing up and the form of the invoice shall be established by the authorized body.

2. A paper invoice shall be issued in the form of an electronic invoice in two copies, one of which shall be transferred to the recipient of goods, works and services.

Taxpayers shall have the right to indicate additional information not provided in the electronic form of the invoice in the invoice issued on paper.

3. Invoice values and amounts shall be stated in the national currency of the Republic of Kazakhstan, except for the following cases when it is possible to indicate in a foreign currency:

1) under transactions (operations) concluded (executed) under a production sharing agreement (contract) or a subsoil use contract approved by the President of the Republic of Kazakhstan;

2) on transactions (operations) for the sale of goods for export, taxed at a zero value added tax rate in accordance with Articles 467, 521 and 523 of this Code;

3) turnover on the sale of international transportation services taxed at zero value added tax rate in accordance with Article 468 of this Code;

4) on sales turnover taxed at zero value added tax rate in accordance with paragraph 3 of Article 473 of this Code.

4. If, on behalf of a legal entity, its structural subdivision acts as a supplier of goods, works and services and, by decision of the legal entity, invoices shall be issued by such structural subdivision, as well as if, on behalf of a legal entity, the structural subdivision shall act as a recipient of goods, works and services, then the details of such structural subdivision may be indicated in the invoice.

5. The value added tax payers shall indicate in the invoice or other document provided for in paragraph 6 of Article 480 of this Code:

1) for turnover subject to value added tax - the amount of value added tax;

2) for non-taxable turnover, including exempt from value added tax, - the mark "Without VAT," the place of sale of which shall not be the territory of the Republic of Kazakhstan, - the mark "Without VAT - not RK."

6. Unless otherwise provided in this paragraph, an electronic invoice shall be certified by electronic digital signature.

The invoice shall be additionally certified by the biometric data of the individual issuing the invoice in the procedure prescribed by the authorized body when identifying a risk against

the taxpayer based on the risk management system in accordance with Article 93 of this Code .

The paper invoice shall be certified by:

for legal entities - signatures of the head and chief accountant, as well as a seal containing the name and indication of the legal form, if this person must have a seal in accordance with the legislation of the Republic of Kazakhstan;

for individual entrepreneurs - a seal (if any) containing the surname, first name and patronymic and (or) name, as well as the signature of an individual entrepreneur.

The invoice may be signed by an employee authorized to do so by order of the taxpayer. In this case, a copy of the order must be available for visual acquaintance of the recipients of goods, works, services.

The recipient of goods, works, services shall have the right to apply to the supplier of these goods, works, services with a request to submit a copy of the order on the appointment of an individual authorized to sign invoices certified by an authorized individual, and the supplier must fulfil this requirement on the day of the recipient's request for goods, works, services.

The structural subdivision of a legal entity, which shall be a supplier of goods, works, services, by decision of the taxpayer, shall have the right to certify the invoices issued by him with the seal of such structural subdivision containing the name and indication of the organizational and legal form of the legal entity, if this individual must have a seal in accordance with the legislation of the Republic of Kazakhstan.

The invoice issued by the authorized representative of the members of the partnership (consortium), in the cases provided for in paragraph 2 of Article 216 of this Code, shall be certified by the seal of the authorized representative containing the name and indication of the organizational and legal form, as well as signatures of the head and chief accountant of such authorized representative.

If, in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and accounting policy, the head or individual entrepreneur maintains accounting in person, instead of the signature of the chief accountant, "not provided" shall be indicated.

7. The specifics of issuing invoices in some cases shall be established by Articles 494 – 498 of this Code.

Article 493. Invoice issuance dates

1. Unless otherwise provided by this Article, an invoice shall be issued not earlier than the date of the turnover on sale and not later than fifteen calendar days after such date.

2. The invoice shall be issued at the end of the month no later than the 20th day of the month following the month on which the date of turnover falls for such goods and services, if:

1) realization of electric and (or) thermal energy, water, gas;

2) provision of utilities;

3) provision of communication services;

4) provision of services for transportation by rail, services for the transportation of passengers, baggage and cargo by air;

5) provision of services under the transport expedition agreement, under the agreement, the terms of which comply with the terms of the commission agreement, services of the operator of cars (containers);

6) the provision of services for the transportation of goods through the system of trunk pipelines, system services provided by the system operator;

7) provision of loan services (loan, microcredit);

8) performing banking operations subject to value added tax;

9) sale of goods, works, services under contracts concluded for a period of one year or more to the individuals specified in paragraph 1 of Article 131 of this Code;

10) recognition of the date of turnover under paragraph 2 of Article 460 of this Code;

11) provision of services by the National Road management operator for which tolls shall be charged;

12) provision of services by the State corporation;

13) provision of services for the collection, exchange, processing and distribution of information generated during payments and (or) money transfers, including transactions with payment cards and electronic money.

3. In case of export of goods with premises under the customs export procedure, the invoice shall be issued no later than twenty calendar days after the date of the sale turnover.

4. When transferring property to financial leasing in terms of the accrued amount of remuneration, the invoice shall be issued according to the results of the calendar quarter no later than the 20th day of the month following the quarter after which the invoice shall be issued.

5. In the case of the sale of periodicals or other media products, including those posted on an Internet resource in public telecommunications networks, an invoice shall be issued no later than fifteen calendar days after the date of the sale turnover.

The taxpayer shall have the right to issue an invoice earlier than the date of the turnover for the entire sales turnover, the date of which falls on the calendar year.

6. The corrected invoice shall be issued upon the occurrence of the event provided for in paragraph 1of Article 499 of this Code.

7. Unless otherwise provided by this paragraph, an additional invoice shall be issued not earlier than the date of turnover for the amount of the adjustment and not later than fifteen calendar days after such date.

An additional invoice shall be issued by the assignee of the reorganized legal entity in the upward direction no later than one hundred and eighty calendar days after the date of turnover

.

In case of non-compliance with the requirements of Article 213 of this Code, an additional invoice shall be issued by the lessor within fifteen calendar days from the date of such an event.

8. When the recipient of goods, works, services applies with the requirement to issue an invoice in accordance with paragraphs 4 and 5 of Article 208 and paragraphs 4 and 5 of Article 491 of this Code, the invoice shall be issued no later than thirty calendar days after the date of turnover.

9. In case of purchase from a non-resident of works, services that shall be the turnover of the buyer of such works, services, the invoice in electronic form shall be issued by the buyer after payment to the budget of value added tax for a non-resident for such turnover, but no later than five calendar days from the date of such payment, including by offsetting in the manner specified in Articles 122 and 123 of this Code.

Article 494. Features of invoicing by freight forwarding agents

1. When performing works, rendering services under a freight forwarding agreement for a party that shall be a client under such an agreement, invoices shall be issued by the freight forwarding agents regardless of whether it shall be a value added tax payer or not.

The invoice shall be issued by the freight forwarding agent on the basis of invoices issued by carriers and other suppliers of works, services that shall be payers of value added tax.

If the carrier (supplier) is not a value added tax payer, the invoice shall be issued by the freight forwarding agent on the basis of a document confirming the cost of work and services.

2. In the invoice issued by the freight forwarding agent, the taxable (non-taxable) turnover shall be indicated, taking into account the cost of works and services performed and provided by carriers and (or) suppliers within the framework of the transportation expedition agreement :

1) being value added tax payers;

2) non-value added tax payers.

The amount of remuneration under the freight forwarding agreement included in the freight forwarding agent's turnover in the invoice shall be allocated as a separate line.

In the invoice issued by the freight forwarding agent as details:

Supplier - specify the details of the freight forwarding agent

recipient - the details of the taxpayer who shall be a client under the transport expedition agreement shall be indicated.

3. When carrying out activities under a freight forwarding agreement, the freight forwarding agent shall draw up a tax register in accordance with Article 205 of this Code, disclosing information about carriers and (or) suppliers of works, services provided under such an agreement, as well as their cost.

4. An invoice issued in accordance with these requirements shall be the basis for offsetting the amount of value added tax by a party that shall be a customer under a transportation expedition agreement.

Article 495. Features of issuing invoices under contracts whose terms correspond to the terms of the commission contract

1. When selling goods, performing work, providing services on conditions corresponding to the terms of the commission agreement, if the committee and (or) the commission officer are payers of value added tax, the commission officer shall issue invoices to the buyer of goods, works, services, regardless of whether he shall be a payer of value added tax or not.

The amount of turnover for the sale of goods, works, services in the invoice issued by the commission shall be indicated based on the cost of goods, works, services, according to which they shall be sold by the commission to the buyer.

The commission agent shall issue the invoice taking into account the following data:

an invoice issued to the commission by a committee that shall be a payer of value added tax (in this case, the amount of taxable (non-taxable) turnover indicated in the invoice issued to the commission by the committee shall be included in taxable (non-taxable) turnover in the invoice issued by the commission to the buyer);

a document confirming the value of goods, works, services issued by a committee that shall not be a payer of value added tax (in this case, the value of goods, works, services specified in such a document shall be included in the non-taxable turnover in the invoice issued by the commission to the buyer).

The amount of turnover in the invoice issued by the committee to the commissioner shall be indicated based on the cost of goods, works, services for which they have been provided to the commissioner for the purpose of sale.

The amount of turnover in the invoice issued by the commission to the committee shall be indicated on the basis of the amount of the commission and the cost of work, services that shall be the turnover of the commission for the purchase of work, services from a non-resident.

2. When a committee writes an invoice to the commissioner for the sale of goods, works, services on the terms and conditions corresponding to the terms of the commission agreement as details:

supplier - specify details of the committee with indication of "committee" status;

recipient - the details of the commissioner shall be indicated the status of the " commissioner."

When the commission agent issues an invoice to the recipient of goods, works, services, the details of the commission agent shall be indicated as the details of the supplier, indicating the status of the "commission agent."

3. When the commission agent transfers to the committee the goods purchased for the committee on the terms corresponding to the terms of the commission agreement, as well as when performing work, rendering services by a third party to the committee under the transaction concluded by such third party with the commission agent, the commission agent shall issue invoices to the committee agent.

The provisions of this paragraph shall apply if the commissioner and/or the person from whom the commissioner purchases goods, works, services for the committee are payers of value added tax.

The amount of turnover for the sale of goods, works, services in the invoice issued by the commission shall be indicated taking into account the cost of goods, works, services purchased by the commission for the committee on the terms of the commission agreement.

The commission agent shall issue the invoice taking into account the following data:

an invoice issued to the commission by a third party that shall be a payer of value added tax (in this case, the amount of taxable (non-taxable) turnover specified in the invoice issued by the third party to the commission shall be included in taxable (non-taxable) turnover in the invoice issued by the commission to the committee);

a document confirming the value of goods, works, services issued by a third party that shall not be a payer of value added tax (in this case, the value of goods, works, services specified in such a document shall be included in the non-taxable turnover in the invoice issued by the commission to the committee, except for works, services that shall be the turnover of the commission for the purchase of works, services from a non-resident);

invoices in electronic form issued by the commission agent on the basis of a document confirming the cost of works, services that shall be the turnover of the commission agent for the purchase of works, services from a non-resident, and a payment document confirming the payment of value added tax for a non-resident;

declarations for goods executed in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, or applications for the import of goods and payment of indirect taxes - in the case of import of goods.

The amount of the commission fee and the cost of work, services that shall be the turnover of the commission for the purchase of work, services from a non-resident, in the invoice issued to the committee, shall be indicated in separate lines. In this case, if the commissioner is not a payer of value added tax, the amount of remuneration is indicated with the mark "Without VAT."

4. When the commission agent issues invoices to the committee for goods, works, services purchased for the committee under the terms of the commission agreement as details:

supplier – shall specify details of the commission agent with indication of the " commission agent" status;

recipient - the details of the committee shall be indicated indicating the status of the " committee."

When a third party, is a supplier of goods, works, services, writes an invoice to the commission agent, the details of the commission agent shall be indicated as the details of the recipient.

5. When an invoice is issued by a commission agent under a contract that complies with the terms of the commission contract, in the cases provided for in this Article, if there is a fee in the invoice, the amount of such fee shall be allocated in a separate line.

6. An invoice issued in accordance with these requirements, as well as the requirements of Article 480 of this Code, shall be the basis for offsetting the amount of value added tax by the committee or the buyer of goods, works, services under the commission agreement.

Article 496. Features of issuing invoices for the sale (purchase) goods, works, services carried out within the framework of agreements on joint activities

1. When selling goods, works, services under a joint agreement:

1) the invoice shall be issued by one of the parties to the agreement on joint activities with the details of each party to the agreement on joint activities specified in the line allocated for the supplier (seller);

2) the invoice shall reflect the total amount of turnover, as well as the amount of turnover attributable to each of the participants in accordance with the terms of the joint agreement.

2. When purchasing goods, works, services under a joint venture agreement:

1) in the invoice issued by the supplier of goods, works, services, one of the parties to the agreement on joint activities shall be reflected as the recipient of goods, works, services (buyer), indicating in the line allotted for the recipient (buyer) the details of each party to the agreement on joint activities;

2) the invoice shall reflect the total amount of the acquisition, including the amount of value added tax attributable to each of the parties to the joint venture agreement.

3. If the sale or purchase of goods, works, services under the joint activity agreement is made by the attorney, the details of the attorney are reflected in the invoice in the line allotted for the details of the supplier or recipient's attorney, and the details of the parties to the joint activity agreement and the turnover amount or the purchase amount shall be reflected taking into account the provisions of paragraph1 and 2 of this Article.

4. The provisions of this Article shall not apply when selling (purchasing) goods, works, services by the operator in the cases provided for by paragraph 3 of Article 507 of this Code.

Article 497. Features of issuing invoices when providing legal assistance to a lawyer through a law office

1. When providing legal assistance to a lawyer who shall have established a law office independently or together with other lawyers, under contracts concluded by such a law office, the invoice shall be issued by the law office on its own behalf indicating:

1) in the line reserved for the attorney - their details;

2) in the line reserved for the supplier (seller) - the details of each lawyer who provided legal assistance under the agreement on the provision of legal assistance.

2. The invoice issued in accordance with this Article shall reflect:

1) total amount of turnover;

2) the amount of turnover attributable to each lawyer who provided legal assistance under the agreement on legal assistance.

Article 498. Features of invoicing in individual cases

1. When selling (purchasing) goods, works, services by the operator in the cases provided for by paragraph 3of Article 507 of this Code, the invoice shall be issued in accordance with the requirements of this chapter, indicating the operator's details as a supplier (buyer).

2. The statement of the invoice to the buyer of goods, works, services sold on the conditions corresponding to the assignment agreement shall be made by the attorney with a reflection of the principal's details, and in the cases provided for in paragraph 3 of Article 455 of this Code - by the attorney in the procedure specified in this section.

3. If the taxpayer issues an invoice earlier than the date of the turnover for the entire turnover for the calendar year for the sale of periodicals or other media products, including those posted on the Internet resource in public telecommunication networks, the amount of sales turnover and the corresponding amount of value added tax shall be separately indicated in the invoice, attributable to each tax period included in such calendar year.

Article 499. Corrected invoice statement

1. The corrected invoice shall be issued if it is necessary to make changes and (or) additions to the previously issued invoice, to correct errors that do not entail the replacement of the supplier and (or) recipient of goods, works, services.

When a corrected invoice is issued, the previously issued invoice shall be cancelled, and additional invoices, if any, are cancelled.

To restore cancelled additional invoices, additional invoices shall be issued to the corrected invoice.

2. The corrected invoice shall:

1) comply with the requirements established by this chapter for issuing invoices;

2) contain the following information:

Note that the invoice shall be corrected

sequential number and date of issue of the corrected invoice;

sequence number and date of issue of the cancelled invoice.

3. According to the corrected invoice issued on paper, one of the confirmations of receipt of such an invoice by the recipient of goods, works, services shall be required:

1) certification by the recipient of goods, works, services of such an invoice with signatures and seals in accordance with paragraph 6 of Article 492 of this Code;

2) sending by the supplier of goods, works, services such an invoice to the recipient of goods, works, services by registered mail and the presence of a notification of its receipt;

3) the presence of a letter from the recipient of goods, works, services on receipt of such an invoice with a signature and seal:

for legal entities - containing the name and indication of the legal form, if this person, in accordance with the legislation of the Republic of Kazakhstan, must have a seal;

for individual entrepreneurs - if available, containing the last name, first name and patronymic and (or) name.

4. According to the corrected invoice issued in electronic form, the recipient of goods, works, services shall:

1) be obliged to confirm the statement of such an invoice or reject it in case of disagreement - if the recipient of such corrected invoice is a payer of value added tax. In this case, the invoice shall be considered issued if there is confirmation from the recipient of such an invoice;

2) have the right to reject the statement of such invoice within ten calendar days from the date of receipt of the corrected invoice - if the recipient of the corrected invoice is not a payer of value added tax. If such deviation is not made within the period specified in this subparagraph, the invoice shall be considered as confirmed by the recipient of goods, works, services. In this case, the recipient has the right to contact the supplier of goods, works, services with a request to withdraw such a corrected invoice.

The provisions of this Article shall not apply in the cases provided for in Article 500 of this Code.

5. No amended invoice shall be issued by the assignee of the reorganized legal entity unless reorganized by conversion.

Article 500. Issuing an additional invoice

1. An additional invoice shall be issued by the supplier in the following cases:

1) adjustment of the turnover size in accordance with Article 464 of this Code;

2) non-compliance with the requirements of Article 213 of this Code.

2. The additional invoice shall:

1) comply with the requirements established by this chapter for issuing invoices;

2) contain the following information:

Note that the invoice shall be optional

sequence number and date of issue of additional invoice;

The sequence number and date of the invoice to which the additional invoice shall be issued

The amount by which the sales volume shall be adjusted if the sales volume changes

the amount of adjustment of value added tax in case of its change;

the date of the turnover for the amount of the turnover adjustment - when checking out in electronic form;

the mark "non-compliance with Article 213 of the Tax Code of the Republic of Kazakhstan" in the case established by subparagraph 2) of paragraph 1 of this Article.

3. According to an additional invoice issued on paper, one of the confirmations of receipt of such an invoice by the recipient of goods, works, services shall be required:

1) certification by the recipient of goods, works, services of such an invoice with signatures and seals in accordance with paragraph 6 of Article 492 of this Code;

2) sending by the supplier of goods, works, services such an invoice to the recipient of goods, works, services by registered mail and the presence of a notification of its receipt;

3) the presence of a letter from the recipient of goods, works, services on receipt of such an invoice with a signature and seal:

for legal entities - containing the name and indication of the legal form, if this person, in accordance with the legislation of the Republic of Kazakhstan, must have a seal;

for individual entrepreneurs - if available, containing the last name, first name and patronymic and (or) name.

4. According to the additional invoice issued in electronic form, the recipient of goods, works, services shall:

1) be obliged to confirm the statement of such an invoice or reject it in case of disagreement - if the recipient of such additional invoice is a payer of value added tax. In this case, the invoice shall be considered issued if there is confirmation from the recipient of such an invoice;

2) have the right to reject the statement of such invoice within ten calendar days from the date of receipt of the additional invoice - if the recipient of the additional invoice is not a payer of value added tax. If such deviation is not made within the period specified in this subparagraph, the invoice shall be considered as confirmed by the recipient of goods, works, services. In this case, the recipient shall have the right to contact the supplier of goods, works, services with a request to withdraw such an additional invoice.

Article 501. Invoice cancellation

1. An electronic cancellation of an invoice shall be made to invalidate the invoice. The invoice shall be withdrawn by the taxpayer who issued the invoice.

2. According to the cancelled invoice issued in electronic form, the recipient of goods, works, services shall:

1) be obliged to confirm the cancellation of such an invoice or reject it if it disagrees - if the recipient of such an invoice is a payer of value added tax. In this case, the invoice shall be considered cancelled if there is confirmation from the recipient of such an invoice;

2) have the right to reject the cancellation of such invoice within ten calendar days from the date of withdrawal of the invoice - if the recipient of the invoice is not a payer of value added tax. If such deviation is not made within the period specified in this subparagraph, the invoice withdrawal shall be considered as confirmed by the recipient of goods, works, services. In this case, the recipient shall have the right to contact the supplier of goods, works, services with a request to restore the previously issued invoice.

Chapter 51. TAX CALCULATION AND PAYMENT PROCEDURE

Article 502. Value added tax calculation

1. Value added tax, excluding value added tax accrued on taxable imports, shall be calculated for the tax period as follows:

amount of value added tax accrued on taxable turnover,

minus

the amount of value added tax permitted to be set-off determined in accordance with Article 488 and 489 of this Code,

minus

an additional amount of value added tax set off in accordance with Article 490 of this Code.

2. The amount of value added tax accrued on taxable turnover shall be determined in the following order:

the product of the rate established by paragraph 1, 2 and 3 of Article 503 of this Code and the taxable turnover, with the exception of sales turnover specified in Chapter 47 of this Code , reduced and (or) increased by the amount of turnover provided for in Articles 464 and 465 of this Code,

plus

the product of the rate established by paragraph 4 of Article 503 of this Code and the sales turnovers specified in Chapter 47 of this Code, reduced and (or) increased by the amount of turnovers provided for in Articles 464 and 465 of this Code.

3. If the result of the calculation provided for in paragraph 1 of this Article shall have:

1) positive value, such result shall be the amount of tax payable to the budget in the manner determined by this Code;

2) negative value, such result shall be the excess of the amount of value added tax attributed to offset, over the amount of accrued tax.

4. The amount of value added tax for a non-resident shall be calculated by applying the rate provided for in paragraph 1 of Article 503 of this Code to the amount of turnover on the acquisition of works and services from a non-resident.

Article 503. Value added tax rates

1. Unless otherwise provided in this Article, the value added tax rate shall be 16 per cent and shall apply to taxable turnover and taxable imports.

2. The value added tax rate shall be from January 1, 2026 - 5 percent, from January 1, 2027 - 10 percent and shall apply:

1) to the amount of taxable turnover for sales and imports:

medicines, except for the goods provided for in subparagraph 28) of Article 474 of this Code and in subparagraph 17) of paragraph 1 of Article 479 of this Code;

medical devices, components of medical devices, as well as technical auxiliary (compensatory) means in accordance with the legislation of the Republic of Kazakhstan on social protection.

The list of medicines, medical devices, components of medical devices, as well as technical auxiliary (compensatory) means in accordance with the legislation of the Republic

of Kazakhstan on social protection shall be established by the Government of the Republic of Kazakhstan;

2) to the amount of taxable turnover for the sale of medical services, including those provided in the complex, in accordance with the legislation of the Republic of Kazakhstan by a healthcare entity licensed for medical activities.

The provisions of this subparagraph shall not apply to medical services provided for in in subparagraph 28) of Article 474 of this Code.

3. The value added tax rate shall be 10 percent and shall apply to the size of the turnover for the sale of domestic periodicals.

4. Sales of goods, works, services specified in in Chapter 47) of this Code shall be subject to value added tax at zero rate.

In case of non-confirmation in accordance with Chapter 47) of this Code of the turnover on the sale of goods, works, services taxed at a zero rate, the specified turnover on the sale of goods and services shall be subject to value added tax at the rate specified in paragraph 1 of this Article.

The size and procedure for payment of uniform rates of customs duties, taxes, as well as the total customs payment shall be established by the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

5. When a person is removed from the registration account for value added tax, the value added tax rate shall be applied to the amount of taxable turnover determined in accordance with paragraph 4 of Article 461 of this Code:

1) for reserves - the person acting on the date of deregistration for value added tax;

2) for fixed assets, intangible and biological assets, real estate investments - valid on the date of their acquisition.

Article 504. Tax period

The tax period for value added tax shall be the calendar quarter.

Article 505. Tax declaration

1. The payer of value added tax specified in subparagraph 1) of paragraph 1 of Article 447 of this Code, shall be obliged to submit a declaration of value added tax to the tax authority at the location for each tax period no earlier than the 15th day of the month, following the reporting tax period and no later than the 15th day of the second month, subsequent to the reporting tax period, unless otherwise provided by this paragraph.

The obligation to submit a declaration of value added tax shall not apply to individuals specified in subparagraph 2)of paragraph 1 of Article 447 of this Code, for whom registration for value added tax shall have not been made.

In the cases provided for in paragraph 3 of Article 507 of this Code, the operator shall submit a declaration of value added tax on activities carried out under the production sharing agreement (contract).

2. The value added tax payer shall be obliged to submit a liquidation declaration for value added tax:

upon deregistration of value added tax in the procedure prescribed by Article 103 of this Code.

in case of liquidation in the procedure prescribed by Chapter 7 of this Code.

Article 506. Terms of payment of value added tax

Value added tax shall be paid to the budget at the taxpayer's location within the following terms:

1) not later than the 25th day of the second month following the reporting tax period - the amount of value added tax payable to the budget for each tax period, as well as the calculated value added tax for a non-resident, with the exception of value added tax specified in subparagraphs 2) and 3) of the first part of this Article;

2) within the terms determined by the customs legislation of the Republic of Kazakhstan - the amount of value added tax on imported goods;

3) not later than ten calendar days from the date of submission to the tax authority of the liquidation declaration on value added tax - the amount of value added tax reflected in such declaration, in case of removal of the value added tax payer from the registration on value added tax in accordance with Article 103 of this Code.

If the deadline for payment of value added tax reflected in the declaration of value added tax, submitted for the tax period preceding the tax period for which the liquidation declaration for such tax shall be submitted, occurs after the expiration of the period specified in subparagraph 3) of the first part of this Article, the payment of tax shall be made no later than ten calendar days from the date of submission of the liquidation declaration to the tax authority.

Article 507. Specifics of the fulfilment of the value added tax obligation by subsoil users operating under a production sharing agreement (contract) as part of a partnership (consortium)

1. The tax obligation to draw up and submit tax forms for value added tax in the framework of activities under a production sharing agreement (contract) must be fulfilled in one of the following ways:

each participant of a simple partnership in terms of the share of value added tax attributable to the specified participant;

by the operator in aggregate for activities carried out under the production sharing agreement (contract), if the operator is authorized by the terms of the production sharing agreement (contract) to fulfil such a tax obligation.

2. When fulfilling the tax obligation to draw up and submit tax forms for value added tax by each member of a simple partnership (consortium):

invoices for the sale (purchase) of goods, works, services shall be issued in accordance with the requirements of Article 496 of this Code;

the value added tax declaration and the invoice registers attached to the declaration shall be submitted by each member of the simple partnership (consortium) to the extent attributable to such member;

calculated, accrued (reduced), transferred and paid (taking into account credited and returned) amounts of value added tax shall be reflected in the personal account of each member of a simple partnership in the part attributable to the specified person;

the amount of excess value added tax shall be refunded to the member of the partnership (consortium) who submitted the declaration;

the procedure for tax administration, including the delivery of an order, notification and tax inspection act, shall be applied to each member of a simple partnership (consortium) in the procedure prescribed by this Code.

3. When fulfilling the tax obligation to draw up and submit tax forms for value added tax, the operator shall summarize the activities carried out under the production sharing agreement (contract):

invoices for the sale (purchase) of goods, works, services shall be issued in accordance with the generally established procedure in accordance with the requirements of Chapter 50 of this Code, indicating the operator's details;

the value added tax declaration and the invoice registers attached to the declaration shall be submitted by the operator in aggregate for the activities carried out under the production sharing agreement (contract);

calculated, accrued (reduced), transferred and paid (including credited and returned) amounts of value added tax are reflected in the operator's personal account;

the amount of excess value added tax shall be returned to the operator;

the procedure for tax administration, including the delivery of a prescription, notification and tax inspection act, shall be applied to the operator in accordance with the procedure provided for by this Code for taxpayers (tax agents), and these documents shall be considered to be handed over to each member of a simple partnership (consortium) as a taxpayer under a production sharing agreement (contract).

4. The chosen method of fulfilling the tax obligation to draw up and submit tax forms for value added tax in accordance with this article should be reflected in the tax accounting policy and remain unchanged until the expiration of the period of validity of the production sharing agreement (contract).

Article 508. Payment of value added tax on imported goods by offset

1. The value added tax shall be paid by the method of set-off in the procedure specified in this Article by the value added tax payers specified in subparagraph 1) of subparagraph 1) of Article 447 of this Code for the following goods placed under the customs procedure of release for domestic consumption:

1) equipment;

2) agricultural machinery;

3) freight rolling stock of road transport;

4) helicopters and airplanes;

5) sea vessels;

6) railway locomotives and wagons;

7) spare parts for the goods specified in subparagraphs 2) – 6) of this paragraph;

8) breeding animals and equipment for artificial insemination;

9) cattle live.

The list of these goods and the procedure for its formation shall be approved by the Government of the Republic of Kazakhstan.

This list shall include goods that are not produced in the Republic of Kazakhstan.

This list shall include goods specified in subparagraphs 8) и 9) of the first part of this paragraph, which shall not cover the needs of the Republic of Kazakhstan.

2. The provisions of this Article with regard to the payment of value added tax by offset shall apply to goods imported by the value added tax payer specified in subparagraph 1) of paragraph 1 of Article 447 of this Code:

1) not intended for further sale or transfer to international financial leasing;

2) for the purpose of transfer to financial leasing, with the exception of transfer to international financial leasing;

3) specified in subparagraph 7) of part one of paragraph 1 of this Article, used in the production of agricultural machinery included in the list established by the authorized body in the field of development of the agro-industrial complex in agreement with the central authorized body for state planning and the authorized body.

3. The amount of value added tax paid by the offset method shall be recorded in the value added tax declaration simultaneously in the accrual and offset in the procedure determined by the tax legislation of the Republic of Kazakhstan.

In case of violation during the mandatory period of use of the requirements established by paragraph 2 of this Article, the value added tax on imported goods shall be payable with a penalty from the date established for the payment of value added tax on imported goods, in the procedure and amount determined by the customs legislation of the EAEU and (or) customs legislation of the Republic of Kazakhstan. The mandatory period for the use of imported goods shall be the period from the date of release of goods for domestic consumption in the Republic of Kazakhstan:

five years - for imported goods (excluding poultry);

18 months - for farm poultry.

At the same time, they shall not be violations of the requirements established by this Article:

1) forced slaughter of animals specified in subparagraphs 8) and 9) of the first part of paragraph 1 of this Article, and (or) sale of meat and meat products obtained as a result of such forced slaughter, or loss (death) of such animals within the limits of natural loss.

The procedure for forced slaughter and the standards of natural loss shall be approved by the authorized body in the field of development of the agro-industrial complex;

2) export of goods in accordance with the customs procedure for re-export of previously imported goods, subject to the conditions for placing goods under the customs procedure for re-export;

3) deregistration of value added tax after the release of goods;

4) disposal (write-off) of goods as a result of an accident, crash and (or) malfunction if there is a document confirming the impossibility of restoring the specified goods.

4. The sale of goods for which value added tax on imported goods shall have been paid by offset, after the expiration of the mandatory period of use from the date of their release for domestic consumption on the territory of the Republic of Kazakhstan, shall not be subject to value added tax on imported goods.

The provisions of this paragraph shall also apply to the sale, after 31 December 2008, of goods imported up to 31 December 2008 for own production needs, upon import of which value added tax shall have been paid on a set-off basis.

5. Sales of goods specified in paragraph 1 of this Article, for which value added tax shall have been paid by the offset method, shall be exempt from value added tax upon transfer to financial leasing.

The provision of this paragraph shall also apply when goods imported for own production needs, for which value added tax shall have been paid by way of offset, shall be transferred after December 31, 2008 to financial leasing.

Article 509. Payment of value added tax on imported goods to the territory of the Republic of Kazakhstan from the territory of the EAEU member states by offset

1. The value added tax shall be paid by the offset method in the procedure specified in this Article, by the value added tax payers specified in subparagraph 1) of paragraph 1 of Article 447 of this Code, for the following goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states:

1) equipment;

2) agricultural machinery;

3) freight rolling stock of road transport;

4) helicopters and airplanes;

5) sea vessels;

6) railway locomotives and wagons;

7) spare parts for the goods specified in subparagraph 2) – 6) of this paragraph;

8) breeding animals and equipment for artificial insemination;

9) cattle live.

The list of these goods and the procedure for its formation shall be approved by the Government of the Republic of Kazakhstan.

This list shall include goods that shall not be produced in the Republic of Kazakhstan.

This list shall include goods specified in subparagraph 8) and 9) of the first part of this paragraph, which shall not cover the needs of the Republic of Kazakhstan.

2. The provisions of this Article with regard to the payment of value added tax by offset shall apply to goods imported by the value added tax payer specified in subparagraph 1) of paragraph 1 of Article 447 of this Code:

1) not intended for further sale or transfer to international financial leasing;

2) for the purpose of transfer to financial leasing, with the exception of transfer to international financial leasing;

3) specified in subparagraph 7) of part one of paragraph 1 of this Article, used in the production of agricultural machinery included in the list established by the authorized body in the field of development of the agro-industrial complex in agreement with the central authorized body for state planning and the authorized body.

3. The payer of value added tax specified in subparagraph 1 of paragraph 1 of Article 447 of this Code, together with the application for the import of goods and the payment of indirect taxes, submits to the tax authority:

1) documents specified in paragraph 2 of Article 530 of this Code;

2) documents describing the main technical and commercial characteristics of goods, which make it possible to classify the goods as a specific commodity subparagraph of the unified Commodity Nomenclature of foreign economic activity of the EAEU. If necessary, photographs, drawings, product passports, samples, samples of goods and other documents shall be submitted.

4. The goods specified in paragraph 1 of this Article shall be imported without actual payment of value added tax, provided that excise taxes on excisable goods shall be paid in accordance with the established procedure.

5. The amount of value added tax paid by the offset method shall be recorded in the value added tax declaration simultaneously in the accrual and offset in the manner determined by the tax legislation of the Republic of Kazakhstan.

In case of violation during the mandatory period of use of the requirements established by paragraph 2 of this Article, the value added tax on imported goods shall be paid with the accrual of penalties from the date established for the payment of value added tax on the import of goods, in the procedure and amount determined by the tax legislation of the Republic of Kazakhstan. The mandatory period for the use of imported goods shall be the period from the date of import of goods into the territory of the Republic of Kazakhstan:

five years - for imported goods (excluding poultry);

18 months - for farm poultry.

At the same time, they shall not be violations of the requirements established by this Article:

1) forced slaughter of animals specified in subparagraph 8) and 9) of the first part of paragraph 1 of this Article, and (or) sale of meat and meat products obtained as a result of such slaughter, or loss (death) of such animals within the limits of natural loss.

The procedure for forced slaughter and the standards of natural loss shall be approved by the authorized body in the field of development of the agro-industrial complex;

2) deregistration of value added tax after the date of registration of imported goods determined in accordance with Article 516 of this Code;

3) disposal (write-off) of goods as a result of an accident, crash and (or) malfunction if there is a document confirming the impossibility of restoring the specified goods.

6. Sales of goods specified in paragraph 1 of this Article, for which value added tax shall have been paid by the offset method, shall be exempt from value added tax upon transfer to financial leasing.

7. The provisions of this Article also apply to goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states under lease agreements (contracts) in terms of the amount of value added tax attributable to the amount of the lease payment provided for by the lease agreement, excluding remuneration.

Article 510. Relationship with the value added tax budget

1. The excess of the amount of value added tax attributable to offset over the amount of accrued tax formed on the declaration on an accrual basis at the end of the reporting tax period (hereinafter, for the purposes of this Article, the amount of excess tax) shall be offset against the upcoming payments of value added tax (hereinafter, for the purposes of this Article, tax).

The amount of excess tax shall not be offset against the payment of tax on imported goods and (or) when purchasing works and services from a non-resident.

2. The following shall be returned from the budget:

1) tax overpaid to the budget in accordance with paragraph 1 of Chapter 10 of this Code;

2) the amount of excess tax in accordance with paragraph 2 of Chapter 10 of this Code;

3) tax for other reasons in accordance with paragraph 3 of Chapter 10 of this Code.

3. For taxpayers withdrawn from the registration of the payer of the tax, the amount of excess tax, which shall have developed:

on the date of deregistration of the tax payer, in case of failure to comply with the conditions provided for in paragraph 2 of Article 496 of this Code;

after meeting the requirements specified in subparagraph 3) of paragraph 1 of Article 439 of this Code.

The tax excess shall be debited from the taxpayer's personal account in accordance with the procedure for maintaining a personal account determined by the authorized body.

Chapter 52. PECULIARITIES OF VALUE ADDED TAX ON EXPORT AND IMPORT OF GOODS, PERFORMANCE OF WORKS, PROVISION OF SERVICES IN THE EAEU

Article 511. General provisions

1. The provisions of this chapter shall be established on the basis of international treaties concluded between the EAEU member states and regulate taxation in terms of value added tax in the export and import of goods, performance of work, provision of services, as well as its tax administration in mutual trade of the EAEU member states.

If this chapter establishes other standards in terms of value added tax in the export and import of goods, performance of work, provision of services, as well as its tax administration than those contained in other chapters of this Code, the standards of this chapter apply.

Other chapters of this Code, as well as the Law of the Republic of Kazakhstan on the enactment of this Code, shall govern the issues not regulated in this chapter concerning the taxation of value added tax on the export and import of goods, performance of work, provision of services, as well as its tax administration.

The concepts used in this chapter shall be provided for by international treaties ratified by the Republic of Kazakhstan, concluded between the EAEU member states.

If the international treaties ratified by the Republic of Kazakhstan concluded between the EAEU member states shall not provide for the concepts used in this chapter, the concepts provided for by the relevant articles of this Code, civil and other sectors of the legislation of the Republic of Kazakhstan are applied.

The collection of value added tax on goods imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state shall be carried out by the tax authorities at the rate established by paragraph 1 of Article 503 of this Code, applied to the amount of taxable imports.

Tax control over the taxpayer's fulfilment of the tax obligation on value added tax when exporting and importing goods, performing work, providing services in mutual trade of the EAEU member states shall be carried out by tax authorities on the basis of tax reports submitted by the taxpayer, as well as information and (or) documents on the taxpayer's activities received from government bodies and other individuals.

For the purposes of this chapter, the cost of goods, works, services in foreign currency shall be translated into KZT at the official exchange rate established at the date of turnover on the sale of goods, works, services, taxable imports.

2. For the purposes of this chapter, a lease shall be a transfer of property (leased item) under a lease agreement for a period of more than three years if it meets one of the following conditions:

1) the transfer of property (leased item) to the ownership of the lessee at a fixed price shall be determined by the lease agreement;

2) the lease term exceeds 75 percent of the useful life of the leased property (leased item);

3) the current (discounted) value of lease payments for the entire lease period exceeds 90 percent of the value of the leased property (leased item).

For the purposes of this chapter, such a transfer shall be considered as the sale of property (leased item) by the lessor and the purchase of this property (leased item) by the lessee. In this case, the lessee shall be considered as the owner of the leased item, and lease payments - as payments on the loan provided to the lessee, in the amount of part of the cost of goods.

For the purposes of this chapter, a lease payment shall be understood as a part of the value of the goods (leased item), taking into account the remuneration provided for by the lease agreement (contract).

For the purposes of this chapter, leasing transactions shall not be recognized as leasing in case of non-compliance with the above conditions or termination of the leasing agreement (termination of obligations under the leasing agreement) until the expiration of three years from the date of conclusion of such agreements.

For the purposes of this chapter, remuneration under a leasing agreement means all payments related to the transfer of property (leased item) to leasing, with the exception of the value at which such property (leased item) have been received (transferred), payments to an individual who shall not be a lessee for the lessee, an interconnected party.

Article 512. Value added tax payers in the EAEU

The payers of value added tax in the EAEU shall be:

1) individuals specified in subparagraph 1) of paragraph 1 of Article 447 of this Code;

2) individuals importing goods to the territory of the Republic of Kazakhstan from the territory of the EAEU member states:

legal entity - resident;

structural subdivision of a resident legal entity if it is a party to a contract;

structural subdivision of the legal entity - resident on the basis of the relevant decision of such legal entity if, under the terms of the agreement (contract) between the legal entity - resident and the taxpayer of the EAEU member state, the recipient of the goods shall be the structural subdivision of the legal entity - resident;

a non-resident legal entity operating through a permanent institution without opening a structural unit, registered as a taxpayer with the tax authorities of the Republic of Kazakhstan;

non-resident legal entity operating in the Republic of Kazakhstan through a structural subdivision;

non-resident legal entity operating without a permanent establishment;

trustees importing goods in the framework of carrying out activities under trust management agreements with the founders of trust management or with beneficiaries in other cases of trust management;

diplomatic and equivalent representation of a foreign state accredited in the Republic of Kazakhstan, individuals belonging to the diplomatic, administrative and technical personnel of these missions, including members of their families living with them; consular office of a foreign state accredited in the Republic of Kazakhstan, consular officials, consular officers, including members of their families living with them;

individuals engaged in private practice, importing goods in order to carry out notarial activities, activities for the execution of executive documents, advocacy, professional activities of the mediator;

an individual importing goods for business purposes. Criteria for classifying goods as imported for business purposes shall be established by the authorized body.

Article 513. Taxable items, taxable sales determination

Unless otherwise provided by Article 514 of this Code, the objects subject to value added tax in the EAEU, as well as the taxable turnover, are determined in accordance with Articles 448, 449 and 454 of this Code.

Article 514. Determination of turnover for the sale of goods, works, services and taxable imports in the EAEU

1. The turnover for the sale of goods shall be the export of goods from the territory of the Republic of Kazakhstan to the territory of another EAEU member state.

2. It shall not be a turnover for the sale of temporary export of goods from the territory of the Republic of Kazakhstan to the territory of the EAEU member states, which will subsequently be imported into the territory of the Republic of Kazakhstan without changing their properties and characteristics.

3. Turnover for the implementation of works and services in the EAEU is turnover in accordance with paragraph 2 of Article 452 of this Code, if, on the basis of paragraph 2 of Article 515 of this Code, the Republic of Kazakhstan is recognized as the place of implementation of works and services.

4. Taxable imports shall be:

1) goods imported (imported) into the territory of the Republic of Kazakhstan (with the exception of those exempted from value added tax in accordance with paragraph 2 of Article 525 of this Code).

The provision of this subparagraph also shall apply to imported (imported) vehicles subject to state registration with the state bodies of the Republic of Kazakhstan;

2) goods that shall be products of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state.

5. Not a taxable import:

1) temporary import of goods into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, which shall subsequently be exported from the territory of the Republic of Kazakhstan without changing their properties and characteristics;

2) import of goods into the territory of the Republic of Kazakhstan from the territory of the EAEU member states without changing the properties and characteristics that have been previously temporarily exported to the territory of the EAEU member states.

The provisions of this paragraph shall apply to the temporary importation of goods:

1) under contracts of property lease (lease) of movable property and vehicles;

2) to exhibitions and fairs.

The provisions of this paragraph shall not apply to vehicles through which services shall be provided for international transportation provided for in paragraph 2 of Article 468 of this Code.

In the case of the sale of the goods referred to in this paragraph, the import of such goods shall be recognized as a taxable import and shall be subject to value added tax on the imported goods from the date of registration of such goods in the procedure and amount specified in this Code.

If temporarily imported goods are found in the territory of the Republic of Kazakhstan for more than two years from the date of import, the import of such goods shall be recognized as taxable import and shall be subject to value added tax on imported goods from the date of registration of such goods in the procedure and amount determined by this Code.

6. Indirect taxes shall not be levied when importing into the territory of the Republic of Kazakhstan:

1) goods imported by individuals not for the purpose of entrepreneurial activity;

2) goods imported from the territory of the EAEU member state in connection with their transfer within one legal entity.

7. The taxpayer shall be obliged to notify the tax authorities when importing (exporting) the goods specified in subparagraph 1) and 2) of the second part of paragraph 5 and subparagraph 2 of paragraph 6 of this Article.

When temporarily importing goods into the territory of the Republic of Kazakhstan from the territory of the EAEU member states by a non-resident legal entity operating without a permanent establishment in the Republic of Kazakhstan, the obligation to submit a notification shall arise from the taxpayer of the Republic of Kazakhstan, who received the goods for temporary use.

The form of notification on import (export) of goods, the procedure and deadlines for its submission to the tax authorities shall be approved by the authorized body.

Article 515. Place of sale of goods, works, services

1. The place of sale of goods shall be determined in accordance with paragraph 1 of Article 459 of this Code.

2. The territory of the EAEU member state shall be recognized as the place of implementation of works and services if:

1) works, services are directly related to real estate located on the territory of this state.

The provisions of this subparagraph shall also apply to lease, hire and other use of immovable property.

For the purposes of this subparagraph, land plots, subsoil plots, separate water bodies and everything that shall be firmly connected with the land, that shall be, objects that cannot be moved without disproportionate damage to their purpose, including forests, perennial plantations, buildings, structures, pipelines, power lines, enterprises as property complexes and space objects;

2) works, services shall be directly related to movable property, vehicles located on the territory of this state (except for rental, leasing and other use of movable property and vehicles).

For the purposes of this subparagraph, movable property shall be recognized as things that shall not be related to real estate specified in subparagraph 1) of this paragraph, vehicles.

For the purposes of this subparagraph, ships and aircraft, inland navigation vessels, vessels of mixed (river-sea) navigation shall be recognized as vehicles; units of railway or tram rolling stock; buses; vehicles, including trailers and semi-trailers; cargo containers; mine dump trucks;

3) services in the field of culture, art, training (education), physical culture, tourism, recreation and sports shall be provided on the territory of this state;

4) the taxpayer of this state acquires:

consulting, legal, accounting, auditing, engineering, advertising, design, marketing services, information processing services, as well as research, development and experimental-technological (technological) works;

works, services for development of programs for electronic computers and databases (software and information products of computer equipment), their adaptation and modification , maintenance of such programs and databases;

Personnel services in case of personnel working in the buyer's place of business.

The provisions of this subparagraph shall also apply to:

transfer, granting, assignment of patents, licenses, other documents certifying the rights to state-protected objects of industrial property, trademarks, trademarks, trade names, service marks, copyright, related rights or other similar rights;

rental, leasing and other use of movable property, except for rental, leasing and other use of vehicles;

provision of services by a person engaging another person on behalf of the main participant of the contract (contract) to perform the works, services provided for in this subparagraph;

5) works shall be performed, services shall be provided by the taxpayer of this state, unless otherwise provided by subparagraph 1), 2), 3) and 4) of this paragraph.

The provisions of this subparagraph shall also apply to the lease, leasing and other use of vehicles.

3. Documents confirming the place of implementation of works and services shall be:

agreement (contract) for the performance of work, provision of services concluded between the taxpayer of the Republic of Kazakhstan and the taxpayer of the EAEU member state;

documents confirming the fact of performance of work, provision of services;

other documents provided for by the legislation of the Republic of Kazakhstan.

4. If the taxpayer performs, provides several types of works, services, the taxation procedure of which is regulated by this section, and the implementation of some works, services is of an auxiliary nature in relation to the implementation of other works, services, then the place of implementation of auxiliary works, services is recognized as the place of implementation of the main works, services.

5. The provisions of this Article shall not apply in the cases established by Section 21of this Code.

Article 516. Date of turnover for the sale of goods, works, services, taxable imports

1. For the purpose of calculating the value added tax when selling goods for export, the date of turnover for the sale of goods is the date of shipment, defined as the date of the first by the time of drawing up the primary accounting (accounting) document confirming the shipment of goods issued to the buyer of goods (the first carrier).

2. Unless otherwise set forth in this Article, the date of the taxable import shall be the date of the taxpayer's registration of imported goods (including goods resulting from the performance of work under contracts (contracts) on their manufacture), as well as goods received under an agreement (contract) providing for the provision of a loan in the form of things, goods that shall be the products of the processing of tolling raw materials.

Unless otherwise provided in this paragraph, for the purposes of this chapter, the date of registration of imported goods shall be:

1) the earliest of the dates of recognition (reflection) of such goods in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) date of import of such goods into the territory of the Republic of Kazakhstan.

If the taxpayer has both dates specified in subparagraph 1) and 2) of the second part of this paragraph, the date of registration of imported goods shall be the latest of the specified dates.

For the purposes of this paragraph, the date of import of goods into the territory of the Republic of Kazakhstan shall be:

when transporting goods by air or sea - the date of import to the airport or port located in the territory of the Republic of Kazakhstan;

when transporting goods in international road traffic - the date of crossing the State border of the Republic of Kazakhstan.

At the same time, the date of crossing the State border of the Republic of Kazakhstan shall be determined on the basis of a coupon on passing state control (or a copy of a coupon on passing state control) issued by territorial divisions (structural subdivisions) of the Border Service of the National Security Committee of the Republic of Kazakhstan, the form and procedure for submission of which shall be established jointly with the authorized body and the National Security Committee of the Republic of Kazakhstan. For the purposes of tax administration, the authorized body and the National Security Committee of the Republic of

Kazakhstan shall organize interaction on the transfer of information through a unified information system;

when transporting goods in international and interstate communication by rail - the date of import to the first border checkpoint (station) established by the Government of the Republic of Kazakhstan;

when transporting goods through the main pipeline system or power lines - the date of import to the point of delivery of goods;

when sending goods by international mail - the date of postmark on the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on mail.

In the absence of information on the date of import of goods into the territory of the Republic of Kazakhstan, the date of registration of imported goods shall be the date specified in subparagraph 1) of part two of this paragraph.

In the absence of recognition (recording) of goods in accounting in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, the date of registration of imported goods shall be the date specified in subparagraph 2) of part two of this paragraph.

In other cases, not specified in parts two - seven of this paragraph, as well as for individuals whose obligation to maintain accounting records shall not be provided for by the legislation of the Republic of Kazakhstan, the date of registration of imported goods shall be determined by the date of issue of the document confirming the receipt (or purchase) of such goods. At the same time, if there are documents confirming the delivery of goods, the date of acceptance of imported goods shall be the date of transfer of goods by the carrier to the buyer.

3. The date of making taxable imports when importing goods (leasing items) into the territory of the Republic of Kazakhstan from the territory of another EAEU member state under a leasing agreement providing for the transfer of ownership of these goods (leasing items) to the lessee shall be the date of payment of part of the cost of goods (leasing items) provided for by the leasing agreement (regardless of the actual size and date of payment) excluding remuneration.

If, under the leasing agreement, the date of the due date for payment of part of the cost of goods (leasing items) is set before the date of import of goods (leasing item) into the territory of the Republic of Kazakhstan, the first date of the taxable import shall be the date of registration of imported goods (leasing items).

If the early repayment by the lessee of the lease payments stipulated by the lease agreement is carried out after the expiration of three years, the date of final settlement shall be the last date of the taxable import under this lease agreement.

In case of non-compliance with the requirements established by subparagraph 2) of Article 511 of this Code, as well as in case of termination of the lease agreement after the

expiration of three years from the date of transfer of property (leased item), the date of the taxable import shall be the date of registration of imported goods (leased items).

4. The date of turnover for the implementation of works, services shall be the day of performance of works, provision of services, unless otherwise provided for by this paragraph.

The day of performance of work, provision of services shall be the date of signing a document confirming the fact of performance of work, provision of services.

If works and services are sold on an ongoing (continuous) basis, then the date of turnover for sale shall be the date that comes first:

1) invoice date;

2) date of receipt of each payment (regardless of the form of calculation).

Implementation on an ongoing (continuous) basis shall mean the performance of work, the provision of services on the basis of a long-term contract concluded for a period of twelve months or more, provided that the recipient of work, services can use their results in their production activities on the day of the performance of work, the provision of services.

In case of acquisition by a taxpayer of the Republic of Kazakhstan of works and services from a non-resident who is not a payer of value added tax in the Republic of Kazakhstan, who does not carry out activities through a structural subdivision and shall not be a taxpayer (payer) of the EAEU member state, the date of turnover shall be the date of signing documents confirming the fact of work performance, provision of services.

Article 517. Determination of taxable turnover when exporting goods

1. The amount of taxable turnover when exporting goods shall be determined on the basis of the value of the goods sold based on the prices and tariffs applied by the parties to the transaction, unless otherwise provided by this Article and the legislation of the Republic of Kazakhstan on transfer pricing.

2. The amount of taxable turnover when exporting goods (leased items) under a lease agreement (contract) providing for the transfer of ownership of them to the lessee shall be determined on the date stipulated by the lease agreement (contract) for the payment of each lease payment in the amount of part of the original cost of goods (leased items) attributable to each lease payment.

In this case, the original value of the goods (leased item) should be understood as the value of the leased item specified in the contract, excluding remuneration.

3. The amount of taxable turnover when exporting goods under contracts (contracts) providing for the provision of a loan in the form of things is determined as the cost of the transferred (provided) goods provided for by the contract (contract), in the absence of value in the agreement (contract) - the cost specified in the shipping documents, in the absence of value in contracts (contracts) and shipping documents - the cost of goods reflected in accounting.

At the same time, for the purposes of this chapter, shipping documents mean: international road waybill, railway waybill, consignment note, single-type waybill, baggage

list, postal list, baggage receipt, air waybill, bill of lading, as well as documents, used when moving goods by pipeline transport and power lines, and other documents used in the movement of certain types of excisable goods, as well as accompanying goods and vehicles during transportation provided for by the Laws of the Republic of Kazakhstan and international treaties to which the Republic of Kazakhstan shall be a party; invoices, specifications, shipping and packing lists, as well as other documents confirming information about goods, including the cost of goods, and used in accordance with international treaties to which the Republic of Kazakhstan shall be a party.

4. Unless otherwise established by this Article, if the price of goods sold increases (decreases) or the quantity (volume) of goods sold decreases due to their return due to inadequate quality and (or) configuration, the amount of taxable turnover when exporting goods shall be adjusted in the tax period in which the parties to the contract changed the price (agreed upon the return) of exported goods.

Article 518. Determining the size of taxable imports

1. The number of taxable imports of goods, including goods resulting from the performance of work under the agreement (contract) for their manufacture, shall be determined on the basis of the value of the purchased goods.

2. For the purposes of this Article, the value of the goods purchased shall be determined on the basis of the principle of determining the price for tax purposes.

The principle of determining the price for tax purposes means determining the value of purchased goods based on the price of the transaction payable for the goods, according to the terms of the contract.

If under the terms of the agreement (contract) the transaction price consists of the cost of purchased goods, as well as other expenses, and at the same time the cost of purchased goods and (or) the cost of other expenses shall be indicated separately, then the amount of taxable imports shall be exclusively the cost of purchased goods.

If, under the terms of the contract, the transaction price consists of the cost of purchased goods, as well as other expenses, and at the same time the cost of purchased goods and (or) the cost of other expenses shall not be specified separately, then the amount of taxable import shall be the transaction price specified in the contract.

The minimum price level shall be determined by the competent authority for goods included in the list of certain types of goods for which the minimum price level applies, in accordance with the procedure for determining the minimum price level.

The list of certain types of goods for which the minimum price level shall be applied, as well as the procedure for determining the minimum price level, shall be approved by the authorized body in agreement with the authorized body in the field of trade regulation.

When declaring the value of imported goods included in the list of certain types of goods for which the minimum price level shall be applied, below the established minimum price level, the taxpayer shall be obliged to pay tax, taking into account the difference in these

amounts at the rate established by paragraph 1 of Article 503 of this Code, within the period provided for by Article 530 of this Code.

If the tax authority reveals non-compliance by the taxpayer with the requirement established by part six of this paragraph, the amount of the difference between the minimum price level and the amount of the declared value of imported goods included in the list of certain types of goods in respect of which the minimum price level shall be applied is credited to the personal account in accordance with the procedure for maintaining a personal account.

3. The number of taxable imports of goods shall include excise taxes on excisable goods.

In the number of taxable imports of goods (leasing items) under leasing agreements, the calculated excise number for excisable goods shall be included on the date of registration of imported excisable goods (leasing items).

4. The number of taxable imports of goods received under commodity exchange (barter) agreements (contracts), as well as agreements (contracts) providing for the provision of a loan in the form of things, shall be determined on the basis of the cost of goods, taking into account the principle of determining the price for tax purposes provided for in paragraph 2 of this Article.

In this case, the cost of goods shall be determined on the basis of the price of goods provided for by the agreement (contract), in the absence of the price of goods in the agreement (contract) - the price of goods specified in the shipping documents, in the absence of the price of goods in agreements (contracts) and shipping documents - the price of goods reflected in accounting.

5. The number of taxable imports of goods that shall be products of tolling shall be determined on the basis of the cost of processing this tolling raw material, including excise taxes payable on excisable products of processing.

6. The number of taxable imports of goods (leased items) under a leasing agreement providing for the transfer of ownership of them to the lessee is determined in the amount of part of the value of the goods (leased item) provided for on the date established by paragraph 3 of Article 516 of this Code, excluding remuneration based on the principle of determining the price for tax purposes provided for in paragraph 2 of this Article.

If under the leasing agreement (contract) the date of the due date for payment of part of the cost of goods (leased items) is established before the date of import of goods (leased item) into the territory of the Republic of Kazakhstan, the amount of taxable import on the first date of the taxable import of goods (lease items) is defined as the sum of all lease payments under the contract (contract) of leasing without consideration of remuneration, the due date of which in accordance with the leasing agreement (contract) shall be set before the date of transfer of goods (leasing items) to the lessee.

In case of early repayment by the lessee of lease payments provided for by the lease agreement (contract) corresponding to the terms of paragraph 2 of Article 511 of this Code, the number of taxable imports as of the last date of its commission is determined as the

difference between the amount of all lease payments under the lease agreement (contract) excluding remuneration and repaid payments excluding remuneration.

In case of non-compliance with the requirements established by paragraph 2 of Article 511 of this Code, as well as in case of termination of the lease agreement after the expiration of three years from the date of transfer of property (subject of leasing) the amount of taxable imports is determined on the basis of the value of goods (leasing items) imported to the territory of the Republic of Kazakhstan from the territory of the EAEU member states, taking into account the principle of determining the price for taxation purposes, reduced by the amount of leasing payments (excluding remuneration) under a leasing agreement (contract) under which indirect taxes have been previously paid. At the same time, the number of taxable imports shall include the remuneration provided for by the leasing agreement (contract) until the occurrence of these cases.

7. When exercising control over the fulfilment of tax obligations on value added tax when importing goods into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, the tax authorities have the right to adjust the amount of taxable imports in the manner determined by the authorized body and/or taking into account the requirements of the legislation of the Republic of Kazakhstan on transfer pricing.

At the same time, the taxpayer independently adjusts the number of taxable imports taking into account the above procedure determined by the authorized body and (or) the requirements of the legislation of the Republic of Kazakhstan on transfer pricing.

8. In the event of a change in the price of imported goods by the parties to the agreement (contract) after the expiration of the month in which such goods shall be registered, the number of taxable imports shall be adjusted accordingly.

Article 519. Determination of the amount of taxable turnover for the implementation of works , services

Unless otherwise established by this chapter, the amount of taxable turnover for the implementation of works and services shall be determined in accordance with Articles 461, 462 and 463 of this Code.

Article 520. Export of goods to the EAEU

1. When exporting goods from the territory of the Republic of Kazakhstan to the territory of another EAEU member state, a zero-value added tax rate shall be applied.

Unless otherwise established by this chapter, when exporting goods from the territory of the Republic of Kazakhstan to the territory of another EAEU member state, the payer of value added tax shall have the right to offset value added tax in accordance with Chapter 49 of this Code.

2. The provisions of this Article shall also apply to goods that shall be the result of work under contracts for their manufacture, exported from the territory of the Republic of

Kazakhstan, on the territory of which work on their manufacture has been carried out, to the territory of another EAEU member state. These items shall not include items resulting from subcontracting.

3. When exporting goods (leasing items) from the territory of the Republic of Kazakhstan to the territory of another EAEU member state under a leasing agreement (contract) providing for the transfer of ownership of them to the lessee, under an agreement (contract) providing for the provision of a loan in the form of things, under an agreement (contract) on the manufacture of goods, a zero-value added tax rate shall be applied.

Article 521. Goods export confirmation

1. Documents confirming the export of goods shall be:

1) agreements (contracts), taking into account amendments, additions and Annexes to the Rules (hereinafter referred to as agreements (contracts), on the basis of which the export of goods shall be carried out, and in the case of leasing of goods or the provision of a loan in the form of things – leasing agreements (contracts), agreements (contracts) providing for the provision of a loan in the form of things, agreements (contracts) for the manufacture of goods;

2) an application for the import of goods and the payment of indirect taxes with a mark of the tax authority of the EAEU member state to whose territory the goods shall be imported, for the payment of indirect taxes and (or) exemption and (or) other method of payment (in hard copy in the original or copy or in electronic form);

3) copies of shipping documents confirming the movement of goods from the territory of one EAEU member state to the territory of another EAEU member state.

In case of export of goods via the trunk pipeline system or power transmission lines, instead of copies of shipping documents, a goods delivery and acceptance certificate shall be submitted;

4) confirmation of the authorized state body exercising state regulation in the field of copyright and related rights on the right to an intellectual property object, as well as its value - in the case of export of an intellectual property object.

2. In case of sale on the territory of the EAEU member states of the products of processing tolling raw materials previously exported from the territory of the Republic of Kazakhstan to the territory of the EAEU member states for processing, with the exception of cases provided for by paragraph 3 of Article 473 of this Code, confirmation of the export of processed products shall be carried out on the basis of the following documents:

1) agreements (contracts) for the processing of tolling raw materials;

2) agreements (contracts) on the basis of which the export of processed products shall be carried out;

3) documents confirming the fact of work on the processing of tolling raw materials;

4) copies of shipping documents confirming the export of tolling raw materials from the territory of the Republic of Kazakhstan to the territory of another EAEU member state.

In case of tolling via the trunk pipeline system or power transmission lines, instead of copies of shipping documents, a goods delivery and acceptance certificate shall be submitted;

5) applications for the import of goods and payment of indirect taxes (marked by the tax authority of the EAEU member state, to whose territory the processed products shall be imported, for the payment of indirect taxes and (or) exemption and (or) other method of payment (on paper in the original or copy or in electronic form);

6) copies of shipping documents confirming the export of processed products from the territory of the EAEU member state.

If the processed products are sold to the taxpayer of the EAEU member state, on the territory of which the work on the processing of tolling raw materials has been carried out, on the basis of documents confirming the shipment of such processed products.

In case of export of processed products via the trunk pipeline system or power transmission lines, instead of copies of shipping documents, a goods delivery and acceptance certificate shall be submitted;

7) documents confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts in second-tier banks in the Republic of Kazakhstan, opened in the procedure prescribed by the legislation of the Republic of Kazakhstan.

In the case of export of processed products through foreign trade exchange (barter) operations, when determining the amount of value added tax to be returned, the presence of an agreement (contract), as well as documents confirming the import of goods (performance of work, provision of services) received under this operation, shall be taken into account.

3. In case of further export to the territory of a state that is not a member of the EAEU, products of processing tolling raw materials previously exported from the territory of the Republic of Kazakhstan for processing on the territory of another EAEU member state, confirmation of the export of processed products shall be carried out on the basis of the following documents:

1) agreements (contracts) for the processing of tolling raw materials;

2) agreements (contracts) on the basis of which the export of processed products shall be carried out;

3) documents confirming the fact of work on the processing of tolling raw materials;

4) copies of shipping documents confirming the export of tolling raw materials from the territory of the Republic of Kazakhstan to the territory of another EAEU member state.

In case of tolling via the trunk pipeline system or power transmission lines, instead of copies of shipping documents, a goods delivery and acceptance certificate shall be submitted;

5) copies of shipping documents.

In case of export of processed products via the trunk pipeline system or power transmission lines, instead of copies of shipping documents, a goods delivery and acceptance certificate shall be submitted;

6) declarations for goods with marks of the customs authority of the EAEU member state, which produces goods in the customs export procedure, as well as with a mark of the customs authority of the EAEU member state located at the checkpoint at the EAEU customs border, except for the cases specified in subparagraph 7) of this paragraph;

7) a full declaration for goods with marks of the customs authority of the EAEU member state that made the customs declaration, in the following cases:

export of goods in the customs export procedure via the trunk pipeline system or power transmission lines;

export of goods in the customs export procedure using the temporary declaration procedure;

8) a copy of the declaration for goods with amendments (additions) made after the end of the declared period of delivery of goods, containing information on the actual quantity of goods exported, in case of export of goods with premises for the customs export procedure using periodic customs declaration;

9) declarations for goods in the form of an electronic document, according to which in the information systems of tax authorities there is a notification of customs authorities about the actual export of goods, which is also a document confirming the export of goods. If there is a declaration for goods in the form of an electronic document provided for in this subparagraph, the submission of documents established by subparagraph 6) and 7) of this paragraph shall be not required;

10) documents confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts in second-tier banks in the Republic of Kazakhstan, opened in the procedure prescribed by the legislation of the Republic of Kazakhstan.

4. In the case of export of processed products through foreign trade exchange (barter) operations, when determining the amount of value added tax to be returned, the presence of a contract (contract), as well as documents confirming the import of goods (performance of work, provision of services) received under this operation, shall be taken into account.

Article 522. Taxation of international transport in the EAEU

1. Unless otherwise provided by this Article, the taxation of international traffic in the EAEU is carried out in accordance with Article 468 of this Code.

2. Transportation of exported or imported goods through the system of main pipelines in the customs territory of the EAEU shall be considered international if the registration of transportation shall be carried out by documents confirming the transfer of exported or imported goods to the buyer or to other individuals who carry out further delivery of these goods to the buyer in the customs territory of the EAEU.

3. For the purposes of paragraph 2 of this Article, supporting documents shall be:

1) in case of export - a copy of the application for import of goods and payment of indirect taxes received by the exporter from the importer of goods;

2) in case of import - a copy of the application for the import of goods and payment of indirect taxes received from the taxpayer who imported goods into the territory of the Republic of Kazakhstan;

3) acts of work performed, acts of acceptance of goods from the seller or from other individuals who previously delivered the specified goods to the buyer or other individuals who further shall deliver the specified goods;

4) invoices.

4. Transportation of goods via the trunk pipeline system from the territory of one EAEU member state to the territory of the same or another EAEU member state through the territory of the Republic of Kazakhstan shall be considered international if the transportation is carried out by the following documents:

1) acts of work performed, services rendered, acceptance of goods from the seller or other persons who previously carried out the delivery of these goods to the buyer or other individuals who carry out the further delivery of these goods;

2) invoices.

Article 523. Taxation of work on the processing of tolling raw materials in the EAEU

1. Works on the processing of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state with the subsequent export of processed products to the territory of another state shall be subject to value added tax at a zero rate, subject to the conditions for the processing of goods and the term for processing tolling raw materials, which are provided for in paragraph 7 of this Article and Article 524 of this Code.

2. If the taxpayer of the Republic of Kazakhstan performs work on the processing of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member state with the subsequent export of processed products to the territory of the same EAEU member state, confirmation of the fact of the work on the processing of tolling raw materials by the taxpayer of the Republic of Kazakhstan shall be:

1) agreements (contracts) concluded between taxpayers of the EAEU member states;

2) documents confirming the fact of work on the processing of tolling raw materials;

3) documents confirming the import of tolling raw materials into the territory of the Republic of Kazakhstan (including the obligation to import (export) processed products);

4) documents confirming the export of processed products from the territory of the Republic of Kazakhstan (including the fulfilment of the obligation to import (export) processed products);

5) an application for the import of goods and the payment of indirect taxes (on paper in the original or copy or in electronic form) confirming the payment of value added tax on the cost of work on the processing of tolling raw materials.

In case of export of tolling products to the territory of a state that is not a member of the EAEU, the application specified in part one of this subparagraph shall not be submitted;

6) documents provided for by paragraph 9 of Article 166 of this Code confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts with second-tier banks in the Republic of Kazakhstan, opened in the procedure prescribed by the legislation of the Republic of Kazakhstan;

7) conclusion of the relevant authorized state body on the conditions for processing goods.

3. If the taxpayer of the Republic of Kazakhstan performs work on the processing of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of one EAEU member state with the subsequent sale of processed products to the territory of another EAEU member state, to confirm the fact of the processing of tolling raw materials by the taxpayer of the Republic of Kazakhstan, the following shall be presented:

1) agreements (contracts) for the processing of tolling raw materials, the supply of finished products concluded between taxpayers of the EAEU member states;

2) documents confirming the fact of work on the processing of tolling raw materials;

3) Acceptance certificates for raw materials and finished products;

4) documents confirming the import of tolling raw materials into the territory of the Republic of Kazakhstan (including the obligation to import (export) processed products);

5) documents confirming the export of processed products from the territory of the Republic of Kazakhstan (including the fulfilment of the obligation to import (export) processed products);

6) an application for the import of goods and the payment of indirect taxes confirming the payment of value added tax on the cost of work on the processing of tolling raw materials received from the owner of the tolling raw materials;

7) conclusion of the relevant authorized state body on the conditions for processing goods ;

8) documents provided for by paragraph 9 of Article 166 of this Code confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts with second-tier banks in the Republic of Kazakhstan, opened in the procedure prescribed by the legislation of the Republic of Kazakhstan.

4. If the taxpayer of the Republic of Kazakhstan performs work on the processing of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state with the subsequent sale of processed products to the territory of a state that shall not be a member of the EAEU, to confirm the fact of the processing of tolling raw materials by the taxpayer of the Republic of Kazakhstan, the following shall be presented:

1) agreements (contracts) concluded between taxpayers of the EAEU member states;

2) documents confirming the fact of work on the processing of tolling raw materials;

3) documents confirming the import of tolling raw materials into the territory of the Republic of Kazakhstan (including the obligation to import (export) processed products);

4) documents confirming the export of processed products from the territory of the Republic of Kazakhstan (including the fulfilment of the obligation to import (export) processed products);

5) a copy of the declaration for goods issued when exporting goods to the territory of a non-EAEU member state in the customs export procedure certified by the customs authority of the EAEU member state that carried out the customs declaration;

6) declaration of goods in the form of an electronic document, according to which in the information systems of tax authorities there shall be a notification of customs authorities about the actual export of goods, which shall be also a document confirming the export of goods. If there is a declaration of goods in the form of an electronic document provided for in this subparagraph, the submission of the document established by subparagraph 5 of paragraph 4 of this Article shall not be required;

7) documents provided for by paragraph 9 of Article 166 of this Code confirming the receipt of foreign exchange earnings to the taxpayer's bank accounts with second-tier banks in the Republic of Kazakhstan, opened in the procedure prescribed by the legislation of the Republic of Kazakhstan;

8) conclusion of the relevant authorized state body on the conditions for processing goods.

5. Work on the processing of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state with the subsequent sale of processed products in the territory of the Republic of Kazakhstan shall be subject to value added tax at the rate established by paragraph 1 of Article 503 of this Code.

6. In the case of import (export) of tolling raw materials for processing, the taxpayer of the Republic of Kazakhstan shall submit an obligation to export (import) processed products, as well as its execution in the procedure, in form and within the time frame determined by the authorized body in agreement with the central authorized body for state planning.

7. Processing of tolling raw materials must comply with the conditions for processing goods determined by the authorized body.

8. The conclusion of the relevant authorized state body on the conditions for processing goods must contain the following information:

1) names, classification of goods and processed products in accordance with the unified Commodity nomenclature of foreign economic activity of the EAEU, their quantity and cost;

2) date and number of the agreement (contract) for processing, processing period;

3) standards of output of processed products;

4) the nature of processing;

5) information about the individual performing the processing.

9. At the reasoned request of the individual, with the permission of the tax authority, it shall be allowed to replace the processed products with goods produced by the processor earlier, if they coincide in their description, quantity, cost, quality and technical characteristics with the processed products.

Article 524. Processing period for tolling raw materials

1. The term for processing tolling raw materials exported from the territory of the Republic of Kazakhstan to the territory of the EAEU member state, as well as imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, shall be determined in accordance with the terms of the agreement (contract) for the processing of tolling raw materials and cannot exceed two years from the date of registration and (or) shipment of tolling raw materials.

2. In case of exceeding the period established in paragraph 1 of this Article, tolling raw materials imported for processing into the territory of the Republic of Kazakhstan for tax purposes shall be recognized as taxable imports and shall be subject to value added tax from the date of import of goods into the territory of the Republic of Kazakhstan in accordance with this chapter.

3. In case of exceeding the period established in paragraph 1 of this Article, tolling raw materials exported for processing from the territory of the Republic of Kazakhstan to the territory of the EAEU member state, For tax purposes, it shall be recognized as taxable turnover for sale and shall be subject to value added tax from the date of export of tolling raw materials from the territory of the Republic of Kazakhstan at the rate, established by paragraph 1 of Article 503 of this Code, except for cases established by paragraph 3 of Article 473 and paragraphs 2 and 3 of Article 521 of this Code.

For the purpose of this paragraph, the amount of taxable turnover for tolling raw materials accounted for by the volume of tolling products not imported back into the territory of the Republic of Kazakhstan on time shall be determined in the amount of the cost of tolling raw materials included in the cost of such processing products, on the basis of accounting policies developed in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

For the purposes of this Article, the method of determining the cost established in the accounting policy of the taxpayer shall not be subject to change during the calendar year.

Article 525. Turnover and imports exempt from value added tax in the Eurasian Economic Union

1. Sales turnover shall be exempt from value added tax:

1) works, services specified in Chapter 48 of this Code, if the place of their implementation shall be the Republic of Kazakhstan;

2) services for the repair of goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, including its restoration, replacement of components.

Documents confirming the provision of the services specified in this subparagraph shall be the documents provided for in paragraph 3 of Article 515 of this Code.

The list of services specified in this subparagraph shall be approved by the authorized body;

3) international communication services provided by the taxpayer of the Republic of Kazakhstan to the taxpayer of another EAEU member state.

2. Import of the following goods shall be exempt from value added tax:

1) provided for by subparagraphs 1), 2), 4) – 8) and 10) – 18) of paragraph 1 of Article 479 of this Code.

The procedure for exemption from value added tax of imports of goods within the EAEU specified in this subparagraph shall be determined by the authorized body;

2) imported as part of the warranty service provided for by the agreement (contract).

Confirmation of the import of goods within the framework of warranty service shall be an agreement (contract) providing for warranty service, on the basis of which the goods have been purchased, shipping documents, claim and defective act confirmed by the parties to the agreement (contract);

3) raw materials and (or) materials as part of vehicles and (or) agricultural machinery, as well as their components placed under the customs procedure of a free warehouse or free customs zone of the special economic zone "Kyzylzhar" by a legal entity within the framework of a special investment contract concluded with an authorized body for concluding special investment contracts determined by the Government of the Republic of Kazakhstan, subject to the following conditions:

in relation to vehicle manufacturers - the existence of an agreement on the industrial assembly of motor vehicles or an agreement on the industrial assembly of vehicles with an authorized body in the field of state support for innovation;

in relation to manufacturers of agricultural machinery - the existence of an agreement on the industrial assembly of agricultural machinery with the authorized body in the field of state support for innovation activities;

in relation to component manufacturers - the existence of an agreement on the industrial assembly of components for vehicles and (or) agricultural machinery with an authorized body in the field of state support for innovation activities.

3. In the case of the use of goods previously imported into the territory of the Republic of Kazakhstan, for other purposes than those in connection with which, in accordance with the legislation of the Republic of Kazakhstan, exemption from value added tax on imports has been granted, value added tax on the import of such goods shall be payable on the last date of maturity, established by this Code for payment of value added tax upon import of goods.

4. The remuneration paid by the lessee - taxpayer of the Republic of Kazakhstan to the lessor of another EAEU member state under a leasing agreement shall be exempt from value added tax.

5. A legal entity that shall have concluded a special investment contract with an authorized body for concluding special investment contracts determined by the Government

of the Republic of Kazakhstan shall have the right to apply exemption from value added tax when importing goods as part of finished products produced in a special economic zone or free warehouse, subject to the following conditions:

1) the goods shall be placed under the customs procedure of a free customs zone or a free warehouse;

2) the customs procedure of a free customs zone or a free warehouse shall be completed by the customs procedure of release for internal consumption;

3) the goods have been identified as part of the finished products in accordance with the customs legislation of the Republic of Kazakhstan.

Article 526. Procedure for offsetting value added tax amounts in the EAEU

1. Unless otherwise provided by this Article, value added tax shall be offset in the procedure prescribed by Chapter 49 of this Code.

2. When importing goods to the territory of the Republic of Kazakhstan from the territory of the EAEU member states, the amount of value added tax on imported goods paid in the prescribed procedure to the budget of the Republic of Kazakhstan shall be subject to offset, within the calculated and (or) accrued amounts.

The amount of value added tax set off when importing goods under a leasing agreement (contract) shall be the amount of value added tax paid to the budget, but not exceeding the amount of value added tax attributable to the amount of taxable imports for the tax period determined in accordance with paragraph 6 of Article 518 of this Code. At the same time, the amounts of value added tax accrued (calculated) for previous tax periods and paid, including by offsetting in the procedure prescribed by Articles 120, 121, 122 and 123 of this Code, in the current tax period, shall be subject to offset in the current tax period.

3. When the lessee - taxpayer of the Republic of Kazakhstan transfers goods (leasing items) on lease, subject to receipt by the lessee - taxpayer of another EAEU member state, the amount of value added tax to be credited by the lessee - taxpayer of the Republic of Kazakhstan shall be determined in the part attributable to the cost of goods (leasing items) for each lease payment, excluding remuneration.

Article 527. Invoice

1. The procedure for issuing invoices shall be determined in accordance with paragraph 1 of Chapter 20 of this Code, unless otherwise established by this Article.

2. In case of export of goods from the territory of the Republic of Kazakhstan to the territory of another EAEU member state, an invoice shall be issued no later than twenty calendar days after the date of the sale turnover.

3. In the case of work on the processing of tolling raw materials imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state with the subsequent export of processed products to the territory of another state, an invoice shall be issued on the date of signing a document confirming the performance of work on the processing of tolling raw materials.

4. The invoice issued in the cases specified in paragraphs 2 and 3 of this Article shall comply with the requirements established by paragraph 2 of Article 207 of this Code, as well as reflect:

1) date of sales turnover;

2) a number identifying an individual as a taxpayer-buyer in a member state of the EAEU.

5. When the lessee - taxpayer of the Republic of Kazakhstan transfers goods (leasing items) on lease, subject to receipt by the lessee - taxpayer of another EAEU member state, the invoice shall be issued on the date of each lease payment without taking into account remuneration in the amount of part of the original cost of the goods (leasing item) provided for by the lease agreement, but not exceeding the amount actually received payment.

The amount of remuneration of the lessor - taxpayer of the Republic of Kazakhstan in the invoice should be highlighted in a separate line.

6. When the importer sells goods imported from the territory of the EAEU member states to the territory of the Republic of Kazakhstan in one tax period, an invoice in electronic form shall be issued no later than the 20th day of the month following the tax period.

In other cases, when the importer sells goods imported from the territory of the EAEU member states to the territory of the Republic of Kazakhstan, an invoice shall be issued within the time frame established by paragraph 1 of Chapter 20 of this Code.

Article 528. Features of determining value added tax payers when importing goods

1. If the goods are purchased by the taxpayer of the Republic of Kazakhstan on the basis of an agreement (contract) with the taxpayer of another EAEU member state, the payment of value added tax shall be carried out by the taxpayer of the Republic of Kazakhstan (the owner of the goods or the commissioner, attorney, operator), to whose territory the goods shall be imported.

For the purposes of this chapter, the owner of goods should be understood as an individual who has ownership of goods or to whom the transfer of ownership of goods shall be provided for by an agreement (contract).

2. If the goods are purchased by a taxpayer of the Republic of Kazakhstan on the basis of an agreement (contract) with a taxpayer of another EAEU member state and the goods shall be imported from the territory of a third EAEU member state, the value added tax shall be paid by the taxpayer of the Republic of Kazakhstan, to the territory of which the goods shall be imported, - the owner of the goods.

3. If the goods are sold by a taxpayer of one EAEU member state on the basis of a commission agreement, instructions to a taxpayer of the Republic of Kazakhstan and imported from the territory of a third EAEU member state, the payment of value added tax shall be carried out by the taxpayer of the Republic of Kazakhstan, to whose territory the goods shall be imported, - by a commission agent, attorney.

4. If the taxpayer of the Republic of Kazakhstan purchases at the exhibition and fair trade organized by another taxpayer of the Republic of Kazakhstan, goods previously imported into

the territory of the Republic of Kazakhstan by a taxpayer of another EAEU member state, for which value added tax has not been paid, the payment of value added tax shall be carried out by the taxpayer of the Republic of Kazakhstan - the owner of the goods or the commissioner, attorney (operator), unless otherwise provided this paragraph.

When a taxpayer of the Republic of Kazakhstan purchases goods previously imported to the territory of the Republic of Kazakhstan from the territory of the EAEU member states for which value added tax has not been paid, the owner of the goods pays value added tax if there are contracts (contracts) with a non-resident for their purchase and sale.

In the absence of agreements (contracts) for the purchase and sale of goods, the payment of value added tax on such goods shall be carried out by the taxpayer of the Republic of Kazakhstan, who organized the exhibition and fair trade.

The taxpayer of the Republic of Kazakhstan, organizing exhibition and fair trade, shall be obliged to notify the tax authority in writing about such trade at the location ten working days before the start of its holding with the attachment of a list of trade participants from the EAEU member states.

The procedure for monitoring the payment of value added tax on exhibition and fair trade be determined by the authorized body.

5. If the goods are purchased on the basis of an agreement between the taxpayer of the Republic of Kazakhstan and the taxpayer of a state that shall not be a member of the EAEU, and the goods shall be imported from the territory of another EAEU member state, the value added tax be paid by the taxpayer of the Republic of Kazakhstan, to the territory of which the goods shall be imported - the owner of the goods or a commissioner, attorney (operator).

Article 529. Peculiarities of calculation of value added tax when importing goods into the territory of the Republic of Kazakhstan under commission (assignment) agreements from the territories of the EAEU member states

1. When goods are imported into the territory of the Republic of Kazakhstan by a commission (attorney) on the basis of commission (order) agreements, the obligation to calculate and transfer value added tax to the budget for imported goods rests with the commission (attorney).

At the same time, the amount of value added tax paid by the commission (attorney) on goods imported into the territory of the Republic of Kazakhstan shall be offset by the buyer of such goods on the basis of an invoice issued by the commission (attorney) to the buyer, as well as a copy of the application for the import of goods and payment of indirect taxes containing the mark of the tax authority provided for in paragraph 7 of Article 530 of this Code.

2. The sale of goods, the performance of work or the provision of services by the commissioner on his own behalf and at the expense of the committee shall not be a turnover for the sale of the commissioner.

3. Sale of goods, performance of works or rendering services to the attorney on behalf of and at the expense of the principal shall not be a turnover for the sale of the attorney.

4. The issuance of invoices for goods imported into the territory of the Republic of Kazakhstan under commission (assignment) agreements concluded between the committee (principal) - taxpayer of the EAEU member state and the commission (attorney) - taxpayer of the Republic of Kazakhstan selling goods in the territory of the Republic of Kazakhstan shall be carried out by the commission (attorney). In this case, the invoice is issued indicating the status of the supplier "commission" ("attorney").

The invoice issued by the commission agent (attorney) to the buyer must indicate the details established by paragaph 2 of Article 207 of this Code, the cost of goods excluding value added tax, as well as the number and date of the application for the import of goods and payment of indirect taxes attached to the invoice.

The amount of value added tax paid by the commissioner (attorney) for imported goods shall be highlighted in a separate line in the invoice.

Such invoice shall be accompanied by a copy of the application for import of goods and payment of indirect taxes received from the commission (attorney), which shall be the basis for offsetting the value added tax paid when importing goods by the commission (attorney).

Value added tax on imported goods paid by the commission (attorney) when importing goods into the territory of the Republic of Kazakhstan shall not be subject to offset by the commission (attorney).

5. The date of making taxable imports when importing goods into the territory of the Republic of Kazakhstan on the basis of commission (assignment) agreements shall be the date of registration by the commission (attorney) of imported goods.

For the purposes of this paragraph, the date of registration shall be the date of the initial document drawn up by the committee (principal) to the address of the commission agent (attorney) confirming the transfer of goods.

6. When selling goods, performing works, rendering services on the terms corresponding to the terms of the commission (assignment) agreement, the amount of taxable turnover of the commission agent (attorney) shall be determined on the basis of remuneration under the commission (assignment) agreement.

Article 530. Procedure for calculating and paying value added tax when importing goods into the EAEU

1. Unless otherwise established by this Article, the procedure for calculating and paying value added tax in the EAEU shall be determined in accordance with Chapter 51 of this Code.

2. When importing goods, including goods that are products of tolling, into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, the taxpayer shall be obliged to submit to the tax authority at the location (residence) application for the import

of goods and payment of indirect taxes, including under contracts (contracts) of leasing, on paper and in electronic form or only in electronic form no later than the 20th day of the month following the tax period, unless otherwise established by this paragraph.

Simultaneously with the application for the import of goods and payment of indirect taxes , the taxpayer shall submit the following documents to the tax authority:

1) bank statement confirming the actual payment of indirect taxes on imported goods, and (or) other payment document provided for by the banking legislation of the Republic of Kazakhstan, confirming the fulfilment of the tax obligation to pay indirect taxes on imported goods, or documents confirming exemption from value added tax, taking into account the requirements of Article 525 of this Code.

At the same time, these documents shall not be submitted under a different procedure for paying value added tax, and in case of overpayment on personal accounts for value added tax on imported goods, which shall to be offset against future value added tax payments on imported goods, provided, that the taxpayer has not applied for offset of the specified amounts of overpayment for other types of taxes and payments to the budget or return to the current account.

Under lease agreements (contracts), the documents specified in this subparagraph shall be submitted within the period established in this paragraph for the lease payment term stipulated by the lease agreement (contract) falling within the reporting tax period;

2) shipping and (or) other documents confirming the movement of goods from the territory of one EAEU member state to the territory of the Republic of Kazakhstan (these documents shall not be submitted if for certain types of movement of goods, including movement of goods without the use of vehicles, the execution of these documents is not provided for by the legislation of the Republic of Kazakhstan);

3) invoices issued in accordance with the legislation of the EAEU member state during the shipment of goods, if their issuance (statement) is provided for (provided for) by the legislation of the EAEU member state.

If the issue (statement) of the invoice is not provided (not provided) by the legislation of the EAEU member state or the goods shall be purchased from a taxpayer of a state that shall not be a member of the EAEU, instead of the invoice, another document issued (issued) by the seller confirming the cost of imported goods shall be submitted;

4) agreements (contracts) on the basis of which goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member state have been purchased, in the case of leasing of goods (leasing items) - leasing agreements (contracts), in the case of granting a loan in the form of things - loan agreements, agreements (contracts) on the manufacture of goods, agreements (contracts) for the processing of tolling raw materials;

5) information message (in cases provided for in paragraphs 2, 3, 4 and 5 of Article 528 of this Code)submitted to the taxpayer of the Republic of Kazakhstan by a taxpayer of another EAEU member state or a taxpayer of a non-EAEU member state, signed by the head (by an

individual entrepreneur) and certified by the seal of the organization selling goods imported from the territory of the third EAEU member state, containing information about the taxpayer of the third EAEU member state and the contract (contract) concluded with the taxpayer of this third EAEU member state on the acquisition of imported goods:

number identifying the individual as a taxpayer of the EAEU member state;

name of the taxpayer (organization, individual entrepreneur) of the EAEU member state;

location (residence) of the taxpayer of the EAEU member state;

number and date of the agreement (contract);

number and specification date.

If the taxpayer of the EAEU member state from which the goods has been purchased is not the owner of the goods being sold (is a commissioner, attorney), then the information specified in paragraphs from two to six of the first part of this subparagraph shall be also provided in relation to the owner of the goods being sold.

In case of presentation of an information message in a foreign language, a translation into Kazakh and Russian is required.

An information message shall not be provided if the information given in this subparagraph is contained in the agreement (contract) specified in subparagraph 4) of part two of this paragraph;

6) commission agreements (contracts) or assignments (if concluded);

7) agreements (contracts) on the basis of which goods imported into the territory of the Republic of Kazakhstan from the territory of another EAEU member state have been purchased under commission or assignment agreements (in the cases provided for by subparagraphs 2 and 3 of Article 528 of this Code, except for cases when value added tax is paid by a commission agent, attorney).

In case of retail sale, in the absence of documents specified in subparagraphs 2 ,3 and 4 of the second part of this paragraph, documents shall be submitted confirming the receipt (or purchase) of goods imported into the territory of the Republic of Kazakhstan (including cash register receipts, commodity receipts, procurement acts).

The documents specified in subparagraphs 1 – 7) of the second part of this paragraph may be presented in copies certified by signatures of the head and chief accountant (if any) or other individuals authorized to do so by the decision of the taxpayer, as well as by the stamp of the taxpayer, except for cases when the taxpayer shall not have a seal on the grounds provided for by the legislation of the Republic of Kazakhstan.

In this case, the specified copies of documents can be presented in the form of a book (books), laced (laced), numbered (numbered) with indication on the last sheet of the total number of sheets and certified (certified) on the last sheet by signatures of the head and chief accountant (if any) or other persons authorized by the decision of the taxpayer, as well as the stamp of the taxpayer, except for cases when the taxpayer does not have a stamp on the grounds provided for by the legislation of the Republic of Kazakhstan.

Under leasing agreements (contracts), the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of registration of imported goods (leasing items), simultaneously with the application for the import of goods and payment of indirect taxes, the documents provided for in subparagraphs 1 – 7) of part two of this paragraph. Subsequently, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of the payment term provided for by the leasing agreement (contract), simultaneously with the application for the import of goods and payment of indirect taxes, the documents (copies thereof) provided for in subparagraphs 1 of the second part of this paragraph.

If the due date for payment of part of the cost of goods (leasing items) provided for by the leasing agreement (contract) comes after the import of goods (leasing items) to the territory of the Republic of Kazakhstan, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of registration of imported goods (leased items), simultaneously with the application for the import of goods and payment of indirect taxes, the documents provided for in subparagraphs 2 ,3 and 4 of part two of this paragraph. At the same time, the taxpayer in the application for the import of goods and the payment of indirect taxes shall not reflect the tax base for value added tax.

If under the leasing agreement (contract) the date of the due date for payment of part of the cost of goods (leasing items) is established before the date of import of goods (leasing items) into the territory of the Republic of Kazakhstan, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of registration of imported goods (leased items), simultaneously with the application for the import of goods and payment of indirect taxes, the documents provided for in subparagraphs 1 – 4) of part two of this paragraph.

Subsequently, the taxpayer shall submit to the tax authority no later than the 20th day of the month following the tax period - the month of the payment term provided for by the leasing agreement (contract), simultaneously with the application for the import of goods and payment of indirect taxes, the documents (copies thereof) provided for in subparagraphs 1 of the second part of this paragraph.

3. An application for the import of goods and the payment of indirect taxes on paper (in four copies) and in electronic form shall be submitted:

1) individuals importing goods to the territory of the Republic of Kazakhstan from the territory of the EAEU member states with exemption from value added tax in accordance with paragraph 2 of Article 525 of this Code and (or) payment of value added tax by offset in accordance with Article 509 of this Code;

2) the taxpayer in case of amendments and additions to the application for the import of goods and payment of indirect taxes provided for in paragraph 2 of Article 533 of this Code.

4. When submitting an application for the import of goods and payment of indirect taxes only in electronic form, the documents specified in subparagraph 1)-7) of the second part of paragraph 2 of this Article shall not be submitted.

The provision of this paragraph shall not apply in the cases specified in paragraph 3 of this Article.

5. Value added tax on imported goods shall be paid at the location (residence) of taxpayers no later than the 20th day of the month following the tax period.

In the event of a change in the upward price of imported goods in accordance with paragraph 8 of Article 518 of this Code, value added tax on imported goods shall be paid no later than the 20th day of the month following the month in which the parties to the agreement (contract) changed the price of imported goods.

6. The tax period for calculating and paying indirect taxes when importing goods, including goods that shall be products of the processing of tolling raw materials, goods (leasing items) under leasing agreements (contracts), into the territory of the Republic of Kazakhstan from the territory of the EAEU member states shall be the calendar month in which such imported goods shall be taken into account or the due date is due, provided for by the leasing agreement (contract).

At the same time, it shall be allowed to fulfil the tax obligation during the tax period.

7. Confirmation by the tax authorities of the fact of payment of value added tax on imported goods in the application for the import of goods and payment of indirect taxes by putting an appropriate mark or a reasoned refusal to confirm shall be carried out in cases and in the manner prescribed by the authorized body.

According to applications submitted in hard copy and in electronic form, confirmation of the fact of payment of value added tax shall be made by the tax authority within ten working days from the date of receipt of the application in hard copy by putting an appropriate mark on such an application.

According to applications submitted in accordance with paragraph 4 of this Article, confirmation of the fact of payment of value added tax shall be made by the tax authority within three working days from the date of receipt of the application in electronic form by sending a notification to the taxpayer to confirm the fact of payment of indirect taxes in electronic form.

8. According to applications submitted in hard copy and in electronic form, the refusal to confirm the fact of payment of value added tax is made by the tax authority within ten working days from the date of receipt of the application in hard copy by sending the taxpayer a reasoned refusal in hard copy.

According to the applications submitted in accordance with paragraph 4 of this Article, the refusal to confirm the fact of payment of value added tax shall be made by the tax authority within three working days from the date of receipt of the application in electronic form by sending the taxpayer a reasoned refusal in electronic form.

9. In the cases specified in paragraph 8 of this Article, the taxpayer is obliged to submit to the tax authority an application for the import of goods and the payment of indirect taxes with the elimination of violations within fifteen working days from the date of receipt of the reasoned refusal.

10. In the event of a change in the upward price of imported goods in accordance with paragraph 8 of Article 518 of this Code, an application for the import of goods and the payment of indirect taxes in electronic form shall be submitted no later than the 20th day of the month following the month in which the parties to the agreement (contract) changed the price of imported goods.

At the same time, the application for the import of goods and the payment of indirect taxes shall reflect the changed value of the purchased imported goods.

Documents confirming the increase in the price of imported goods shall be: an agreement (contract) on price change, an additional invoice containing a changed value for taxable imports and value added tax (if the issuance (statement) of the invoice shall be provided for (provided) by the legislation of the EAEU member state), and (or) other document confirming the change in the price of imported goods.

Article 531. Procedure for calculating and paying value added tax when exporting goods in the Eurasian Economic Union

1. In case of receipt from the tax authorities of the EAEU member states, whose taxpayers imported goods, applications for the import of goods and payment of indirect taxes in electronic form to the taxpayer of the Republic of Kazakhstan who exported the goods, the tax authority of the Republic of Kazakhstan shall send a notification of receipt of such an application.

The notice referred to in this paragraph shall be given within ten working days from the date of receipt of such application.

2. If an application for the import of goods and payment of indirect taxes is not received in electronic form to the tax authority of the Republic of Kazakhstan within one hundred and eighty calendar days from the date of turnover on the sale of goods during their export, on the sale of works, services in the case of work on the processing of tolling raw materials, the payer of value added tax specified in subparagraph 1) paragraph 1 of Article 521 of this Code shall pay tax at the rate established by paragraph 1 of Article 503 of this Code within the period stipulated by Article 506 of this Code.

The procedure for calculating the amounts of value added tax specified in this paragraph by the tax authority shall be established in the procedure for maintaining personal accounts.

3. In case of late and incomplete payment of the amount of value added tax calculated in accordance with paragraph 2 of this Article, the tax authority shall apply methods of ensuring the fulfilment of the tax obligation that has not been fulfilled on time and enforcement measures in the procedure prescribed by this Code.

4. In case of receipt of an application for the import of goods and payment of indirect taxes in electronic form to the tax authority of the Republic of Kazakhstan after the expiration of the period provided for in paragraph 2 of this Article, the paid amounts of value added tax are subject to offset and return in accordance with Articles 120, 121 and 122 of this Code.

In this case, the paid amounts of penalties accrued in accordance with paragraph 3 of this Article shall not be subject to return.

Article 532. Withdrawal of the application for the import of goods and payment of indirect taxes when importing goods in the Eurasian Economic Union

1. The application for import of goods and payment of indirect taxes shall be subject to withdrawal from the tax authorities independently by the taxpayer, as well as on the basis of the tax application for withdrawal of tax reporting submitted by the taxpayer to the tax authority at the location (residence) of the taxpayer.

2. Withdrawal of the application for the import of goods and payment of indirect taxes shall be made by the taxpayer independently in the event of introduction of amendments and additions to the information previously indicated in the application for the import of goods and payment of indirect taxes that shall not affect the amount of the tax base for calculating the amounts of indirect taxes.

3. Withdrawal of the application for the import of goods and payment of indirect taxes shall be made by the taxpayer by submitting a tax application to the tax authority in the following cases:

1) erroneous submission of an application for the import of goods and payment of indirect taxes;

2) establishment by the tax authority of the fact of the absence of import of goods;

3) introduction of amendments and additions to the information previously specified in the application for the import of goods and payment of indirect taxes affecting the amount of the tax base for calculating the amounts of indirect taxes, including in the cases provided for in paragraphs 2 and 3 of Article 533 of this Code.

4. Withdrawal of the application for import of goods and payment of indirect taxes shall be made by one of the following methods:

1) removal from the central node of the system for receiving and processing tax reports, which shall be used on applications for the import of goods and payment of indirect taxes submitted by mistake or submitted for imported goods that have been fully returned due to inadequate quality and (or) packaging, as well as when the tax authority establishes the fact of the absence of import of goods.

For the purposes of part one of this subparagraph, a declaration of importation of goods and payment of indirect taxes shall be deemed to be erroneously submitted if the obligation to submit such a declaration is not provided for by this Code;

2) replacement, in which introduction of amendments and additions to the application for the import of goods and payment of indirect taxes shall be made by the taxpayer by

withdrawing the previously submitted application with the simultaneous submission of a new application;

3) introduction of amendments in the case of sending an application for the import of goods and the payment of indirect taxes to the tax authority not at the location (residence).

For the purposes of subparagraphs 2 and 3 of the first part of this paragraph, when withdrawing an application for the import of goods and payment of indirect taxes by replacing or changing the taxpayer's personal accounts, the tax authority at the place of registration shall reverse the amounts reflected in the withdrawn application for the import of goods and the payment of indirect taxes, with subsequent recording in the personal account of data on the application for the import of goods and the payment of indirect taxes, taking into account the announced amendments and (or) additions.

5. The taxpayer shall not be allowed to introduce amendments and additions to the application for the import of goods and payment of indirect taxes:

1) the audited tax period - during the period of comprehensive inspections and thematic inspections of value added tax and excise taxes specified in the order for the tax audit;

2) the appealed tax period - during the period of filing and consideration of a complaint against the notification of the results of the audit, taking into account the restored period for filing a complaint on value added tax and excise taxes specified in the taxpayer's complaint.

6. The procedure for withdrawing an application for the import of goods and the payment of indirect taxes shall be determined by the authorized body.

Article 533. Procedure for adjusting the amounts of value added tax paid when importing goods

1. In case of partial and (or) complete return of goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, due to inadequate quality and (or) configuration before the expiration of the month in which such goods have been imported, information on such goods shall not be reflected in the application for import of goods and payment of indirect taxes.

2. In case of partial return of goods due to inadequate quality and (or) packaging after the expiration of the month in which such goods have been imported, information on such goods shall be reflected in the application for the import of goods and payment of indirect taxes submitted in exchange for the withdrawn application.

3. In case of full return of goods due to inadequate quality and (or) packaging after the expiration of the month in which such goods have been imported, the application for the import of goods and payment of indirect taxes submitted for such goods shall be withdrawn by the removal method in accordance with subparagraph 1) of paragraph 3 of Article 532 of this Code.

4. For the purposes of this Article, documents confirming the full and (or) partial return of goods imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, due to inadequate quality and (or) configuration, shall be:

1) a claim agreed by the exporting taxpayer and the importing taxpayer containing information on the number of imported goods to be returned due to inadequate quality and (or) packaging;

2) goods acceptance certificates (in the absence of transportation of returned goods);

3) transport (shipping) documents (in case of transportation of returned goods);

4) acts of destruction (in case of destruction of goods).

Hard copies of the documents specified in this paragraph shall be submitted to the tax authority simultaneously with the documents provided for in sub-paragraphs 1) - 7) of part two of paragraph 2 of Article 530 of this Code.

5. Not subject to value added tax:

1) loss of goods incurred by the taxpayer within the standards of natural loss established by the legislation of the Republic of Kazakhstan;

2) damage to goods resulting from natural and man-made emergencies.

For the purposes of this Article, loss of goods means an event resulting in the destruction or loss of goods. Damage to the goods means deterioration of all or individual qualities (properties) of the goods, as a result of which these goods cannot be used for the purposes of taxable turnover.

SECTION 8. EXCISES Chapter 53. GENERAL PROVISIONS

Article 534. Application of excise taxes

Excise taxes shall be imposed on goods produced in the territory of the Republic of Kazakhstan, imported into the territory of the Republic of Kazakhstan, specified in subparagraphs 1) - 9) of the first part of Article 536 of this Code, as well as goods purchased in the territory of the Republic of Kazakhstan, specified in subparagraph 10) of the first part of Article 536 of this Code.

Article 535. Payers

Excise taxes shall be imposed on goods produced in the territory of the Republic of Kazakhstan, imported into the territory of the Republic of Kazakhstan, specified in subparagraphs 1) - 9) of the first part of Article 536 of this Code, as well as goods purchased in the territory of the Republic of Kazakhstan, specified in subparagraph 10) of the first part of Article 536 of this Code.

Article 535. Payers

1. Excise tax payers shall be individuals and legal entities that:

1) produce excisable goods on the territory of the Republic of Kazakhstan, with the exception of the import of excisable goods for which payment has been made, in accordance with the customs legislation of the Republic of Kazakhstan, as well as in the presence of an industrial assembly agreement;

2) import excisable goods into the territory of the Republic of Kazakhstan;

3) wholesale, retail sale of gasoline (with the exception of aviation) and diesel fuel of gasohol, benzenol, nefras, a mixture of light hydrocarbons, environmental fuel in the Republic of Kazakhstan;

4) carry out the sale of confiscated, ownerless, inherited by the state and freely transferred to the ownership of the state in the territory of the Republic of Kazakhstan excisable goods specified in subparagraph 5) – 7) of part one of Article 536 of this Code, and for which the excise tax on the territory of the Republic of Kazakhstan has not previously been paid in accordance with the legislation of the Republic of Kazakhstan;

5) sell the property mass of excisable goods specified in Article 536 of this Code, and for which the excise tax on the territory of the Republic of Kazakhstan has not previously been paid in accordance with the legislation of the Republic of Kazakhstan;

6) assemble (complete) excisable goods provided for in subparagraph 6) of part one of Article 536 of this Code, with the exception of the import of excisable goods for which payment has been made, in accordance with the customs legislation of the Republic of Kazakhstan, as well as in the presence of an industrial assembly agreement.

2. The payers of excise taxes shall be also individuals:

1) importing excisable goods from the territory of the EAEU member states for business purposes.

Criteria for classifying excisable goods as imported for business purposes shall be established by the authorized body;

2) importing excisable goods specified in subparagraph 10) of part one of Article 536 of this Code to the territory of the Republic of Kazakhstan from the territory of the EAEU member states and (or) non-EAEU member states, as well as purchasing excisable goods specified in subparagraph 10) of part one of Article 536 of this Code.

3. Subject to the provisions of paragraph 1 of this Article, excise tax payers shall also be non-resident legal entities and their structural subdivisions.

4. Excise tax payers shall not be authorized state bodies implementing the sale of confiscated, ownerless, transferred by inheritance to the state and donated to the ownership of the state, the laying and release of material assets from the state material reserve in the territory of the Republic of Kazakhstan excisable goods specified in subparagraphs 5), 6) and 7) of the first part of Article 536 of this Code.

Article 536. List of excisable goods

Unless otherwise provided in this Article, excisable goods shall be:

1) all types of alcohol;

2) alcoholic products;

3) tobacco products;

4) products with heated tobacco;

5) gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons, environmental fuel;

6) motor vehicles designed to carry 10 or more people with an engine capacity of more than 3000 cubic centimetres, with the exception of minibuses, buses and trolleybuses;

cars and other motor vehicles designed to transport people with an engine capacity of more than 3000 cubic centimetres (except for cars with manual control or manual control adapter, specially designed for persons with disabilities);

motor vehicles on the chassis of a passenger car with a cargo platform and a driver's cab separated from the cargo compartment by a rigid stationary partition with an engine capacity of more than 3000 cubic centimetres (except for cars with manual control or a manual control adapter specially designed for individuals with disabilities);

7) crude oil, gas condensate;

8) alcohol-containing medical products registered in accordance with the legislation of the Republic of Kazakhstan as a medicine;

9) energy drinks;

10) passenger cars, the purchase price of which shall be 18,000 times the monthly calculation indicator valid as of January 1 of the corresponding financial year, and higher;

vessels with an acquisition value of 24,000 times the monthly calculation figure effective as of January 1 of the relevant financial year and higher;

Aircraft with an acquisition cost of 24,000 times the monthly estimate effective on or after 1 January of the relevant financial year.

The authorized body in the field of trade regulation shall determine an additional list of imported goods that will be subject to excise taxes by country of origin, in the procedure determined by the Government of the Republic of Kazakhstan.

Excise rates on goods specified in the additional list of imported goods determined in accordance with part two of this Article shall be established by the Government of the Republic of Kazakhstan on the basis of proposals from the authorized body in the field of trade regulation.

Article 537. Excise rates

1. Excise rates shall be set in absolute amount per unit of measurement in physical terms.

2. Excise amount for excisable goods subject to combined tax rates (consisting of solid (specific) and ad valorem (in percent) tax rates), shall be calculated as the amount obtained as a result of adding the excise tax amounts calculated as the product of solid (specific) tax rate and volume of sold (transferred, imported) excisable goods in kind, and as corresponding to ad valorem (as a percentage) of the tax rate, the percentage of the maximum retail price of such goods.

3. Excise rates on alcoholic products shall be approved in accordance with paragraph 1 of this Article or depending on the volume content of anhydrous (one hundred percent) alcohol in it.

4. Excise rates for all types of alcohol and wine in bulk (wine material) shall be differentiated depending on the purpose of further use of alcohol and wine in bulk (wine material).

5. Excise rates for excisable goods specified in subparagraph10) of part one of Article 536 of this Code shall be established as a percentage of their value determined in accordance with this Article.

6. The excise amount shall be calculated at the following rates:

1) for excisable goods specified in subparagraphs 1) – 4), 6) – 10) of Article 536 of this Code:

№ r/n	EAEU TN VED code	Types of excisable goods	Excise rates (in KZT per unit)
1	2	3	4
1.	from 2207	Undenatured ethyl alcohol with an alcohol concentration of 80 volume percent or more (except for undenatured ethyl alcohol sold or used for the production of alcoholic products sold to public health institutions within the established quotas), ethyl alcohol and other denatured alcohols of any concentration (except for ethyl alcohol (ethanol) denatured fuel (not colourless, coloured) for domestic consumption)	600 KZT/litter
2.	from 2207	Ethyl alcohol (ethanol) denatured fuel (not colourless, coloured for domestic consumption)	1.0 KZT/litter
3.	from 2208	Undenatured ethyl alcohol, alcohol tinctures and other alcoholic beverages with an alcohol concentration of less than 80 volume percent (except for undenatured ethyl alcohol sold or used for the production of alcoholic products and sold to public medical institutions within the established quotas), ethyl alcohol and other denatured alcohols of any concentration (except for ethyl alcohol (ethanol)	

		denatured fuel (not colourless, coloured) for consumption on domestic market)	2,550 KZT/litter 100% alcohol
4.	from 2207	Undenatured ethyl alcohol sold or used for medicinal and pharmaceutical products	600 KZT/litter 100% alcohol
5.	from 2207	Undenatured ethyl alcohol with an alcohol concentration of 80 volume percent or more, marketed or used for the production of alcoholic products	0 KZT/litter
6.	from 2208	Undenatured ethyl alcohol, alcohol tinctures and other alcoholic beverages with an alcohol concentration of less than 80 volume percent sold or used for the production of alcoholic products	75 KZT/litter 100% alcohol
7.	from 3003, 3004	Alcohol-containing medical products registered in accordance with the legislation of the Republic of Kazakhstan as a medicine	500 KZT/litter 100% alcohol
8.	from 2205, 2206, 2208	Alcoholic products (except wines, wine in bulk (wine material), beer and beer drink)	2 805 KZT/litter 100% alcohol
9.	from 2204	Wine	38 KZT/litter
10.	from 2204	Wine in bulk (wine material) (except sold or used for the production of ethyl alcohol and alcoholic products)	187 KZT/litter
11.	from 2204	Bulk wine (wine material) sold or used for the production of ethyl alcohol and alcoholic products	1 KZT/litter
12.	220300	Beer and beer drink	99 KZT/litter
13.	2202 91 000 0	Beer and beer drink with a volume content of ethyl alcohol not more than 0.5 percent	0 KZT/litter
		Filter cigarettes: from January 1, 2026 to December 31, 2026 inclusive	18,051 KZT/1,000 pieces

14.	from 2402	from January 1, 2027 to December 31, 2027 inclusive from January 1, 2028 to December 31, 2028 inclusive from January 1, 2029 to December 31, 2029 inclusive from January 1, 2030	21,163 KZT/ 1,000 pieces KZT 21,880/ 1,000 pieces 23,279 KZT/ 1,000 pieces 25 607 KZT/ 1,000 pieces
15.	from 2402	Unfiltered cigarettes, cigarettes: from January 1, 2026 to December 31, 2026 inclusive from January 1, 2027 to December 31, 2027 inclusive from January 1, 2028 to December 31, 2028 inclusive from January 1, 2029 to December 31, 2029 inclusive from January 1, 2030	18,051 KZT/ 1,000 pieces 21,163 KZT/ 1,000 pieces KZT 21,880/ 1,000 pieces 23,279 KZT/ 1,000 pieces 25 607 KZT/ 1,000 pieces
16.	from 2402	Cigarillos: from January 1, 2026 to December 31, 2026 inclusive from January 1, 2027 to December 31, 2027 inclusive from January 1, 2028 to December 31, 2028 inclusive from January 1, 2029 to December 31, 2029 inclusive from January 1, 2030	18,051 KZT/ 1,000 pieces 21,163 KZT/ 1,000 pieces KZT 21,880/ 1,000 pieces 23,279 KZT/ 1,000 pieces 25 607 KZT/ 1,000 pieces
17.	from 2402	Cigars	825 KZT/piece
18.	from 2403	Pipe, smoking, hookah and other tobacco packaged in consumer containers and intended for final consumption, with the exception of pharmaceutical products containing nicotine: from January 1, 2026 to December 31, 2026 inclusive	15 863 KZT/kilogram 18 835 KZT/kilogram 19 692 KZT/kilogram

		from January 1, 2027 to December 31, 2027 inclusive from January 1, 2028 to December 31, 2028 inclusive from January 1, 2029 to December 31, 2029 inclusive from January 1, 2030	20 719 KZT/kilogram 22 791 KZT/kilogram
19.	from 2403, 2404	Heated tobacco products (heated tobacco stick, heated tobacco capsule, etc .): from January 1, 2026 to December 31, 2026 inclusive from January 1, 2027 to December 31, 2027 inclusive from January 1, 2028 to December 31, 2028 inclusive from January 1, 2029 to December 31, 2029 inclusive from January 1, 2030	11230 KZT/ 1,000 pieces 11330 KZT/ 1,000 pieces 11430 KZT/ 1,000 pieces 11640 KZT/ 1,000 pieces 12803 KZT/ 1,000 pieces
20.	from 2709 00	Crude oil, gas condensate	0 KZT/ton
21.	from 8702	Motor vehicles designed to carry 10 or more people with an engine capacity of more than 3,000 cubic meters. cm, excluding minibuses, buses and trolleybuses	100 KZT/cubic meter cm
	from 8703	Cars and other motor vehicles designed mainly for the transport of people, with an engine capacity of more than 3,000 cubic meters. see (except for cars with manual control or manual control adapter, specially designed for individuals with disabilities)	
		Motor vehicles on a passenger car chassis with a cargo platform and a driver's cab separated from the cargo compartment by a rigid stationary partition,	

	from 8704	with an engine capacity of more than 3,000 cubic meters. see (except for cars with manual control or manual control adapter, specially designed for individuals with disabilities)	
22.	from 2204, 2205, 2206 00 and 2208	Import of alcoholic beverages worth over 500.0 thousand KZT of the customs value (except for personal consumption)	10% of the cost in KZT/ litter
23.	from 2402	Import of tobacco products (cigars) worth more than 10.0 thousand KZT of the customs value (except for personal consumption)	10% of the cost in KZT/ piece
24.	from 8703	Passenger cars with an acquisition cost of 18,000 times the monthly calculation indicator valid on January 1 of the corresponding financial year and higher	10% of the value of the vehicle purchased *
25.	from 8903	Vessels with an acquisition cost of 24,000 times the monthly estimate effective as of January 1 of the relevant financial year and above	
26.	from 8802	Aircraft with an acquisition cost of 24,000 times the monthly estimate effective as of January 1 of the corresponding financial year and above	
27.	from 2202	Energy drinks: from January 1, 2026 to December 31, 2026 inclusive from January 1, 2027 to December 31, 2027 inclusive from January 1, 2028 to December 31, 2028 inclusive from January 1, 2029 to December 31, 2029 inclusive from January 1, 2030	100 KZT/ litter 140 KZT/ litter 180 KZT/ litter 200 KZT/ litter 240 KZT/ litter

Note:

* The cost of purchasing excisable goods specified in subparagraph 10) of part one of Article 536 of this Code for the purposes of applying the rates established by lines 24, 25 and 26 of the table of this subparagraph shall be established:

in order to determine the customs value for the purpose of payment of customs duties and duties when imported into the territory of the Republic of Kazakhstan from the territory of non-EAEU countries, in accordance with the customs legislation of the Republic of Kazakhstan;

in order to determine the value of goods purchased upon import into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, in accordance with paragraphs 1, 2, 4 – 8 of Article 518 of this Code;

at the purchase price specified in the contract of sale or other type of agreement according to which such vehicles have been purchased in the territory of the Republic of Kazakhstan;

2) for excisable goods specified in subparagraph 5) of part one of Article 536 of this Code , approved by the Government of the Republic of Kazakhstan.

Note:

The nomenclature of goods shall be determined by the code of the unified Commodity Nomenclature of Foreign Economic Activity of the EAEU and (or) the name of the goods.

Chapter 54. TAXATION OF EXCISABLE GOODS PRODUCED AND SOLD IN THE REPUBLIC OF KAZAKHSTAN

Article 538. Object of taxation

1. The object of excise tax shall be:

1) the following operations carried out by the excise tax payer with produced and (or) mined and (or) excisable goods bottled by him:

sale of excisable goods, with the exception of the import of excisable goods for which payment has been made, in accordance with the customs legislation of the Republic of Kazakhstan, as well as in the presence of an industrial assembly agreement;

transfer of excisable goods for processing on a tolling basis;

transfer of excisable goods that shall be the product of the processing of tolling raw materials and materials, including excisable ones;

contribution to the authorized capital;

use of excisable goods for in-kind payment, except for cases of transfer of excisable goods in kind to pay mineral extraction tax, rental export tax;

shipment of excisable goods by the manufacturer to its structural subdivisions;

use by the manufacturer of manufactured and/or produced and/or bottled excisable goods for its own production needs and for its own production of excisable goods;

transfer of excisable goods carried out by the manufacturer from the production address specified in the license;

2) wholesale of gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel;

3) retail sale of gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel;

4) sale of property mass, confiscated and (or) ownerless goods transferred by inheritance to the state and freely transferred to the ownership of the state of excisable goods;

5) damage, loss of excisable goods;

6) import of excisable goods into the territory of the Republic of Kazakhstan;

7) purchase of excisable goods specified in subparagraph 10) of part one of Article 536 of this Code in the territory of the Republic of Kazakhstan.

2. Damage, loss of means of identification, accounting and control marks shall be considered as the sale of excisable goods.

3. Exempt from excise duty:

1) export of excisable goods, if it meets the requirements established by Article 545 of this Code;

2) ethyl alcohol within quotas determined by the authorized state body for control over the production and circulation of ethyl alcohol and alcoholic beverages, issued to state health organizations that have notified of the start of their activities in the prescribed manner;

3) excisable goods specified in paragraph 2 of Article 175 of this Code, subject to relabelling with accounting and control stamps of a new sample, if the excise tax on these goods was previously paid;

4) alcohol-containing medical products (except for balsams) registered in accordance with the legislation of the Republic of Kazakhstan as a medicine;

5) means of identification that shall be withdrawn from circulation due to defects, loss, damage, adopted by the tax authorities on the basis of an act of write-off and destruction;

6) transfer of excisable goods specified in subparagraph 5) of Article 536 of this Code, which shall be a product of the processing of tolling raw materials and materials, including excisable ones, sold for export, if it meets the requirements established by Article 545 of this Code.

Article 539. Transaction date

1. Unless otherwise provided by this Article, in all cases the date of the transaction is the day of shipment (transfer) of excisable goods to the recipient.

2. If the manufacturer sells excisable goods produced by him through the network of his structural subdivisions, the date of the operation is the day of shipment of goods to the structural subdivisions of the legal entity.

3. When transferring excisable goods, which shall be tolling raw materials, the date of the transaction shall be the date of transfer of these goods to the contractor (processor).

When manufacturing excisable goods specified in subparagraph 5) of Article 536 of this Code, which shall be the product of the processing of tolling raw materials, the date of the

transaction is the day of transfer of manufactured excisable goods to the customer, indicated in the document drawn up in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting. The transfer of manufactured excisable goods to the customer means the actual shipment of excisable goods in kind by loading into automobile and (or) railway tanks or pumping through a pipeline to a tank or filling station of an oil supplier owned by him on the basis of ownership or other legal grounds, confirmed by acceptance certificates.

The term for processing tolling raw materials, which shall be excisable, exported from the territory of the Republic of Kazakhstan to the territory of the EAEU member state, as well as imported into the territory of the Republic of Kazakhstan from the territory of the EAEU member states, shall be determined in accordance with the terms of the agreement (contract) for the processing of tolling raw materials and cannot exceed two years from the date of registration and (or) shipment of tolling raw materials.

In case of exceeding the established term for the processing of tolling raw materials, the object of excise tax is the estimated volume of the processed product in accordance with the terms of the contract (contract) at the rates approved by the Government of the Republic of Kazakhstan.

In the case of import (export) of tolling raw materials for processing, the taxpayer of the Republic of Kazakhstan submit an obligation to export (import) processed products, as well as its execution in the procedure, in form and within the time frame determined by the authorized body in agreement with the central authorized body for state planning.

4. When using excisable goods for own production needs and own production of excisable goods, the date of the transaction shall be the day of transfer of these goods for such use.

5. When moving excisable goods carried out by the manufacturer from the production address, the date of the operation shall be the day of moving excisable goods from the production address specified in the license.

6. In case of damage to excisable goods, identification means, accounting and control marks, the date of the operation is the day of drawing up an act on writing off damaged excisable goods, an act on writing off and destroying identification means, accounting and control marks, or the day of making a decision on their further use in the production process.

In case of loss of excisable goods, identification means, accounting and control marks, the date of the operation shall be the day when the loss of excisable goods, identification means, accounting and control marks occurred.

7. When importing excisable goods to the territory of the Republic of Kazakhstan from the territory of another EAEU member state, the date of the operation shall be the date the taxpayer takes into account the imported excisable goods.

At the same time, for the purposes of this section, the date of registration of imported excisable goods is the date of capitalization of such goods in accordance with international

financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

8. When importing excisable goods specified in subparagraph 10) of part one of Article 536 of this Code, the date of the transaction shall be the date of import of such goods into the territory of the Republic of Kazakhstan.

9. When purchasing excisable goods specified in subparagraph 10) of part one of Article 536 of this Code on the territory of the Republic of Kazakhstan, the date of the transaction shall be the date of registration of the vehicle with the registration authority.

Article 540. Tax base

For excisable goods, the tax base shall be defined as the volume (number) of manufactured, sold excisable goods in physical terms, unless otherwise established by this Article.

For excisable goods specified in subparagraph 10) of the first part of Article 536 of this Code purchased in the territory of the Republic of Kazakhstan, the tax base shall be the cost of acquisition, determined in the procedure prescribed by Article 537 of this Code.

For gasoline (except aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel, which shall be the products of tolling, the tax base shall be determined as the volume (number) of excisable goods transferred in physical terms.

Article 541. Peculiarities of taxation of all types of alcohol and wine in bulk (wine material) in case of setting different rates

1. If, in accordance with paragraph 3 of Article 536 of this Code, different excise rates are established for all types of alcohol and wine in bulk (wine material), the tax base shall be determined separately for transactions taxed at the same rates.

2. When using alcohol purchased by a producer of alcoholic beverages with excise tax at a rate lower than the base rate, not for the production of alcoholic beverages, the amount of excise tax on this alcohol shall be subject to recalculation and payment to the budget at the base excise rate established for all types of alcohol sold to individuals who shall not be producers of alcoholic beverages. Recalculation and payment of excise tax shall be made by the recipient of the alcohol.

3. When using wine in bulk (wine material) purchased by a producer of alcoholic beverages with excise tax at a rate lower than the base rate, not for the production of alcohol and (or) alcoholic beverages, the amount of excise tax on this wine in bulk (wine material) shall be subject to recalculation and payment to the budget at the base excise rate established for wine in bulk (wine material) sold to individuals who shall not be producers of alcoholic beverages. Recalculation and payment of excise tax shall be made by the recipient of the wine in bulk (wine material).

4. The provisions of paragraph 2 of this Article shall also apply in the case of misuse of alcohol purchased for the provision of medical services. The payers of the excise tax on this alcohol shall be state medical institutions that have received alcohol without excise tax.

Article 542. Damage, loss of excisable goods

1. In case of damage, loss of excisable goods produced on the territory of the Republic of Kazakhstan and imported, as well as imported into the customs territory of the EAEU, the excise tax shall be paid in full, except for cases arising as a result of emergencies and (or) during the period of the state of emergency.

This provision also shall apply in case of damage, loss of gasoline (except for aviation), diesel fuel purchased for further sale.

2. For the purposes of this Article:

1) damage to excisable goods means deterioration of all or individual qualities (properties) of the goods, including at all technological stages of its production;

2) loss of excisable goods means an event resulting in the destruction or loss of goods, including at all technological stages of its production.

Loss of excisable goods incurred by the taxpayer within the limits of natural loss standards established by the legislation of the Republic of Kazakhstan, as well as losses within the limits regulated by the regulatory and technical documentation of the manufacturer, shall not be a loss.

Article 543. Damage, loss of identification means, accounting and control marks

1. Unless otherwise provided by this Article, in case of damage, loss of identification means, accounting and control marks, the excise tax is paid in the amount of the declared assortment.

The excise tax on spoiled or lost (including stolen) accounting and control marks intended for labelling alcoholic beverages in accordance with Article 175 of this Code shall be calculated on the basis of the established rates applied to the volume of the container (container) indicated on the mark.

2. In case of damage, loss of identification means issued during the import of tobacco products, accounting and control marks, the paid excise tax amounts is subject to recalculation in the following cases:

1) damage, loss of identification means, accounting and control marks arose as a result of emergency situations and (or) during the period of the state of emergency;

2) damaged means of identification, accounting and control marks have been accepted by the tax authorities on the basis of the write-off and destruction act.

3. In case of damage, loss of identification means issued for tobacco products, the excise tax is not paid in case of damage, loss of identification means arising as a result of emergency situations and (or) during the period of the state of emergency.

Article 544. Criteria for classification as wholesale and retail sale of gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel, carried out in the Republic of Kazakhstan

1. The sale of gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel shall belong to the field of wholesale, if

under the contract of sale (exchange) the buyer undertakes to accept these excisable goods and use them for further sale, provided that the suppliers under this contract of sale (exchange) shall be:

1) producer of gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel;

2) oil supplier that received gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and (or) environmental fuel as a result of processing of tolling raw materials owned by him for the purpose of their further sale;

3) a taxpayer registered for certain types of activities in accordance with Article 104 of this Code and imported (including import) his own gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and (or) environmental fuel into the territory of the Republic of Kazakhstan for the purpose of their further sale.

The scope of wholesale sales also shall include the shipment of gasoline (with the exception of aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel to the structural subdivisions of the legal entity for further sale.

2. Retail sales of gasoline (except aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel shall include the following operations carried out by suppliers specified in paragraph 1 of this Article:

1) sale, as well as transfer by the manufacturer of petroleum products made from tolling raw materials and materials, gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel to individuals for their production needs;

2) sale of gasoline (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel to individuals;

3) use for own production needs of gasoline produced or purchased for further sale (except for aviation), diesel fuel, gasohol, benzenol, nefras, a mixture of light hydrocarbons and environmental fuel.

Article 545. Confirmation of export of excisable goods

1. Documents confirming the export of excisable goods shall be:

1) agreement (contract) for the supply of exported excisable goods;

2) a declaration for goods or its copy, certified by a customs authority, with a mark of the customs authority that issued the excisable goods in the customs export procedure.

In case of export of excisable goods in the customs procedure of export via the system of main pipelines or using the procedure of incomplete periodic declaration, the export confirmation is the complete declaration for the goods with the mark of the customs authority that made the customs declaration;

3) copies of shipping documents marked by the customs authority located at the checkpoint at the customs border of the EAEU.

In case of export of excisable goods, the customs procedure for export via the trunk pipeline system include a goods delivery and acceptance certificate instead of copies of shipping documents;

4) payment documents and bank statement that shall confirm the actual receipt of proceeds from the sale of excisable goods to the taxpayer's bank accounts in the Republic of Kazakhstan, opened in accordance with the legislation of the Republic of Kazakhstan.

2. When exporting excisable goods to the member states of the Commonwealth of Independent States (with the exception of the EAEU member states), with which the Republic of Kazakhstan has concluded international agreements providing for exemption from excise duty for the export of excisable goods, an additional document confirming the export of excisable goods is a declaration for goods issued in the country of import of excisable goods exported from the customs territory of the Republic of Kazakhstan in the customs export procedure.

3. When exporting excisable goods to the territory of the EAEU member state to confirm the validity of exemption from excise taxes in accordance with paragraph 3 of Article 538 of this Code, the taxpayer shall submit to the tax authority at the location simultaneously with the excise tax declaration the documents provided for in Article 521of this Code, with the exception of the documents specified in subparagraph 4) of paragraph 1 of Article 521 of this Code.

At the same time, the taxpayer shall have the right to submit these documents, with the exception of the excise tax declaration, to the tax authority within one hundred and eighty calendar days from the date of the transaction.

4. Declaration of goods in the form of an electronic document, according to which in the information systems of tax authorities there shall be a notification of customs authorities about the actual export of goods, shall be also a document confirming the export of excisable goods. If there is a declaration for goods in the form of an electronic document provided for in this paragraph, the submission of documents established by subparagraph 2) of paragraph 1 of this Article shall not be required.

5. In case of non-confirmation of the sale of excisable goods for export in accordance with paragraph 1, 2 and 3 of this Article, such sale is subject to excise tax in the manner determined by this section for the sale of excisable goods in the territory of the Republic of Kazakhstan, with the accrual of penalties due to non-confirmation of the sale of excisable goods.

Alcoholic products, with the exception of bulk wine (wine material), beer and beer drink, shall be subject to labelling by accounting and control brands.

6. In case of confirmation of the sale of excisable goods for export after the expiration of the deadlines established by paragraph 3 of this Article, the amounts of excise taxes paid in accordance with paragraph 5 of this Article shall be subject to offset and return in accordance with Articles 120 and 122 of this Code.

At the same time, the paid number of penalties accrued due to non-confirmation of the sale of excisable goods for export to the territory of the EAEU member state shall not be refundable.

Article 546. Calculation of excise tax amount

The excise amount shall be calculated by applying the established excise rate to the tax base.

Article 547. Tax base adjustment

1. Unless otherwise provided by this Article, the tax base is adjusted in the tax period in which the excisable goods shall be returned.

The adjustment of the tax base in accordance with this Article shall be made on the basis of an additional invoice, in which a separate line shall be allocated the amount of excise tax to be adjusted, as well as bilateral acts confirming the basis for the return of excisable goods, and other documents confirming the occurrence of cases of return specified in the contract (contract).

Adjustment of the size of the tax base when returning excisable goods to the manufacturer to the address of production shall be made on the basis of the manufacturer's shipping documents if the excisable goods have been moved by the manufacturer from the address of production, but have not been sold.

Adjustment of the size of the tax base when importing excisable goods from the EAEU member states shall be made in accordance with paragraphs 1, 2, 3 and 4 of Article 533 of this Code.

2. Tax base for excisable goods specified in subparagraphs 2) and 3) Article 536 of this Code, with the exception of vodka, vodka of special and other alcoholic products with a volume fraction of ethyl alcohol of more than fifteen percent, shall be adjusted by the manufacturer of excisable goods for the volume of excisable goods sold for export, if an excise tax has been previously paid on such excisable goods in connection with its movement carried out by the manufacturer from the production address specified in the license.

The adjustment of the tax base provided for in this paragraph shall be made in the tax period in which such excisable goods shall be exported.

At the same time, the tax base, taking into account such an adjustment, may have a negative value.

Article 548. Deduction from tax

1. The taxpayer shall have the right to reduce the amount of excise tax calculated in accordance with Article 546 of this Code by the deductions established by this Article.

2. In accordance with this Article, the deduction includes excise taxes paid in the Republic of Kazakhstan on excisable goods used as the main raw material for the production of other excisable goods.

3. Excise amounts paid:

1) in the territory of the Republic of Kazakhstan when purchasing or importing excisable goods into the territory of the Republic of Kazakhstan, with the exception of excisable goods specified in subparagraph 10) of part one of Article 536 of this Code;

2) for excisable raw materials of own production;

3) when transferring excisable goods made from tolling excisable raw materials.

The amount of excise tax on all types of alcohol, crude oil, gas condensate shall not be deductible.

4. The deduction shall be made for the amount of excise tax calculated on the basis of the volume of excisable raw materials actually used for the manufacture of excisable goods in the tax period.

5. The amount of excise tax paid when purchasing excisable raw materials in the Republic of Kazakhstan shall be deducted if the following documents are available:

1) the contract of sale of excisable raw materials;

2) payment documents or receipts to the cash receipt order with the application of checks of the cash register machine confirming the payment of excisable raw materials;

3) consignment notes for the supply of excisable raw materials;

4) invoices with the excise tax amount highlighted in a separate line;

5) blending sheets (in the production of alcoholic beverages);

6) an act on writing off excisable raw materials for production.

6. The amount of excise tax paid for excisable raw materials of own production shall be deducted if the following documents are available:

1) payment documents or other documents confirming the payment of excise tax to the budget;

2) blending sheets (in the production of alcoholic beverages);

3) an act on writing off excisable raw materials for production.

7. The amount of excise tax paid in the Republic of Kazakhstan when importing excisable raw materials into the territory of the Republic of Kazakhstan shall be deducted if the following documents are available:

1) the contract of sale of excisable raw materials;

2) payment documents or other documents confirming the payment of excise tax to the budget during customs declaration;

3) declarations for goods for imported excisable raw materials when importing excisable raw materials into the territory of the Republic of Kazakhstan from the territory of states that shall not be members of the EAEU, or applications for the import of goods and payment of indirect taxes when importing into the territory of the Republic of Kazakhstan from the territory of the EAEU member states;

4) blending sheets (in the production of alcoholic beverages);

5) an act on writing off excisable raw materials for production.

8. The amount of excise tax paid upon transfer of excisable goods manufactured on the territory of the Republic of Kazakhstan from tolling excisable raw materials shall be also subject to deduction, if the following documents are available:

1) agreements on the processing of tolling raw materials between the owner of the tolling excisable raw materials and the processor;

2) payment documents or other documents confirming the payment of excise tax to the budget by the owner of the subcontracted excisable raw materials;

3) delivery note or certificate of acceptance of excisable raw materials.

9. If the amount of excise tax paid by manufacturers of excisable goods upon purchase in the territory of the Republic of Kazakhstan or import of excisable raw materials exceeds the amount of excise tax calculated for excisable goods made from this raw material, the amount of such excess shall not be deductible.

10. When calculating the amount of excise tax on imported excisable goods specified in subparagraph 10) of part one of Article 536 of this Code, the amount of excise tax paid at the rates specified in line 21 of the table of subparagraph 1) of paragraph 6 of Article 537 of this Code shall be deducted.

Article 549. Excise tax payment terms

1. Unless otherwise provided by this Code, excise taxes on excisable goods shall be transferred to the budget no later than the 20th day of the month following the reporting tax period.

2. For excisable goods produced from tolling raw materials and materials, the excise tax shall be paid on the day of transfer of products to the customer or to a person specified by the customer, with the exception of the transfer of products sold for export.

3. When transferring crude oil and gas condensate produced in the Republic of Kazakhstan for commercial processing, the excise tax is paid on the day of their transfer.

4. Excise tax on excisable goods established by subparagraph 2) of part one of Article 536 of this Code, with the exception of wine in bulk (wine material), beer and beer drink, shall be paid by manufacturers of alcoholic beverages at the option of:

1) before receiving accounting and control marks;

2) on the day of shipment (transfer) of excisable goods in case of submission of an obligation to pay excise tax in accordance with Article of this Code.

5. Confirmation by the tax authorities of the fact of payment of excise tax on excisable goods imported from the territory of the EAEU member states in the application for the import of goods and payment of indirect taxes by putting an appropriate mark or a motivated refusal to confirm shall be carried out in the procedure determined by the authorized body.

6. Excise taxes shall be paid when individuals purchase vehicles in the territory of the Republic of Kazakhstan related to excisable goods specified in subparagraph 10) of part one of Article 536 of this Code, no later than one of the following dates, which shall occur first:

not later than the 20th day of the month following the month in which such excisable goods have been purchased;

not later than the day of submission of documents for state registration of such vehicles.

Article 550. Place of excise tax payment

1. The excise tax shall be paid at the location of the object of taxation, except for the cases specified in paragraph 2 and 3 of this Article.

2. Excise tax payers who shall carry out wholesale, retail sale of gasoline (with the exception of aviation) and diesel fuel pay excise tax at the location of objects related to taxation.

3. In case of import of excisable goods from the territory of the EAEU member states, import of excisable goods specified in subparagraph 10) of part one of Article 536 of this Code, from the territory of states that are not members of the EAEU, as well as when purchasing excisable goods, specified in subparagraph 10) of part one of Article 536 of this Code, on the territory of the Republic of Kazakhstan, the excise tax shall be paid at the location (residence) of the excise tax payer.

Article 551. Tax period and excise tax return

1. For excise taxes, the tax period shall be the calendar month.

2. Unless otherwise provided by this Article, at the end of each tax period, excise tax payers are obliged to submit an excise tax return to the tax authority at their location no later than the 15th day of the second month following the reporting tax period.

3. Excise payers with structural subdivisions shall submit an Annex for calculating the amount of excise tax for such structural (territorial) subdivision to the excise tax declaration to the tax authority at the location of such structural (territorial) subdivision.

4. Taxpayers importing excisable goods to the territory of the Republic of Kazakhstan from the territory of the EAEU member states shall be obliged to submit to the tax authority at the location (residence) an application for the import of goods and payment of indirect taxes and other documents in accordance with paragraph 2 of Article 530 of this Code no later than the 20th day of the month following the month of acceptance of imported excisable goods.

5. Individuals who purchased excisable goods in the Republic of Kazakhstan specified in subparagraph 10) of part one of Article 536 of this Code shall be obliged to submit an excise tax declaration to the tax authority at their location no later than the 15th day of the month following the month of purchase of such vehicles.

6. When importing excisable goods specified in subparagraph 10) of part one of Article 536 of this Code to the territory of the Republic of Kazakhstan from the territory of the EAEU member states, the taxpayer shall be obliged to submit to the tax authority at the location (residence) application for the import of goods and payment of indirect taxes on

paper and in electronic form or only in electronic form no later than the 20th day of the month following the month in which such excisable goods were imported into the territory of the Republic of Kazakhstan.

Chapter 55. TAXATION OF IMPORTS OF EXCISABLE GOODS

Article 552. Tax base of imported excisable goods

For excisable goods imported into the territory of the Republic of Kazakhstan, the tax base shall be defined as the volume, value and number of imported excisable goods in physical terms.

Article 553. Terms of payment of excise tax on imported excisable goods

1. Excise taxes on imported excisable goods from the territory of states that shall not be members of the EAEU shall be paid on the day determined by the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan for the payment of customs payments, except for the cases provided for in paragraph 2 of this Article, in the procedure determined by the authorized body.

2. Excise tax on imported excisable goods subject to marking in accordance with Article 175 of this Code shall be paid before receipt of identification means, registration and control marks.

When importing excisable goods specified in part one of this paragraph, the amount of excise tax shall be specified and the excise rate applicable on the date of import of excisable goods shall apply.

3. Excise taxes on excisable goods (with the exception of marked excisable goods) imported from the territory of the EAEU member states are paid no later than the 20th day of the month following the month of registration of imported excisable goods.

Excise taxes on marked excisable goods shall be paid within the terms established by paragraph 2 of this Article.

Excise taxes on excisable goods imported by individuals into the territory of the Republic of Kazakhstan specified in subparagraph 10) of part one of Article 536 of this Code shall be paid no later than the 20th day of the month following the month in which such excisable goods have been imported.

4. In the case of the use of excisable goods, the import of which into the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan have been carried out without paying excise taxes, for purposes other than those for which an exemption or other payment has been granted, these excisable goods are subject to excise taxes in accordance with the procedure and at excise rates, which shall be established by Articles 537 and 552 of this Code and the Decree of the Government of the Republic of Kazakhstan.

Article 554. Import of excisable goods exempt from excise tax

1. Excise taxes shall not be imposed on excisable goods imported by individuals according to the standards provided for by the customs legislation of the EAEU (or) the customs legislation of the Republic of Kazakhstan.

2. The following imported excisable goods shall be exempt from excise duty:

1) necessary for the operation of vehicles carrying out international transport, while travelling to the route and at intermediate transportation points;

2) turned out to be unsuitable for use as products and materials due to damage before passing them through the customs border of the EAEU;

3) imported for official use by foreign diplomatic and equivalent missions, as well as for personal use by individuals from among the diplomatic and administrative-technical personnel of these missions, including members of their families living with them. These goods shall be exempt from excise tax in accordance with international treaties to which the Republic of Kazakhstan shall be a party;

4) those moving across the customs border of the EAEU, exempted from paying excise taxes on the territory of the Republic of Kazakhstan within the framework of customs procedures established by the customs legislation of the EAEU and (or) customs legislation of the Republic of Kazakhstan, with the exception of the customs procedure for release for domestic consumption;

5) alcohol-containing medical products (except for balsams) registered in accordance with the legislation of the Republic of Kazakhstan;

6) aircraft for civil air transportation in accordance with the schedule in accordance with the legislation of the Republic of Kazakhstan on the use of airspace of the Republic of Kazakhstan and aviation activities.

SECTION 9. SOCIAL TAX Chapter 56. GENERAL PROVISIONS

Article 555. Payers

1. Unless otherwise provided by paragraph 2 of this Article, social tax payers shall be:

1) individual entrepreneurs;

2) individuals engaged in private practice;

3) legal entities - residents of the Republic of Kazakhstan, unless otherwise established by paragraph 3 of this Article;

4) non-resident legal entities operating in the Republic of Kazakhstan through permanent institutions;

5) non-resident legal entities operating through a structural subdivision that shall not lead to the formation of a permanent institution.

2. The following taxpayers shall not be social tax payers:

1) applying a special tax regime:

for the self-employed;

on the basis of a simplified declaration;

for peasant or farm farms;

2) specialized organizations of individuals with disabilities in accordance with the Social Code of the Republic of Kazakhstan.

3. By its decision, a resident legal entity shall have the right to recognize its structural subdivision as a social tax payer, which simultaneously performs duties for:

calculation and payment of social tax on objects of taxation being expenses of such structural subdivision;

The calculation, withholding and remittance of individual income taxes on income taxable at the source of payment that shall be accrued, paid by such business unit.

The adoption of such a decision of a legal entity - resident or its cancellation shall be put into effect from the beginning of the quarter following the quarter in which such a decision has been made.

If a newly created structural subdivision is recognized as a social tax payer, the decision of the legal entity on such recognition shall come into effect from the date of creation of this structural subdivision or from the beginning of the quarter following the quarter in which this structural subdivision has been created.

Article 556. Object of taxation

1. The object of taxation for social tax payers shall be expenses:

1) the employer by the employee's income specified in Article 426 of this Code (including the employer's expenses specified in subparagraphs 23), 25), 26) and 27) of paragraph 1 of Article 679 of this Code);

2) a tax agent on the income of foreign personnel specified in subparagraph 2) of paragraph 2 of Article 226 of this Code.

The provisions of this paragraph shall not apply to social tax payers who shall be private practitioners and/or individual entrepreneurs.

2. The object of taxation specified in paragraph 1 of this Article shall be reduced by the following exceptions from the object:

1) mandatory pension contributions to the unified accumulative pension fund in accordance with the legislation of the Republic of Kazakhstan;

2) contributions for compulsory social health insurance in accordance with the legislation of the Republic of Kazakhstan on compulsory social health insurance;

3) income established by Article 429 of this Code, with the exception of:

income established by subparagraph 2) of Article 429 of this Code;

income established by subparagraph 3) of Article 429 of this Code in terms of the income of employees who shall be citizens of the Republic of Kazakhstan;

4) income established by subparagraph 12) of Article 681 of this Code.

3. If the object of taxation specified in paragraph 1 of this Article is from one KZT to 14 times the monthly calculation indicator effective on the first day of this calendar month, then the object of taxation shall be determined based on the 14 times monthly calculation indicator.

The provisions of this paragraph shall not apply to the employee's income accrued for the calendar month in which such employee shall be hired and/or dismissed.

4. Unless otherwise provided by this paragraph, the objects of taxation for social tax payers who are private practitioners and/or individual entrepreneurs shall be:

the social tax payer itself;

the number of employees of the social tax payer.

The subject of taxation shall not be:

1) social tax payers themselves during the period of their temporary suspension of tax reporting in accordance with Article 117 of this Code;

2) social tax payers themselves who has not received income in the tax period;

3) employees of the social tax payer who has not received income for the tax period.

Article 557. Tax rates

1. Social tax shall be calculated at the rate of 6 percent, except for cases established by paragraphs 2, 3 and 4 of this Article.

2. Social tax shall be calculated at the rate of 1.8 per cent on taxable items related to the implementation of activities on:

production and sale of agricultural products of own production;

processing of agricultural products of own production and sale of products of such processing.

3. Social tax payers who shall be individual entrepreneurs or individuals engaged in private practice, with the exception of cases established by paragraph 4 of this Article, calculate social tax:

for yourself - in a 2-fold amount of the monthly calculation indicator valid on the date of payment;

for each employee in a 1-fold amount of the monthly calculation indicator valid on the date of payment.

4. Peasant farms or farms on objects of taxation related to the implementation of the activities specified in paragraph 2 of this Article shall calculate the social tax:

for yourself - in the amount of 0.6 times the monthly calculation indicator valid on the date of payment;

for each employee - in the amount of 0.3 times the monthly calculation indicator valid on the date of payment.

Chapter 57. TAX CALCULATION AND PAYMENT PROCEDURE

Article 558. Social tax calculation procedure

1. Unless otherwise established by this Article, the amount of social tax payable to the budget shall be determined by applying the rates established by paragraphs 1 и 2 of Article 557 of this Code to:

1) the subject of taxation provided for in paragraph 1 of Article 556 of this Code, reduced by the number of exceptions from the subject in accordance with paragraph 2 of Article 556 of this Code;

or

2) subject to taxation provided for by paragraph 3 of Article 556 of this Code, in the cases provided for by this paragraph.

2. Social tax payers, who shall be individual entrepreneurs or individuals engaged in private practice, calculate social tax by applying the following rates to the object of taxation provided for in paragraph 4 of Article 556 of this Code:

1) established by paragraph 4 of Article 557 of this Code, - social tax payers, which shall be peasant or farm farms, for the activities specified in paragraph 2 of Article 557 of this Code;

2) established by paragraph 3 of Article 557 of this Code, - other individual entrepreneurs or individuals engaged in private practice.

Article 559. Features of calculation and payment of social tax by state institutions

1. The state body or local executive body, by its decision, shall have the right to recognize its structural subdivisions and (or) territorial bodies as a social tax payer, which simultaneously perform duties for:

calculation and payment of social tax on objects of taxation that shall be expenses of structural subdivisions and (or) territorial bodies subordinate to such state body or local executive body;

calculation, withholding and transfer of individual income tax on income subject to taxation at the source of payment, which shall be accrued, paid to employees of structural subdivisions and (or) territorial bodies subordinate to such state body or local executive body.

2. The amount of social tax calculated by state institutions for the tax period shall be reduced by the number of social benefits paid in accordance with the legislation of the Republic of Kazakhstan for temporary disability.

3. If the amount of social benefits paid in paragraph 2 of this Article exceeds the amount of calculated social tax during the tax period, the amount of excess shall be transferred to the next tax period.

Article 560. Payment of social tax

1. Payment of social tax shall be made no later than the 25th day of the month following the tax period, at the location of the taxpayer.

2. Payment of social tax on objects of taxation, which shall be expenses of structural (territorial) subdivision, shall be made at the location of such structural (territorial) subdivision

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Chapter 58. TAX PERIOD AND TAX RETURN

Article 561. Tax period

1. The tax period for calculating social tax shall be the calendar month.

2. The reporting period for individual income and social tax returns shall be the calendar quarter.

Article 562. Individual income tax and social tax return

1. Personal income and social tax returns shall be submitted by payers to the tax authorities at their location quarterly no later than the 15th day of the second month following the reporting period.

2. Payers who shall have structural subdivisions that shall not be entrusted with the obligation to calculate and pay social tax shall submit an Annex for calculating the amount of social tax for such structural (territorial) subdivision to the individual income tax and social tax return to the tax authority at the location of such structural (territorial) subdivision.

SECTION 10. VEHICLE TAX Chapter 59. GENERAL PROVISIONS

Article 563. Taxpayers

1. The payers of vehicle tax shall be individuals who have objects of taxation on the right of ownership, and legal entities who have objects of taxation on the right of ownership, economic management or operational management, unless otherwise established by this Article.

By its decision, a legal entity shall have the right to recognize its structural subdivision for vehicles registered with such a structural subdivision in accordance with the legislation of the Republic of Kazakhstan on transport as an independent payer of vehicle tax.

Unless otherwise provided in this Article, the decision of a legal entity on such recognition or termination of such recognition shall be effective from January 1 of the year following the year of such decision.

If a newly created structural subdivision is recognized as an independent payer of vehicle tax, the decision of the legal entity on such recognition shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

2. The lessee shall be the payer of vehicle tax on taxable objects transferred (received) under the financial lease agreement.

3. Unless otherwise provided in this Article, shall not be the payers of vehicle tax:

1) legal entities - producers of agricultural products specified in subparagraphs 1) and 2) of paragraph 2 of Article 357 of this Code, as well as Chapter and (or) members of a peasant farm or farm - for specialized agricultural machinery used in the process of own production of agricultural products, included in the list established by the authorized body in the field of development of the agro-industrial complex in agreement with the central authorized body for state planning and the authorized body;

2) the head and (or) members of a peasant or farm applying a special tax regime for peasant farm or farms - for cars and trucks used in activities covered by such a special tax regime, within the following requirements:

one passenger car with an engine capacity of up to 2500 cubic centimetres per peasant farm or farm;

one passenger motor vehicle (pickup car) with a platform for cargo and a driver's cab, separated from the cargo compartment by a rigid stationary partition, into one peasant farm or farm;

for trucks with a maximum total engine power of 1000 kW per 1000 hectares of arable land (hayfields, pastures) in a ratio of 1:1 per peasant farm or farm.

At the same time, in cases where, according to the results of the calculation, the number of vehicles shall be more than one unit with a fractional value of 0.5 or more, such a value shall be subject to rounding to whole units, if below 0.5, it is not subject to rounding.

If, according to the results of the calculation, the number of trucks is less than one unit, one truck with the lowest engine power shall be subject to exemption;

3) state institutions and state educational institutions of secondary education;

4) public associations of individuals with disabilities - one passenger car with an engine capacity of no more than 3000 cubic centimetres and one bus;

5) veterans of the Great Patriotic War, veterans equated in benefits to veterans of the Great Patriotic War, and veterans of hostilities on the territory of other states, individuals awarded orders and medals of the former USSR for selfless work and impeccable military service in the rear during the Great Patriotic War, as well as individuals who worked (who served) for at least six months from June 22, 1941 to May 9, 1945 and have not been awarded orders and medals of the former USSR for selfless work and impeccable military service in the rear during the Great Patriotic War, heroes of the Soviet Union and heroes of Socialist Labour, individuals awarded the titles of "Halyk kaharmany," "Kazakhstan Enbek Eri," holders of the Order of Labour Glory of three degrees and the Order of Otan, mothers with many children awarded the title "Mother Heroine" or awarded with the suspension "Altyn Alka" or "Kumis Alka" - one vehicle each, which shall be subject to taxation;

6) individuals with disabilities on owned motorcars and cars - one vehicle each, which shall be subject to taxation.

The provisions of subparagraphs 1), 2) и 4) of the first part of this paragraph shall not apply in cases of transfer of such vehicles to use, trust or lease.

4. The provisions of subparagraphs 5) and 6) of the first paragraph of paragraph 3 of this Article shall apply during the tax period for one vehicle (except for a passenger car with an engine capacity of more than 4,000 cubic centimetres, in respect of which registration actions related to the change of ownership of the vehicle have been carried out in the authorized state body after December 31, 2013) irrespective of whether the individual entitled to apply the provisions of such sub-paragraphs falls into one or more of the categories referred to therein.

5. If an individual who has the right to apply the provisions of subparagraphs 5) and 6) of the first paragraph of paragraph 3 of this Article has the right to own several vehicles during the tax period, these provisions shall apply to one of the vehicles with the highest amount of tax calculated.

6. In case of emergence or termination during the tax period of the right to apply the provisions of subparagraphs 5) and 6) of the first part of paragraph 3 of this Article, such provisions:

if a right arises - apply from the 1st day of the month in which such right arose until the end of the tax period or until the 1st day of the month in which such right ceases;

upon termination of the right - shall not apply from the 1st day of the month in which such right shall be terminated.

7. The tax payer for vehicles transferred by state institutions in trust shall be determined in accordance with Article 67 of this Code.

Article 564. Objects of taxation

1. The objects of taxation = vehicles, with the exception of trailers, registered in the Republic of Kazakhstan.

2. Not subject to taxation:

1) quarry dump trucks with a carrying capacity of 40 tons and more;

2) specialized medical vehicles;

3) sea vessels registered in the international ship register of the Republic of Kazakhstan;

4) special vehicles subject to property tax.

Chapter 60. TAX RATES, CALCULATION PROCEDURE AND TAX PAYMENT TERMS

Article 565. Tax rates

1. Unless otherwise provided by this paragraph, the tax shall be calculated at the following rates set in the monthly calculation figures:

№ r/n	Taxation object	Tax rate (MCI)
1	2	3
1.	Passenger cars with the following gradation in engine capacity (cubic meters cm):	
	up to 1,100 inclusive	1
	over 1,100 to 1,500 inclusive	2
	over 1,500 to 2,000 inclusive	3
	over 2,000 to 2,500 inclusive	6
	over 2,500 to 3,000 inclusive	9
	over 3,000 to 4,000 inclusive	15
	over 4,000	117

2.	Trucks, special vehicles with the following gradation by carrying capacity (excluding trailers):	
	up to 1 ton inclusive	3
	over 1 ton to 1.5 ton inclusive	5
	over 1.5 to 5 tons inclusive	7
	over 5 tons	9
3.	Tractors, self-propelled agricultural, reclamation and road-building machines and mechanisms, special off-road vehicles and other motor vehicles not intended for driving on public roads	3
4.	Buses with the following gradation by the number of seats:	
	up to 12 seats inclusive	9
	over 12 to 25 seats inclusive	14
	over 25 seats	20
5.	Motorcycles, scooters, motor saunas, small boats with the following engine power gradation:	
	up to 55 kW (75 horsepower) inclusive	1
	over 55 kW (75 horsepower)	10
6.	Boats, vessels, tugs, barges, yachts with the following engine power gradation (horsepower):	
	up to 160 inclusive	6
	over 160 to 500 inclusive	18
	over 500 to 1,000 inclusive	32
	over 1,000	55
7.	Aircraft	4 percent of MCI per kilowatt of power
8.	Railway traction rolling stock used: for driving trains of any category on trunk tracks; for shunting work on main, station and access roads of narrow and (or) wide gauge; on the tracks of industrial railway transport and not leaving the main and station tracks	1 percent of MCI per kilowatt of total vehicle power
	Motor-car rolling stock used to organize passenger transportation on narrow and wide gauge main and station tracks, as well as urban rail transport vehicles	1 percent of MCI per kilowatt of total vehicle power

2. For the calculation of tax, the monthly calculation indicator valid on January 1 of the corresponding fiscal year shall be used.

3. For the purposes of this Code:

1) passenger cars shall include:

B category vehicles (including BE, B1);

2) trucks shall include:

category C vehicles (including CE, S1Ye, C1);

3) special vehicles shall include vehicles with special equipment designed to perform certain technological processes or operations;

4) buses include category D cars (including DE, D1E, D1).

At the same time, for tax purposes, the category for the right to drive a vehicle is applied.

4. For cars with an engine capacity of more than 1,500 cubic centimetres, the tax amount is increased by 7 KZT for each unit exceeding the lower limit of the corresponding gradation by engine volume established by paragraph 1 of this Article.

5. Depending on the service life, the following adjustment factors shall apply to aircraft tax rates:

for aircraft purchased after April 1, 1999 outside the Republic of Kazakhstan:

over 5 to 15 years of operation inclusive - 2.0;

over 15 years of operation - 3.0.

6. The service life of the vehicle shall be calculated based on the year of manufacture specified in the vehicle passport (aircraft flight manual).

7. To calculate the tax for trucks and special vehicles, the vehicle carrying capacity indicator specified in the instructions and (or) vehicle operating manual shall be used. If the load capacity is not specified in the vehicle manual (manual), it shall be calculated as the difference between the permitted maximum mass of the vehicle and the mass of the vehicle without load (the mass of the equipped vehicle).

8. When calculating the tax for passenger cars depending on the service life of the vehicle based on the year of production, the following correction factors are applied:

over 10 to 20 years of operation inclusive - 0.7;

over 20 years of operation - 0.5.

Article 566. Tax calculation procedure

1. The taxpayer shall calculate the tax amount for the tax period independently by applying tax rates to the object of taxation in accordance with Article 565 of this Code.

2. Legal entities - producers of agricultural products, aquaculture (fish farming) products, agricultural cooperatives specified in subparagraphs 1) and 2) of paragraph 2 of Article 357 of this Code, calculate the tax on vehicles, with the exception of vehicles specified in subparagraph 1) of paragraph 3 of Article 563 of this Code, with the right to reduce the amount of tax by 70 percent.

3. If the vehicle is on the right of ownership, the right of economic management or the right of operational management is less than the tax period, the amount of tax shall be calculated for the period of the actual stay of the vehicle on such right by dividing the annual amount of tax by twelve and multiplying by the number of months the vehicle shall be actually on such right.

4. When transferring ownership, economic management or operational management rights to objects of taxation during the tax period, the tax amount is calculated in the following order :

1) for the transmitting side:

for vehicles available at the beginning of the tax period, the tax amount shall be calculated for the period from the beginning of the tax period to the 1st day of the month in which the ownership right, economic management right or operational management right to the vehicle shall be transferred;

for vehicles purchased by the transferring party during the tax period, the tax amount shall be calculated for the period from the 1st day of the month in which the ownership right, economic management right or operational management right for the vehicle has been acquired to the 1st day of the month in which such right has been transferred;

2) for the acquiring party - the amount of tax shall be calculated for the period from the 1st day of the month in which the ownership right, economic management right or operational management right for the vehicle has been acquired until the end of the tax period or until the 1st day of the month in which the acquiring party subsequently transferred such right.

5. Individuals, when purchasing a vehicle that has not been registered in the Republic of Kazakhstan at the time of purchase, calculate the tax amount for the period from the 1st day of the month in which the ownership of the vehicle arose to the end of the tax period or until the 1st day of the month in which the ownership shall be terminated.

6. The basis for exemption from paying tax for the period of searching for a vehicle listed as stolen and (or) stolen from the owners shall be information confirming the fact (date) of registration of the application in the Unified register of pre-trial investigations on theft and (or) theft of a vehicle submitted to the tax authorities by the internal affairs bodies.

At the same time, the calculation (accrual) of such tax shall be terminated from the date of registration of the application in the Unified register of pre-trial investigations about the theft and (or) theft of the vehicle.

The calculation (accrual) of tax resumes from the date of termination of the criminal case of theft and (or) theft of a vehicle and its return on the basis of information submitted to the tax authorities by the internal affairs bodies.

7. Legal entities for vehicles located at the end of the tax period on the right of ownership, the right of economic management or the right of operational management, as well as for vehicles for which such rights arose and (or) terminated in the period from the beginning of the tax period to December 31 of the tax period, calculate the amount of tax:

1) if the right of ownership, the right of economic management or the right of operational management for vehicles arose in the period from the beginning of the tax period to December 31 of the tax period and has not been terminated before December 31 of the tax period, - in the amount of the tax amount calculated for the period from the 1st day of the month in which such right arose until the end of the tax period;

2) if in the period from the beginning of the tax period to December 31 of the tax period the ownership right, the right of economic management or the right of operational management for vehicles:

shall be terminated - in the amount of tax calculated for the period from the beginning of the tax period to the 1st day of the month in which such right shall be terminated;

occurred and terminated - in the amount of tax calculated for the period from the 1st day of the month in which the ownership right, the right of economic management or the right of operational management for vehicles arose, until the 1st day of the month in which such right has been terminated;

3) in other cases - in the amount of the annual tax amount. At the same time, in case of termination of ownership, economic management or operational management of vehicles in the period from January 1 of the tax period to the end of the tax period, the tax amount calculated for the period from the beginning of the tax period to the 1st day of the month in which such a right shall be terminated shall be indicated in the declaration.

8. In order to determine the balance of payments for vehicle tax of individuals for the reporting tax period, the tax authorities shall calculate the tax no later than May 1 of the year following the reporting tax period, based on information submitted in an automated mode by the authorized bodies that record and register vehicles.

Article 567. Tax payment terms and procedure

1. Legal entities shall pay tax no later than ten calendar days after the deadline for submitting a declaration for the tax period.

2. The payment of tax by individuals shall be made to the budget at the place of residence no later than April 1 of the year following the reporting tax period.

3. The payment of vehicle tax for the tax period by an individual who shall be an attorney on the basis of a power of attorney to drive a vehicle with the right of alienation, on behalf of the owner of the vehicle, is the fulfilment of the tax obligation of the owner of the vehicle for this tax period.

Chapter 61. TAX PERIOD AND TAX REPORTING

Article 568. Tax period

The tax period for the calculation of vehicle tax shall be the calendar year from January 1 to December 31.

Article 569. Tax reporting

1. Payers - legal entities shall submit a declaration to the tax authorities at the place of registration of tax objects no later than March 31 of the year following the reporting year.

2. Taxpayers applying a special tax regime for peasant farm or farms, tax reporting on vehicle tax shall be submitted in the form of an appropriate Annex to the declaration for taxpayers applying a special tax regime for peasant farm or farms.

SECTION 11. LAND TAX Chapter 62. GENERAL PROVISIONS

Article 570. General provisions

1. For tax purposes, all lands shall be considered depending on their intended purpose and belonging to the relevant categories.

2. Land belonging to one category or another shall be established by the land legislation of the Republic of Kazakhstan. The lands of settlements for tax purposes shall be divided into two groups:

1) the land of settlements, with the exception of land occupied by the housing stock, including buildings and structures with it;

2) land occupied by the housing stock, including buildings and structures under it.

3. The following land categories shall not be subject to taxation:

1) lands of specially protected natural areas;

2) forest fund lands;

3) water fund lands;

4) reserve land;

5) nuclear safety zone lands.

In case of transfer of these lands (with the exception of the reserve lands and the nuclear safety zone) to permanent land use or primary gratuitous temporary land use, they shall be subject to taxation in the procedure specified in Article 580 of this Code.

4. Land tax shall be calculated on the basis of:

1) identification documents: an act for the right of ownership, an act for the right of permanent land use, an act for the right of gratuitous temporary land use;

2) data on the state quantitative and qualitative accounting of land as of January 1 of each year, provided by the central authorized body for land management.

Article 571. Payers

1. Land tax payers shall be individuals with taxable objects:

1) ownership;

2) on the right of permanent land use;

3) on the right of primary gratuitous temporary land use.

2. By its decision, a legal entity shall have the right to recognize its structural subdivision as an independent payer of land tax.

Unless otherwise provided in this Article, the decision of a legal entity on such recognition or termination of such recognition shall enter into force dated January 1 of the year following the year of such decision.

If a newly created structural subdivision of a legal entity is recognized as an independent payer of land tax, the decision of the legal entity on such recognition shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

3. Unless otherwise provided by this Article, are not land tax payers:

1) taxpayers applying a special tax regime for peasant farm or farms, on land plots used in activities covered by this special tax regime;

2) state institutions and state educational institutions of secondary education;

3) state enterprises of correctional institutions of the authorized state body in the field of execution of criminal sentences;

4) religious associations.

4. Taxpayers specified in subparagraphs 3) and 4) of paragraph 3 of this Article shall be tax payers on land plots transferred for use, trust management or under a property lease (lease) agreement.

5. The tax payer for land plots transferred by state institutions to trust management shall be determined in accordance with Article 67 of this Code.

Article 572. Determination of the payer in individual cases

1. For a land plot in the common ownership (use) of several persons, with the exception of a land plot that shall be part of the assets of a mutual investment fund, each of these individuals shall be the payer of land tax, unless otherwise provided for in documents certifying the right to own or use these land plots, or by agreement of the parties.

The payer of the land tax on the land plot included in the assets of the unit investment fund shall be the management company of this unit investment fund.

2. In the absence of identification documents for a land plot, the basis for recognizing a user as a land tax payer in relation to a land plot shall be the actual ownership and use of such a plot on the basis of:

1) acts of state bodies on the provision of a land plot - when providing a land plot from state ownership;

2) civil transactions or other grounds provided for by the legislation of the Republic of Kazakhstan - in other cases.

3. For a land plot transferred (received) to a financial lease together with a real estate object in accordance with a financial lease agreement, the lessee shall be the payer of the land tax.

Article 573. Object of taxation

1. The object of taxation shall be the land plot (with total shared ownership of the land plot - the land share).

2. Not subject to taxation:

1) common land plots of settlements.

Common lands of settlements shall include lands occupied and intended for occupying areas, streets, driveways, roads, embankments, parks, squares, boulevards, reservoirs, beaches , cemeteries and other facilities in order to meet the needs of the population (water pipelines, heating pipes, power lines, treatment facilities, ash and slag pipelines, heating mains and other public engineering systems);

2) land plots occupied by the network of state public roads.

Lands occupied by the network of state public roads in the right-of-way shall include lands occupied by an earthen bed, transport interchanges, overpasses, artificial structures, right-of-way reserves and other road maintenance structures, service and residential premises of the road service, snow protection and decorative plantings;

3) land plots occupied by objects under conservation by decision of the Government of the Republic of Kazakhstan;

4) land plots acquired for the maintenance of rental houses;

5) land plots occupied by buildings and structures specified in subparagraph 6) of paragraph 3 of Article 590 of this Code.

Article 574. Determination of the taxable object in individual cases

1. The object of taxation for railway transport organizations are land plots provided in accordance with the procedure established by the legislation of the Republic of Kazakhstan for objects of railway transport organizations, including land plots occupied by railways, rights-of-way, railway stations.

2. The object of taxation for organizations of the energy and electrification system, on the balance sheet of which there shall be power transmission lines, shall be land plots provided in the procedure prescribed by the legislation of the Republic of Kazakhstan to these organizations, including land plots occupied by power transmission line supports and substations.

3. The subject of taxation for organizations producing, transporting oil and gas, on the balance sheet of which there shall be oil pipelines, gas pipelines, shall be land plots provided in the procedure prescribed by the legislation of the Republic of Kazakhstan to these organizations, including land plots occupied by oil pipelines, gas pipelines.

4. The object of taxation for communication organizations, on the balance sheet of which there shall be radio relay, air, cable communication lines, shall be land plots provided in the procedure prescribed by the legislation of the Republic of Kazakhstan to these organizations, including land plots occupied by communication line supports.

Article 575. Tax base

The tax base for determining the land tax shall be the area of the land plot and (or) land share.

Chapter 63. TAX RATES

Article 576. Basic tax rates on agricultural land

1. The basic rates of land tax on agricultural land shall be set per hectare and differentiated by soil quality.

2. On the lands of the steppe and dry-steppe zones, the following basic tax rates of land tax shall be established in proportion to the points of bonitet:

№ r/n	Bonitet score	Basic tax rate (KZT)
1	2	3
1.	1	2,4
2.	2	3,35
3.	3	4,35
4.	4	5,3
5.	5	6,25
6.	6	7,25
7.	7	8,4
8.	8	9,65
9.	9	10,8
10.	10	12,05
11.	11	14,45
12.	12	15,45
13.	13	16,4
14.	14	17,35
15.	15	18,35
16.	16	19,3
17.	17	20,45
18.	18	21,7
19.	19	22,85
20.	20	24,1
21.	21	26,55
22.	22	28,95
23.	23	31,35
24.	24	33,75
25.	25	36,2
26.	26	38,6
27.	27	41
28.	28	43,4
29.	29	45,85
30.	30	48,25
31.	31	72,35
32.	32	77,7

33.	33	82,95
34.	34	90,4
35.	35	93,8
36.	36	99,1
37.	37	104,4
38.	38	110
39.	39	115,3
40.	40	120,6
41.	41	144,75
42.	42	150,05
43.	43	155,35
44.	44	160,85
45.	45	166,15
46.	46	171,45
47.	47	176,8
48.	48	182,4
49.	49	187,7
50.	50	193
51.	51	217,1
52.	52	222,45
53.	53	227,75
54.	54	233,25
55.	55	238,55
56.	56	243,85
57.	57	249,15
58.	58	254,75
59.	59	260,05
60.	60	265,35
61.	61	289,5
62.	62	303,15
63.	63	316,3
64.	64	329,75
65.	65	343,05
66.	66	356,55
67.	67	369,8
68.	68	383,3
69.	69	396,6
70.	70	410,1
71.	71	434,25
72.	72	447,75
73.	73	460,95
74.	74	474,45

75.	75	487,8
76.	76	501,3
77.	77	514,55
78.	78	528,05
79.	79	541,35
80.	80	554,85
81.	81	579
82.	82	595,1
83.	83	611,05
84.	84	627,25
85.	85	643,35
86.	86	659,3
87.	87	675,5
88.	88	691,6
89.	89	707,55
90.	90	723,75
91.	91	747,85
92.	92	772
93.	93	796,1
94.	94	820,25
95.	95	844,35
96.	96	868,5
97.	97	892,6
98.	98	916,75
99.	99	940,85
100.	100	965
101.	over 100	1 013,3

3. On the lands of semi-desert, desert and foothill-desert zones, the following basic tax rates of land tax shall be established in proportion to the points of bonitet:

№ r/n	Bonitet score	Basic tax rate (KZT)
1	2	3
1.	1	2,4
2.	2	2,7
3.	3	2,9
4.	4	3,1
5.	5	3,35
6.	6	3,65
7.	7	3,85
8.	8	4,05
9.	9	4,35
10.	10	4,8

11.	11	7,25
12.	12	9,15
13.	13	11,1
14.	14	12,75
15.	15	14,65
16.	16	16,6
17.	17	18,55
18.	18	20,25
19.	19	22,2
20.	20	24,1
21.	21	26,55
22.	22	28,95
23.	23	31,35
24.	24	33,75
25.	25	36,2
26.	26	38,6
27.	27	41
28.	28	43,4
29.	29	45,85
30.	30	48,25
31.	31	50,65
32.	32	53,05
33.	33	55,45
34.	34	57,9
35.	35	60,3
36.	36	62,7
37.	37	65,15
38.	38	67,55
39.	39	69,95
40.	40	72,35
41.	41	74,8
42.	42	77,2
43.	43	79,6
44.	44	82
45.	45	84,45
46.	46	86,85
47.	47	89,25
48.	48	91,65
49.	49	94,1
50.	50	96,5
51.	51	98,9
52.	52	101,3

53.	53	103,75
54.	54	106,15
55.	55	108,55
56.	56	110,95
57.	57	113,4
58.	58	115,8
59.	59	118,2
60.	60	120,6
61.	61	123,05
62.	62	126,4
63.	63	129,1
64.	64	132,2
65.	65	135,1
66.	66	138,2
67.	67	141,1
68.	68	144,25
69.	69	147,45
70.	70	150,35
71.	71	153,45
72.	72	156,35
73.	73	159,4
74.	74	162,3
75.	75	165,45
76.	76	168,4
77.	77	171,55
78.	78	174,65
79.	79	177,55
80.	80	180,75
81.	81	183,55
82.	82	186,7
83.	83	189,6
84.	84	192,8
85.	85	195,9
86.	86	198,8
87.	87	201,9
88.	88	204,75
89.	89	207,95
90.	90	210,85
91.	91	210,9
92.	92	216,95
93.	93	220

94.	94	223,1
95.	95	226
96.	96	229,2
97.	97	231,9
98.	98	235,15
99.	99	238,05
100.	100	241,25
101.	over 100	250,9

Article 577. Basic tax rates on the lands of settlements

Basic tax rates on the land of settlements shall be established per square meter of area in the following sizes:

№ r/n	Settlement category	Basic tax rates on the land of settlements, with the exception of land occupied by the housing stock, including buildings and structures with it (KZT)	Basic tax rates on land occupied by the housing stock, including buildings and structures under it (KZT)
1	2	3	4
	Cities:		
1.	Almaty	28,95	0,96
2.	Shymkent	9,17	0,58
3.	Astana	19,30	0,96
4.	Aktau	9,65	0,58
5.	Aktobe	6,75	0,58
6.	Atyrau	8,20	0,58
7.	Zhezkazgan	8,20	0,58
8.	Kokshetau	5,79	0,58
9.	Karaganda	9,65	0,58
10.	Konaev	9,17	0,58
11.	Kostanay	6,27	0,58
12.	Kyzylorda	8,68	0,58
13.	Uralsk	5,79	0,58
14.	Ust-Kamenogorsk	9,65	0,58
15.	Pavlodar	9,65	0,58
16.	Petropavlovsk	5,79	0,58
17.	Semey	8,68	0,58
18.	Taldykorgan	9,17	0,58
19.	Taraz	9,17	0,58
20.	Turkestan	7,79	0,39
21.	Almaty region:		
22.	cities of regional significance	6,75	0,39

23.	cities of regional significance	5,79	0,39
24.	Akmola region:		
25.	cities of regional significance	5,79	0,39
26.	cities of regional significance	5,02	0,39
27.	Other cities of regional significance	85 percent of the rate set for the regional centre	0,39
28.	Other cities of district significance	75 percent of the rate set for the regional centre	0,19
29.	Settlements	0,96	0,13
30.	Villages	0,48	0,09

In this case, the categories of settlements shall be established in accordance with the classifier of administrative-territorial objects approved by the authorized body in the field of technical regulation.

Article 578. Basic tax rates on lands of industry, transport, communications, defence and other non-agricultural purposes (hereinafter referred to as industrial lands) located outside settlements

1. Basic tax rates for industrial land located outside settlements are set per hectare in the following amounts in proportion to the points of the bonitet:

№ r/n	Bonitet score	Basic tax rate (KZT)	№ r/n	Bonitet score	Basic tax rate (KZT)
1	2	3	4	5	6
1.	0	48,25	52.	51	2634,45
2.	1	91,67	53.	52	2690,23
3.	2	135,1	54.	53	2745,95
4.	3	178,52	55.	54	2801,72
5.	4	221,95	56.	55	2857,46
6.	5	265,37	57.	56	2913,24
7.	6	308,8	58.	57	2968,96
8.	7	352,22	59.	58	3024,73
9.	8	395,65	60.	59	3080,47
10.	9	439,07	61.	60	3136,25
11.	10	482,5	62.	61	3188,36
12.	11	530,75	63.	62	3247,75
13.	12	592,41	64.	63	3325,49
14.	13	654,08	65.	64	3364,61
15.	14	715,68	66.	65	3423,05
16.	15	777,35	67.	66	3489,25
17.	16	839,01	68.	67	3539,95
18.	17	900,67	69.	68	3598,39

19.	18	962,29	70.	69	3656,81
20.	19	1023,96	71.	70	3715,25
21.	20	1084,66	72.	71	3769,29
22.	21	1138,7	73.	72	3829,64
23.	22	1189,07	74.	73	3890,53
24.	23	1239,35	75.	74	3951,67
25.	24	1287,73	76.	75	4012,79
26.	25	1340,29	77.	76	4073,88
27.	26	1390,66	78.	77	4135,02
28.	27	1441,07	79.	78	4196,15
29.	28	1491,45	80.	79	4257,23
30.	29	1541,88	81.	80	4319,34
31.	30	1592,25	82.	81	4371,45
32.	31	1646,29	83.	82	4432,57
33.	32	1693,03	84.	83	4493,66
34.	33	1740,76	85.	84	4554,8
35.	34	1788,47	86.	85	4615,92
36.	35	1836,2	87.	86	4677,01
37.	36	1883,87	88.	87	4738,15
38.	37	1931,58	89.	88	4799,27
39.	38	1979,31	90.	89	4860,36
40.	39	2027,02	91.	90	4921,5
41.	40	2074,75	92.	91	4975,54
42.	41	2126,86	93.	92	5054,48
43.	42	2178,19	94.	93	5134,32
44.	43	2228,61	95.	94	5214,22
45.	44	2278,98	96.	95	5294,09
46.	45	2329,41	97.	96	5373,99
47.	46	2379,79	98.	97	5453,83
48.	47	2340,22	99.	98	5533,73
49.	48	2480,57	100.	99	5613,59
50.	49	2531	101.	100	5693,5
51.	50	2582,34	102.	over 100	5790

2. Lands provided for defence needs, with the exception of lands temporarily used by other land users in accordance with the land legislation of the Republic of Kazakhstan, shall be subject to taxation at the rates established by paragraph 1 of this Article.

3. Lands granted for defence, temporarily not used for defence and granted for agricultural purposes to other land users shall be subject to taxation at the rates established by Article 576 of this Code, taking into account the conditions of paragraph 1 of Article 582 of this Code.

4. The lands of railway transport enterprises occupied by protective forest plantations along main railways shall be taxed at the rates established by Article 576 of this Code, taking into account the conditions of paragraph 1of Article 582 of this Code.

Article 579. Tax rates on industrial land located within settlements

1. Industrial lands (including mines, quarries), with the exception of the lands specified in paragraph 3 of this Article and Article 581 of this Code, shall be taxed at the base rates established by Article 577 of this Code, taking into account the conditions of paragraph 1of Article 582 of this Code.

2. Basic rates for industrial lands (including mines, quarries), with the exception of lands specified in paragraph 3 of this Article and Article 581of this Code, may be reduced by decisions of local representative bodies. The total reduction in tax rates on these lands, taking into account the reduction provided for in paragraph 1 of Article 582 of this Code, should not exceed 30 percent of the base rate.

3. Industrial lands located within the boundaries of a settlement occupied by airfields shall be taxed at the base rates established by Article 578 of this Code, taking into account the conditions of paragraph 1of Article 582 of this Code.

Industrial lands located within the boundaries of a settlement occupied by airports, with the exception of lands occupied by airfields, shall be taxed at the base rates established by Article 577 of this Code, taking into account the conditions of paragraph 1 of Article 582 of this Code.

For the purposes of this Code, an airfield shall be a land plot specially prepared and equipped to provide take-off, landing, taxiing, parking and maintenance of aircraft.

Article 580. Tax rates on lands of specially protected natural areas, forest fund and water fund

1. Lands of specially protected natural areas, forest fund and water fund used for agricultural purposes shall be subject to land tax at the basic rates established by Article 576 of this Code, taking into account the conditions of paragraph 1 of Article 582 of this Code.

2. Lands of specially protected natural areas, forest fund and water fund granted to individuals and legal entities for use for purposes other than agricultural purposes shall be subject to taxation at the rates established by Article 578 of this Code, taking into account the conditions of paragraph 1 of Article 582 of this Code.

Article 581. Tax rates for land plots allocated for parking lots (parking lots), gas stations occupied by casinos, as well as not used for relevant purposes or used in violation of the legislation of the Republic of Kazakhstan

1. The lands of settlements allocated for gas stations shall be subject to taxation at the base rates for the lands of settlements established in column 3 of the table of Article 577 of this Code, increased tenfold.

Lands of other categories allocated for gas stations shall be subject to taxation at the base rates for the lands of settlements established for the lands of a nearby settlement in column 3 of the table of Article 577 of this Code, increased tenfold. At the same time, the local

representative body shall determine the nearby settlement, the base rates for the land of which shall be applied when calculating the tax.

By decision of the local representative body, tax rates may be reduced, but not less than those established by Article 577 of this Code.

2. The lands of settlements occupied by casinos shall be subject to taxation at the base rates for the lands of settlements established by Article 577 of this Code, increased tenfold.

Lands of other categories occupied by casinos shall be subject to taxation at basic rates on the lands of settlements, with the exception of lands occupied by the housing stock, including buildings and structures with it, established for the lands of a nearby settlement by Article 577 of this Code, increased tenfold.

The base rates for the land of the settlement, which shall be used in calculating the tax, shall be established by the local representative body.

By decision of the local representative body, tax rates may be reduced, but not less than those established by Article 577 of this Code.

3. The lands of settlements allocated for parking lots (parking lots) shall be subject to taxation at the base rates for the lands of settlements established in column 3 of the table of Article 577 of this Code.

Lands of other categories allocated for parking lots (parking lots) shall be subject to taxation at the base rates for the lands of settlements established for the lands of a nearby settlement in column 3 of the table of Article 577 of this Code. At the same time, the local representative body shall determine the nearby settlement, the base rates for the land of which shall be applied when calculating the tax.

By decision of the local representative body, the basic tax rates on land occupied by parking lots (parking lots) can be increased, but not more than tenfold. The increase in rates provided for in this paragraph shall be made depending on the categories of parking lots (parking lots) established by the local representative body.

At the same time, it shall be prohibited to lower or increase land tax rates individually for individual taxpayers.

4. For land plots designated for the construction of facilities and not used for the relevant purposes or used in violation of the legislation of the Republic of Kazakhstan, the base tax rates, established by Articles 577, 578 and 579 of this Code and this Article, except for the rates, specified in lines 27–30 of the table of Article 577 of this Code, shall be increased tenfold as of the date of delivery by the territorial subdivision for land resources management of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of land, of an injunction to the owner or land user on the need to use the land plot for its intended purpose and (or) remedy the violation of the legislation of the Republic of Kazakhstan.

The procedure for identifying land plots not used for the relevant purposes or used in violation of the legislation of the Republic of Kazakhstan for the purposes of part one of this

paragraph and paragraph 5 of this Article shall be determined by the central authorized land management body in agreement with the authorized body.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of credit portfolios of second-tier banks, the sole shareholder of which shall be the Government of the Republic of Kazakhstan, and its subsidiaries.

5. For agricultural land plots, not used for their intended purpose or used in violation of the laws of the Republic of Kazakhstan, the base tax rates, established by Article 576 of this Code shall be increased fortyfold as of the date on which the owner or land user is served with an injunction to remedy violations of the land legislation of the Republic of Kazakhstan by the territorial land management division of the capital, oblasts, cities of republican status of the central authorized body, exercising state control over land use and protection.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of credit portfolios of second-tier banks, the sole shareholder of which shall be the Government of the Republic of Kazakhstan, and its subsidiaries.

6. Territorial units for land resource management of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of lands, shall submit information to the tax authorities on the land plots, referred to in paragraphs 4 and 5 of this article.

7. For the land plots, specified in paragraphs 4 and 5 of this article, information on which is submitted by the territorial unit for land resources management of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of land, the land tax shall be calculated by the tax authorities based on the established land tax rates and the land plot area, and the taxpayer shall be sent a notice of the amount of taxes and (or) fees, calculated by the tax authority.

Article 582. Adjustment of base tax rates

1. Local representative bodies on the basis of land zoning projects (schemes) carried out in accordance with the land legislation of the Republic of Kazakhstan shall have the right to reduce or increase land tax rates by no more than 50 percent of the base land tax rates established by Article 577 and 578 of this Code.

At the same time, it shall be prohibited to lower or increase land tax rates individually for individual taxpayers.

Such a decision to reduce or increase land tax rates shall be made by the local representative body no later than December 1 of the year preceding the year of its introduction, and shall enter into force dated January 1 of the year following the year of its adoption.

The decision of the local representative body to lower or increase land tax rates shall be subject to official publication.

The provisions of Part 1 of this paragraph shall not apply to land plots specified in Article 581 of this Code.

2. When calculating the land tax, the following payers shall apply the coefficient 0 to the corresponding rates:

1) specialized organizations of individuals with disabilities in accordance with the Social Code of the Republic of Kazakhstan;

2) organizations operating in the territories of special economic zones - on land plots located in the territory of the special economic zone and used in the implementation of priority activities, taking into account the provisions established by Chapter 80 of this Code;

3) organizations implementing the investment priority project - on land plots used for the implementation of the investment priority project, taking into account the provisions established by Article 837 of this Code;

4) individuals who have concluded an investment agreement and apply the provisions of Chapter 81 of this Code - on land plots used for the implementation of an investment project;

5) management companies of special economic and industrial zones for taxation objects (taxable objects) used (planned for use) for servicing special economic and industrial zones.

3. When calculating tax, the following payers shall apply the coefficient 0.1 to the corresponding rates:

1) health-improving children's institutions - on land plots used by them in the activities of such children's health-improving institutions for the health of children;

2) state enterprises, the main activity of which shall be the performance of work on the fire-fighting arrangement of forests, combating fires, pests and diseases of forests, reproduction of natural biological resources and increasing the ecological potential of forests - on land plots used by them in this activity;

3) state fish-breeding enterprises - on land plots used by them in fish reproduction activities;

4) medical and production enterprises at neuropsychiatric and tuberculosis institutions;

5) technological parks - for land plots used for the implementation of the main type of activity provided for by the Law of the Republic of Kazakhstan "On industrial policy."

The provisions of this sub-paragraph shall be entitled to use process parks that simultaneously meet the following conditions:

such technological parks have been created in accordance with the Entrepreneurial Code of the Republic of Kazakhstan;

50 or more percent of the voting shares (interests) of such technology parks shall belong to the National Institute for Development in the field of technological development;

6) non-profit organizations, with the exception of those registered in accordance with the civil legislation of the Republic of Kazakhstan in the form of a joint-stock company, institution, consumer cooperative, religious association;

7) organizations operating in the social sphere, except for non-profit organizations specified in subparagraph 6) of this paragraph, - on land plots used in the implementation of the activities specified in paragraph 2 of Article 15 of this Code.

4. The provisions of subparagraph 1) of paragraph 2 and subparagraph 4) of paragraph 3 of this Article shall not apply in cases of provision of a land plot and (or) its parts (together with buildings, structures or without them) under the contract of property lease (lease), transfer for use on other grounds or their use for commercial purposes, except for the case when the income from such provision of land and (or) its part under the contract of property lease (lease), transfer for use on other grounds shall be credited to the state budget.

When applying the provisions of the first part of this paragraph:

tax payers shall be required to keep separate records of objects of taxation;

the amount of land tax on part of the land plot shall be determined by the specific weight of the area of such part of the plot to the total area of the entire land plot.

Chapter 64. CALCULATION PROCEDURE AND TAX PAYMENT TERMS

Article 583. General procedure for tax calculation and payment

1. The tax shall be calculated by applying the corresponding tax rate determined taking into account the provisions of this chapter to the tax base separately for each land plot.

2. Unless otherwise established by this chapter, when the state grants the right of ownership, permanent or primary gratuitous temporary land use to a land plot, the taxpayer calculates the land tax starting from the month following the month of granting such rights to the land plot.

3. In case of termination of the right of ownership or the right to use the land plot, the land tax shall be calculated for the actual period of use of the land plot.

4. The payment of land tax shall be made to the budget at the location of the land plot.

5. When transferring a settlement from one category of settlements to another during the tax year, the land tax for the tax period in which such a transfer has been made shall be calculated at the rates established for the category of the settlement to which the settlement belonged before such a transfer.

6. When changing the boundaries of an administrative-territorial subdivision, the land tax on land plots located in a settlement whose territory has been transferred to the boundaries of another administrative-territorial subdivision due to such a change, for the tax period in which such a change has been made, shall be calculated at the rates established for the category of the settlement within which this settlement has been located before the date of such a change.

7. If it is impossible to determine the bonitet score of land plots occupied by taxpayers, the amount of land tax is determined based on the bonitet score of adjacent lands.

8. For taxable objects in common ownership, the tax shall be calculated in proportion to the share of each of the owners in the total area of such objects.

9. The land plot that shall be part of the condominium object shall be subject to land tax in proportion to the share of each owner of the premises (part of the building), with the exception of an individual - the owner of an apartment (dwelling), in the common property that shall be part of the condominium object.

In this case, the part of the land plot corresponding to:

1) the share of the owner of the dwelling, with the exception of an individual, in the common property, shall be subject to land tax at the basic tax rates on the land of settlements established in column 4 of the table of Article 577 of this Code;

2) the share of the owner of non-residential premises (part of a building that is not residential) in the total property shall be subject to land tax at the basic tax rates on the land of settlements established in column 3 of table Article 577 of this Code.

Article 584. Procedure for calculating and deadlines for paying taxes by legal entities and individual entrepreneurs

1. Taxpayers shall independently calculate the amounts of land tax by applying the appropriate tax rate to the tax base.

2. In the event of transfer of rights to taxable objects during the tax period, the amount of tax shall be calculated for the actual period of the land plot ownership.

The amount of tax payable for the actual period of of the land plot ownership by the person transferring these rights must be paid into the budget before or at the time of state registration of rights. In this case, the person transferring these rights shall calculate the amount of tax from January 1 of the current year until the beginning of the month in which he /she transfers the land plot. The person who has received such rights shall calculate the amount of tax for the period from the beginning of the month in which he/she acquired the right to the land plot.

3. The taxpayer shall pay the land tax no later than ten calendar days after the deadline for submitting the declaration for the tax period.

4. When the boundaries of an administrative-territorial unit change, land tax on land plots of populated areas that, prior to the date of such change, were classified as agricultural lands, shall be calculated at the rates established by Article 576 of this Code, provided that such plots are used for agricultural purposes.

Article 585. Features of calculation, payment of tax, and submission of tax reports in certain cases

1. For land plots on which buildings, structures, and facilities are located that are in the use of several taxpayers, land tax shall be calculated separately for each taxpayer in proportion to the area of the buildings and structures that are in their separate use.

2. When legal entities specified in subparagraphs 3) and 4) of paragraph 3 of Article 571 of this Code transfer a part of a building or a part of a structure for use, trust management or lease, land tax shall be calculated depending on the specific weight of the area of the part of the building or part of the structure transferred for use, trust management or lease in the total area of all buildings and structures located on the given land plot.

3. In the event of the acquisition by a legal entity of real estate that is part of the housing stock, land tax shall be calculated at the basic rates of tax on lands of populated areas, with

the exception of lands occupied by the housing stock, including buildings and structures attached to it, established by Article 577 of this Code.

Chapter 65. TAX PERIOD AND TAX REPORTING

Article 586. Tax period

The tax period for calculating land tax shall be the calendar year from January 1 to December 31.

Article 587. Tax reporting

1. The declaration shall be submitted to the tax authorities at the location of the land plots no later than March 31 of the year following the reporting tax period:

1) by legal entities;

2) by individual entrepreneurs – for tax liabilities determined for land plots used (to be used) in entrepreneurial activities;

3) by individuals (including individuals engaged in private practice) – for tax liabilities determined for land plots used (to be used) in entrepreneurial activities and (or) in activities related to such private practice.

SECTION 12. PROPERTY TAX Chapter 66. PROPERTY TAX OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS

Article 588. Taxpayers

1. The payers of property tax shall be:

1) legal entities that have a taxable object on the basis of ownership, economic management or operational management in the territory of the Republic of Kazakhstan;

2) individual entrepreneurs who have a taxable object on the basis of ownership in the territory of the Republic of Kazakhstan;

3) a concessionaire who has the right of ownership or use of a taxable object that is the object of a concession in accordance with the concession agreement;

4) persons specified in Article 589 of this Code.

2. A legal entity shall have the right, by its decision, to recognize its structural subdivision as an independent payer of property tax.

Unless otherwise provided by this Article, a decision of a legal entity on such recognition or termination of such recognition shall enter into force on January 1 of the year following the year in which such decision is made.

If a newly created structural subdivision of a legal entity is recognized as an independent payer of property tax, then the decision of the legal entity on such recognition shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

3. Unless otherwise provided by this Article, the following shall not be the payers of property tax:

1) individual entrepreneurs who apply a special tax regime for peasant or farm households , for objects of taxation that they own and that are directly used by them in the process of producing agricultural products, storing and processing them.

The taxpayers specified in this subparagraph, for objects of taxation not used directly in the process of production, storage and processing of their own agricultural products, shall pay property tax in the manner determined by this section;

2) state institutions and state educational institutions of secondary education;

3) state enterprises of correctional institutions of the authorized state body in the sphere of execution of criminal penalties;

4) religious associations;

5) subsoil users under contracts for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land) within the framework of contractual activities, taking into account the features provided for in paragraph 4 of Article 756 of this Code.

Legal entities specified in subparagraphs 3) and 4) of part one of this paragraph shall be taxpayers for taxable objects transferred for use, trust management or lease.

Article 589. Determination of a taxpayer in individual cases

1. When a state institution transfers a taxable object into trust management, the taxpayer shall be determined in accordance with Article 67 of this Code.

2. If the object of taxation is in the common shared ownership of several persons, with the exception of objects of taxation that are part of the assets of a mutual investment fund, each of these persons shall be recognized as a taxpayer.

3. The payer of tax on taxable objects that are in common joint ownership may be one of the owners of these taxable objects, by agreement between them.

4. Unless otherwise established by this paragraph, the payer of tax on objects transferred to financial lease that complies with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall be the lessor.

The payer of tax on objects transferred under financial lease shall be the lessee.

5. The payer of tax on taxable objects included in the assets of a mutual investment fund shall be the management company of the mutual investment fund.

6. In the absence of state registration of rights to buildings and structures subject to such registration, the payer of tax on such an object shall be recognized as the person who actually owns and uses (operates) the given object on the basis of:

1) the act of the state acceptance committee and (or) the act of acceptance (commissioning) of the constructed facility into operation – for newly erected (constructed) facilities;

2) civil law transactions or other grounds provided for by the legislation of the Republic of Kazakhstan – in other cases.

Article 590. Object of taxation

1. The object of taxation for individual entrepreneurs, with the exception of individual entrepreneurs who do not maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", and legal entities shall be the following ones located within the territory of the Republic of Kazakhstan:

1) buildings, structures classified as such in accordance with the classification established by the authorized body in the field of technical regulation, parts of such buildings, accounted for as part of fixed assets, investments in real estate in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) buildings classified as such in accordance with the classification established by the authorized body in the field of technical regulation, parts of such buildings provided to individuals under long-term housing lease agreements with the right to purchase, accounted for in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting as long-term accounts receivable;

3) buildings and structures that are objects of concession, the rights of ownership and use of which have been transferred under the concession agreement;

4) assets specified in Article 316 of this Code;

5) buildings, structures classified as such in accordance with the classification established by the authorized body in the field of technical regulation, parts of such buildings, accounted for in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting as part of the assets of second-tier banks, transferred into ownership as a result of foreclosure on property acting as collateral or other security, with the exception of buildings (parts of buildings) and structures specified in subparagraph 1) of this paragraph;

6) buildings and structures specified in paragraph 6 of Article 589 of this Code;

7) buildings and structures classified as such in accordance with the classification established by the authorized body in the field of technical regulation, parts of such buildings and structures provided for financial lease and accounted for in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting as accounts receivable.

2. The object of taxation for individual entrepreneurs who do not maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" shall be recognized as buildings and structures located on the territory of the Republic of Kazakhstan that are classified as such in

accordance with the classification established by the authorized body in the field of technical regulation and are fixed assets in accordance with subparagraph 9) of Article 218 of this Code
.

3. The following shall not be subject to taxation:

1) land as an object of land taxation in accordance with Articles 573 and 574 of this Code;

2) buildings and structures that are being mothballed by decision of the Government of the Republic of Kazakhstan;

3) state public roads and road structures on them:

right-of-way;

road structural elements;

road conditions and arrangement;

bridges;

overpasses;

viaducts;

transport interchanges;

tunnels;

protective galleries;

structures and devices designed to improve road safety;

water drainage and drainage structures;

forest belts along roads;

linear residential buildings and road maintenance service complexes;

4) unfinished construction projects, with the exception of the projects specified in paragraph 6 of Article 589 and subparagraph 4) of paragraph 1 of this Article;

5) buildings and structures that are an integral part of the transport complex, ensuring the functioning of the metro;

6) buildings and structures acquired by the state Islamic special financial company under contracts concluded in accordance with the terms of the issue of state Islamic securities;

7) housing and other objects of individuals used in entrepreneurial activities, for which the tax base is determined in accordance with Article 600 of this Code and the tax is calculated by tax authorities in accordance with Articles 603 and 604 of this Code;

8) buildings and structures that are objects of a concession, the rights of ownership and use of which are transferred under a concession agreement with the application of a fee for availability under concession projects of special significance, the list of which is determined by the Government of the Republic of Kazakhstan, provided that the cost of the concession objects exceeds 50,000,000 times the monthly calculation indicator in effect on January 1 of the relevant financial year;

9) buildings and structures located on the territory of the nuclear safety zone, used for the placement of radioactive waste and ensuring nuclear physical protection.

Article 591. Tax base

1. Unless otherwise established by this Article, the tax base for taxable items of individual entrepreneurs and legal entities specified in subparagraphs 1), 3), 4) and 5) of paragraph 1 of Article 590 of this Code shall be the average annual book value of taxable items, determined on the basis of accounting data, taking into account the revaluation of property.

Moreover, such an assessment of property must be carried out at least once every three years.

2. For the objects of taxation of individual entrepreneurs and legal entities specified in subparagraphs 2) and 7) of paragraph 1 of Article 590 of this Code, the tax base shall be established in the amount of the average annual amount of accounts receivable, including long-term ones, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

3. The average annual book value of taxable items shall be determined as one thirteenth of the amount obtained by adding the book values of taxable items on the 1st day of each month of the current tax period and the 1st day of the month of the tax period following the reporting one.

If the terms of the subsoil use contract provide for the fulfillment of obligations to dismantle and remove taxable objects, and the provisions of the Environmental Code of the Republic of Kazakhstan provide for the implementation of measures related to the liquidation fund of waste disposal sites, then the assessment of such obligations, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, shall not be included in the book value of taxable objects when maintaining separate records.

If the provisions of the Law of the Republic of Kazakhstan "On the Main Pipeline" provide for the fulfillment of obligations to liquidate the main pipeline, then the assessment of such obligations, determined in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, shall not be included in the book value of taxable items when maintaining separate records of the cost of such obligations.

In the event that an energy transmission organization accepts onto its balance sheet electrical networks recognized as ownerless in accordance with the civil legislation of the Republic of Kazakhstan or received free of charge in accordance with the legislation of the Republic of Kazakhstan, the cost of such networks shall not be included in the tax base until the amount of property tax on such networks is taken into account in the tariff estimate in accordance with paragraph 8 of Article 13-1 of the Law of the Republic of Kazakhstan "On Electric Power Industry".

4. The average annual amount of accounts receivable, including long-term accounts, established in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial

reporting, shall be determined as one thirteenth of the amount obtained by adding up the amounts of accounts receivable, including long-term accounts, on the 1st day of each month of the current tax period and the 1st day of the month of the tax period following the reporting one.

5. For the objects of taxation of legal entities specified in subparagraphs 3) and 4) of paragraph 3 of Article 588 of this Code, the tax base shall be determined based on the share of these taxation objects transferred for use, trust management or lease.

6. Unless otherwise provided by this paragraph, the tax base for taxable objects of individual entrepreneurs who do not maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" shall be:

in the first three years after recognition as a taxable object - the total costs of their acquisition, production, construction, assembly, installation, as well as reconstruction and modernization.

In this case, recognition of reconstruction and modernization shall be carried out in accordance with paragraph 2 of Article 278 of this Code;

in subsequent periods – market value.

Moreover, such an assessment must be carried out at least once every three years as of January 1.

In the absence of primary documents confirming the costs of acquisition, production, construction, assembly, installation, reconstruction, modernization, and for taxable objects received through transactions, the price (cost) of which is unknown, or free of charge, including in the form of gifts, inheritance, donations, charitable assistance, the tax base in the first three years after recognition as a taxable object shall be the market value:

1) of the object of taxation on the date of occurrence of the ownership right for the given asset;

2) of the object of taxation of the payers specified in paragraph 6 of Article 589 of this Code, on the date of recognition as payers for such objects.

In this case, the market value shall be determined in the appraisal report conducted under an agreement between the appraiser and the taxpayer in accordance with the legislation of the Republic of Kazakhstan on appraisal activities.

7. In the event that, in accordance with the provisions of Article 67 of this Code, tax obligations for property tax are subject to fulfillment by a trustee, the tax base shall be the average annual book value of such taxable objects, established in the manner specified in paragraph 3 of this Article:

1) by the trustee independently – if such property is transferred to his/her balance sheet;

2) a state agency on the balance sheet of which such property is located. In this case, data on the tax base of such property must be transferred to the trustee annually no later than February 1.

In the event that, when preparing tax reporting on property tax, there is no data on the average annual book value of the property specified in subparagraph 2) of part one of this paragraph, the tax base for such property shall be its book value reflected in accordance with paragraph 4 of Article 67 of this Code in the acceptance certificate.

8. In the event that, in accordance with subparagraph 5) of paragraph 3 of Article 588 of this Code, a subsoil user is not a payer of property tax within the framework of contractual activities under a contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land), the tax base for such a subsoil user shall be determined by deducting the share of the average annual book value of the property attributable to the relevant contract for exploration and production or production of hydrocarbons under complex projects (except for gas projects on land).

In this case, the determination of such share shall be carried out by the subsoil user independently on the basis of one or several methods of maintaining separate tax records adopted by the subsoil user in the tax accounting policy, as provided for in paragraph 12 of Article 757 of this Code.

Article 592. Tax rates

1. Unless otherwise provided by this Article, legal entities shall calculate property tax at a rate of 1.5 percent of the tax base.

2. The property tax at a rate of 0.5 percent of the tax base shall be calculated by the following taxpayers:

1) individual entrepreneurs;

2) legal entities applying a special tax regime based on a simplified declaration;

3) subjects of social entrepreneurship.

3. The legal entities listed below shall calculate property tax at a rate of 0.1 percent of the tax base:

1) non-profit organizations, with the exception of those registered in accordance with the civil legislation of the Republic of Kazakhstan in the form of a joint-stock company, institution, consumer cooperative, or religious association;

2) organizations operating in the social sphere;

3) specialized organizations for persons with disabilities in accordance with the Social Code of the Republic of Kazakhstan;

4) organizations the main activity of which is the performance of works (rendering services) in the field of library services;

5) legal entities for reservoirs and hydroelectric power plants that are state-owned and financed from budget funds;

Note!

Subparagraph 10) shall remain in effect until January 1, 2029, pursuant to subparagraph 3) of paragraph 2 of Article 848 of this Code.

6) legal entities for hydromelioration facilities used for irrigation of lands of legal entities – agricultural producers and peasant or farm households;

7) legal entities for drinking water supply facilities;

8) legal entities on runways at airfields and airport terminals, with the exception of runways at airfields and airport terminals in the cities of Astana and Almaty;

9) technological parks for facilities used in the implementation of their main type of activity, as provided for by the Law of the Republic of Kazakhstan "On Industrial Policy".

The provisions of this subparagraph may be applied by technological parks that simultaneously meet the following conditions:

created in accordance with the Law of the Republic of Kazakhstan "On Industrial Policy";

50 percent or more of the voting shares (participatory interests) of such technology parks belong to a national development institute in the field of technological development.

The provisions of this subparagraph shall not be applied in cases of transfer of taxable objects for use, trust management or lease;

10) an organization that carries out activities related to the organization and holding of an international specialized exhibition on the territory of the Republic of Kazakhstan, and the post-exhibition use of the territory of the international specialized exhibition.

For the purposes of part one of this subparagraph, an organization carrying out activities related to the organization and holding of an international specialized exhibition on the territory of the Republic of Kazakhstan shall mean a legal entity with 100% state participation in the authorized capital, whose principal activity is the organization and holding of an international specialized exhibition on the territory of the Republic of Kazakhstan, and the post-exhibition use of the territory of the international specialized exhibition.

4. Legal entities specified in paragraph 3 of this Article, for the taxation objects transferred for use, trust management or lease, shall calculate and pay property tax at the tax rate established by paragraph 1 of this Article, with the exception of legal entities specified in subparagraphs 1), 2), 3) and 10) of paragraph 3 of this Article.

5. Property tax at a rate of 0 percent of the tax base shall be calculated by:

1) legal entities defined in subparagraph 9) of paragraph 2 of Article 15 of this Code;

2) organizations operating in the territories of special economic zones - for taxable objects used in the implementation of priority types of activities, taking into account the provisions established by Chapter 80 of this Code;

3) a person who has entered into an investment agreement taking into account the provisions of Chapter 80 of this Code;

4) an organization that is an operator in the field of official development assistance;

5) management companies of special economic and industrial zones for taxable objects used (planned to be used) for servicing special economic and industrial zones.

6. Legal entities specified in the list approved by the authorized state body implementing management and inter-sectoral coordination in the sphere of housing relations and housing

and public utilities in agreement with the authorized body in the field of tax policy, shall calculate the tax at the rates established by Article 602 of this Code, on taxable objects provided within the framework of the implementation of state and (or) government housing construction programs under long-term housing lease agreements to an individual who is a participant in such a program.

7. If a social entrepreneurship entity complies with several provisions of paragraphs 2, 3, 4 and 5 of this Article, then one of the lowest rates established by this Article shall be applied.

Article 593. Procedure for calculating and paying taxes

1. Tax calculation shall be performed by taxpayers independently by applying the appropriate tax rate to the tax base.

Legal entities – producers of agricultural products, aquaculture products (fish farming), specified in subparagraph 1) of paragraph 2 of Article 357 of this Code, shall calculate property tax with the right to reduce the tax amount by 70 percent.

2. The persons specified in paragraph 6 of Article 592 of this Code shall calculate the amount of tax by applying the rates established by Article 602 of this Code to the tax base determined separately for each object in accordance with:

with paragraph 1 of Article 591 of this Code, - in the case of providing taxable objects for rent to individuals under a long-term residential lease agreement without the right of redemption;

with paragraph 2 of Article 591 of this Code, - in the case of providing taxable objects for rent to individuals under a long-term lease agreement for housing with the right of purchase.

3. For taxable objects that are in common shared ownership, the property tax for each taxpayer shall be calculated in proportion to his/her share in the value of the property.

4. Tax payment shall be made to the budget at the location of the taxable objects.

5. The amount of current payments for property tax shall be determined by taxpayers who, in accordance with paragraph 1 of Article 596 of this Code, are payers of such current payments, by applying the relevant tax rates to the book value of taxable objects, determined based on accounting data at the beginning of the tax period.

6. Taxpayers who, in accordance with paragraph 1 of Article 596 of this Code, are payers of current payments of property tax, shall pay the amounts of such current payments in equal shares no later than February 25, May 25, August 25 and November 25 of the tax period.

7. Adjustments to the amounts of current payments for property tax shall be made by payers of current payments in the event of receipt and/or disposal of taxable objects during the tax period.

In the event that during the tax period the payer of current payments of property tax receives objects of taxation, the amounts of such current payments shall be increased by an amount determined by applying the tax rate to 1/13 of the initial value of the received objects

of taxation, determined according to accounting data on the date of receipt, multiplied by the number of months of the current tax period, starting from the month in which the objects of taxation were received until the end of the tax period.

In the event that the payer disposes of current property tax payments during the tax period of taxable objects, the amounts of such current payments shall be reduced by an amount determined by applying the tax rate to 1/13 of the value of the disposed taxable objects, multiplied by the number of months of the current tax period, starting from the month in which the taxable objects were disposed of until the end of the tax period.

In this case, the value of the disposed taxable objects shall be:

initial cost according to accounting data on the date of receipt - for taxable objects received in the current tax period;

book value according to accounting data at the beginning of the tax period - for other taxable objects.

8. Taxpayers shall pay property tax no later than ten calendar days after the deadline for filing a declaration for the tax period.

9. For a person who is a taxpayer on the basis of subparagraph 2) of paragraph 6 of Article 589 of this Code, the tax amount shall be calculated in the event of the transfer of rights to an unregistered taxable object:

1) for the transferring party – for the period from the 1st day of the month of actual possession and (or) use (operation) of such taxable object until the 1st day of the month in which such object is transferred on the basis of an acceptance certificate or other document;

2) for the acquiring party – for the period from the 1st day of the month in which such object was transferred on the basis of an acceptance certificate or other document.

Article 594. Calculation and payment of tax in certain cases

For objects of taxation used (to be used) in entrepreneurial activity, an individual entrepreneur shall calculate and pay tax at the rates and in the manner established by this chapter.

In this case, for the purposes of this chapter, the object of taxation used (to be used) in entrepreneurial activity shall not be recognized as the object of taxation if the conditions are simultaneously met if such an object:

is a dwelling for which the tax base is determined in accordance with Article 600 of this Code and the tax is calculated by tax authorities;

provided for rent (use) exclusively for residential purposes and not removed from the housing stock.

Article 595. Tax period

1. The tax period for calculating property tax is the calendar year from January 1 to December 31.

2. For legal entities specified in subparagraphs 3) and 4) of paragraph 3 of Article 588 of this Code, the tax period shall be determined from the moment of transfer of taxable objects for use, trust management or lease until the end of such use.

Article 596. Tax reporting

1. Individual entrepreneurs (except for individual entrepreneurs applying a special tax regime based on a simplified declaration) for taxable objects used (to be used) in entrepreneurial activity, and legal entities shall be the payers of current payments of property tax if their calculated tax amount exceeds 300 times the monthly calculated indicator in effect on January 1 of the relevant financial year. For the purposes of this paragraph, the calculated tax amount shall be determined as the product of the relevant tax rate and the book value of taxable objects determined based on accounting data at the beginning of the tax period.

Payers of current payments of property tax shall submit to the tax authorities at the location of taxable objects a calculation of current payments of tax no later than February 15 of the current tax period.

2. The payer of current payments of property tax shall submit, no later than ten calendar days before the next (during the tax period) deadline for payment of current payments, an additional calculation of current payments with a corresponding adjustment of the amounts of such payments and their distribution in equal shares for the upcoming payment deadlines - upon receipt and (or) disposal of taxable objects during the tax period.

In this case, an additional calculation of current payments shall be submitted for objects that were received and (or) disposed of as of the first day of the month in which the next deadline for payment of current payments occurs.

3. The tax declaration shall be submitted to the tax authorities at the location of the taxable objects no later than March 31 of the year following the reporting tax period by:

1) legal entities;

2) individual entrepreneurs – for tax liabilities determined by taxable objects used (to be used) in entrepreneurial activities;

3) individuals (including individuals engaged in private practice) – for tax liabilities determined by taxable objects used (to be used) in entrepreneurial activity and (or) activity related to such private practice.

Chapter 67. PROPERTY TAX OF INDIVIDUALS

Article 597. Taxpayers

1. Payers of the property tax for individuals shall be individuals who have a taxable object in accordance with Article 599 of this Code.

2. The following persons shall not be payers of property tax for individuals:

1) Heroes of the Soviet Union, Heroes of Socialist Labor, persons awarded the titles of " Halyk Kaharmany", "Kazakhstannyn Enbek Yeri", holders of the Order of Labor Glory of three degrees and the Order of "Otan" - within the limits of 1000 times the monthly

calculation index in effect on January 1 of the relevant financial year, from the total value of all taxable objects specified in subparagraph 1) of Article 599 of this Code;

2) veterans of the Great Patriotic War, veterans equal in benefits to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, as well as persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons with disabilities on:

land plots occupied by housing stock, including buildings and structures attached to it;

house land plots;

land plots provided for personal household (subsidiary) farming, gardening and summer cottage construction, including land occupied by buildings;

land plots occupied by garages;

within the limits of 1,500 times the monthly calculation indicator in effect on January 1 of the relevant financial year, from the total value of all taxable objects specified in subparagraph 1) of Article 599 of this Code;

3) orphans and children left without parental care, for the period until they reach the age of 18 years on:

land plots occupied by housing stock, including buildings and structures attached to it;

house land plots;

land plots provided for personal household (subsidiary) farming, gardening and summer cottage construction, including land occupied by buildings;

land plots occupied by garages;

objects of taxation specified in subparagraph 1) of Article 599 of this Code;

4) one of the parents of a person with a disability from childhood, a child with a disability on:

land plots occupied by housing stock, including buildings and structures attached to it;

house land plots;

land plots provided for personal household (subsidiary) farming, gardening and summer cottage construction, including land occupied by buildings;

land plots occupied by garages;

5) mothers with many children, awarded the title of "Mother Heroine", awarded the " Altyn Alka" pendant, pensioners living separately on:

land plots occupied by housing stock, including buildings and structures attached to it;

house land plots;

within the limits of 1000 times the monthly calculation indicator in effect on January 1 of the relevant financial year, from the total value of all taxable objects specified in subparagraph 1) of Article 599 of this Code.

For the purposes of this Code, separately residing pensioners shall mean the pensioners at whose legal address (their place of residence) only pensioners are registered;

6) individual entrepreneurs for taxable objects used in entrepreneurial activity, with the exception of housing and other objects for which the tax base is determined in accordance with Article 600 of this Code, and the tax is calculated by tax authorities in accordance with Articles 603 and 604 of this Code;

7) individuals – owners of an apartment (room) according to the share of the owner of the apartment (room) in a land plot occupied by an apartment building.

3. The provisions of subparagraphs 1) – 5) of paragraph 2 of this Article shall not apply to taxable objects transferred for use or property lease (rent).

Article 598. Determination of a taxpayer in individual cases

1. When a state institution transfers taxable objects into trust management, the taxpayer shall be determined in accordance with Article 67 of this Code.

2. If the object of taxation is in the common shared ownership of several persons, each of these persons shall be recognized as a taxpayer.

3. The payer of tax on objects of taxation that are in common joint ownership may be one of the owners of the given object of taxation, by agreement between them.

In this case, for taxable objects that are in common joint ownership, for which state registration of ownership rights has been carried out, the taxpayer may be one of the owners of this taxable object, indicated by the owners in the application for state registration of ownership rights to such an object.

4. In the absence of identification documents for a land plot, the grounds for recognizing the user as a taxpayer in relation to the land plot shall be the actual possession and use of such a plot on the basis of:

1) acts of state bodies on the provision of a land plot - when providing a land plot from state ownership;

2) civil law transactions or other grounds provided for by the legislation of the Republic of Kazakhstan – in other cases.

Article 599. Object of taxation

The objects of taxation of property tax for individuals shall be the following ones located in the territory of the Republic of Kazakhstan:

1) dwellings, buildings, summer cottages, garages, parking spaces and other structures, facilities, premises owned by them;

2) land plots owned by individuals.

Article 600. Tax base

1. For housing and summer cottages for individuals, the value of taxable objects shall be determined by the State Corporation as of January 1 of each year following the tax period, in the following order:

C = C b x S x C phys x C func x C zone x C meas. mci. x C lux, where:

C – the value of property for tax purposes;

C b – the basic cost of one square meter of housing, summer cottage;

S – useful area of a dwelling or summer cottage in square meters;

C phys – coefficient of physical wear;

C func – coefficient of functional wear;

C zone – zoning coefficient;

C meas. mci – coefficient of change of the monthly calculation indicator;

C lux. – luxury coefficient.

2. The basic cost of one square meter of housing, summer cottage building in national currency (C б) shall be determined depending on the type of settlement in the following amounts:

№	Category of settlement	Base price in tenge
1	2	3
	Cities:	
1.	Almaty	60,000
2.	Shymkent	60,000
3.	Astana	60,000
4.	Aktau	36,000
5.	Aktobe	36,000
6.	Atyrau	36,000
7.	Zhezkazgan	36,000
8.	Kokshetau	36,000
9.	Karaganda	36,000
10.	Konaev	36,000
11.	Kostanay	36,000
12.	Kyzylorda	36,000
13.	Uralsk	36,000
14.	Ust-Kamenogorsk	36,000
15.	Pavlodar	36,000
16.	Petropavlovsk	36,000
17.	Semey	36,000
18.	Taldykorgan	36,000
19.	Taraz	36,000
20.	Turkestan	36,000
21.	Cities of regional significance	12,000
22.	Cities of regional significance	6,000
23.	Settlements	4 200
24.	Villages	2 700

In this case, the categories of populated areas shall be determined in accordance with the classifier of administrative-territorial objects approved by the authorized body in the field of technical regulation.

3. For a storage room located in an apartment building and used for personal purposes, a cold extension, an outbuilding (service) building, a basement floor, a cellar of a home, a garage, a parking space, the value of each such object as of January 1 of each year following the tax period shall be determined by the State Corporation using the formula:

C = C b × S × C phys × C meas. mci × K zones, where:

C – value for tax purposes;

C b – the base cost of one square meter, determined in the following amount from the base cost established by paragraph 2 of this Article:

for a storage room located in an apartment building and used for personal purposes, a cold extension, an outbuilding (service) building, a basement floor, a cellar of a dwelling - 25 percent,

for a garage or parking space – 15 percent;

S – the total area of a cold extension, utility (service) building, basement floor, cellar of a dwelling, garage in square meters;

C phys – the coefficient of physical wear established in the manner specified in paragraph 4 of this Article;

C meas. mci – the coefficient of change of the monthly calculation indicator, determined in the manner established by paragraph 7 of this Article;

C zone – zoning coefficient established in the manner specified in paragraph 6 of this Article.

4. The coefficient of physical wear of a dwelling or summer cottage shall be determined taking into account depreciation rates and effective age using the formula:

C phys = 1 - W phys, where:

W phys - physical wear and tear of the home, summer cottage.

Physical wear and tear shall be determined by the formula:

W phys = (T base - T input) x H depr/100, where:

T base – year of tax accrual;

T input – year of putting the taxable object into operation;

N depr - the depreciation rate.

Depending on the characteristics of the building, the following depreciation rates shall be applied when determining physical wear and tear:

№	Capital classification group	Building characteristics	Depreciation, %	Service life
1	2	3	4	5
		Stone buildings, especially capital,		

1.	1.	brick walls over 2.5 bricks thick or brick with a reinforced concrete or metal frame, reinforced concrete and concrete floors; buildings with large-panel walls, reinforced concrete floors	0.7	143
2.	2.	Buildings with brick walls 1.5-2.5 bricks thick, reinforced concrete, concrete or wooden floors; buildings with large-block walls, reinforced concrete floors	0.8	125
3.	3.	Buildings with lightweight masonry walls made of brick, monolithic cinder concrete, lightweight cinder blocks, shell rock, reinforced concrete or concrete floors; buildings with large-block or lightweight masonry walls made of brick, monolithic cinder concrete, small cinder blocks	1.0	100
4.	4.	Buildings with mixed walls, wooden logs or timber	2.0	50
5.	5.	Unfired brick buildings, prefabricated panel, frame-infill, clay, adobe	3.3	30
6.	6.	Frame-reed buildings and other lightweight ones	6.6	15

If the physical wear and tear of a stone or load-bearing panel dwelling or summer cottage exceeds 70 percent, or 65 percent for other materials, then the physical wear and tear coefficient is taken to be equal to 0.2.

5. The coefficient of functional wear (C func), taking into account changes in the requirements for the quality of housing and summer cottages, shall be calculated using the formula:

C func = C floor x C corner x C wall mat. x C conv x C heating, where:

C floor – a coefficient taking into account changes in the base cost depending on the floor of the dwelling;

C corner – a coefficient taking into account the location of the dwelling on the corner sections of the building;

C wall mat. – a coefficient taking into account the wall material;

C conv – a coefficient taking into account the level of conveniences of a home, a summer cottage and its provision with engineering and technical devices;

C heating - a coefficient taking into account the type of heating.

Depending on the number of storeys, the following correction factors for the number of storeys (C floor) shall be applied:

№	Floor	C floor
1	2	3
1.	First	0.95
2.	Intermediate or individual residential building	1.00
3.	Last	0.9

For multi-apartment residential buildings with a height of no more than three floors, the number of floors coefficient for any floor is taken to be equal to 1.

Depending on the location of the dwelling on the corner sections of the building, the following correction factors (C corner) shall be applied:

№	Location of a dwelling on corner sections of the building	C corner
1	2	3
1.	Corner	0.95
2.	Non-corner or individual residential building	1.0

Depending on the wall material, the following correction factors shall be applied (C wall mat):

№	Wall material	Coefficient
1	2	3
1.	Made of brick	1,1
2.	Precast from expanded clay concrete blocks	1.0
3.	Prefabricated from expanded clay concrete blocks, faced with brick	1.05
4.	Reinforced concrete panels	1.0

5.	Made of reinforced concrete panels faced with brick	1.05
6.	Adobe and clay	0.5
7.	Adobe, faced on the outside with 0.5 bricks	0.6
8.	Monolithic cinder concrete	0.7
9.	Made of reinforced concrete blocks	1.0
10.	Prefabricated panels	0.6
11.	Prefabricated panels, faced with 0.5 bricks	0.75
12.	Wooden chopped	0.85
13.	Sleepers	0.75
14.	Brick-lined sleepers	0.95
15.	Frame-reed	0.6
16.	Others	1.0

When providing a home or summer cottage with all the appropriate engineering systems and technical devices, the correction coefficient of convenience (C conv.) is taken to be equal to 1.

In the absence of engineering systems and technical devices that create standard or comfortable living (everyday life) conditions, people's stay (water supply, sewerage, other types of convenience), C conv. is taken to be equal to 0.8.

Depending on the type of heating, the following correction heating coefficients (C heating) shall be applied:

Item №	Type of heating	To heating
1	2	3
1.	Central heating	1.0
2.	Local heating with gas or fuel oil	0.98
3.	Local water heating on solid fuel	0.95
4.	Stove heating	0.9

6. The zoning coefficient (C zone), taking into account the location of the taxable object in a populated area, shall be approved in accordance with the methodology for calculating the zoning coefficient by local executive bodies no later than December 1 of the year preceding the year of introduction of such coefficient, and shall be put into effect from January 1 of the year following the year of its approval.

Approved zoning coefficients shall be subject to official publication.

The methodology for calculating the zoning coefficient shall be approved by the authorized state body, determined by the decision of the Government of the Republic of Kazakhstan from among the central state bodies.

7. The coefficient of change of the monthly calculation index (hereinafter – C meas. mci) shall be determined by the formula:

C meas. mci = mci of current year / mci of previous year,

where:

mci of current year – MCI in effect as of January 1 of the relevant financial year;

mci of previous year – MCI in effect as of January 1 of the previous financial year.

8. The luxury coefficient (C lux.) is equal to 1.

At the same time, by decision of the local representative body, the luxury coefficient may be increased by no more than 50% for dwellings.

Such a decision to increase the luxury coefficient shall be taken by the local representative body no later than December 1 of the year preceding the year of its introduction, and shall be put into effect from January 1 of the year following the year of its adoption.

9. In the event that a cold extension, utility (service) building, basement floor, cellar of a residential building, or garage are part of a dwelling, the total value of such taxable objects shall be determined by the State Corporation in accordance with this Article.

10. For taxable objects that are in the common shared ownership of several individuals, the tax base of each such individual shall include the value of the taxable object, calculated in proportion to his/her share in this property.

11. When the boundaries of an administrative-territorial unit change, the value of taxable objects located in a populated area in the territory that, as a result of such a change in boundaries, is transferred to the boundaries of another administrative-territorial unit, for the tax period in which such a change is made, shall be determined on the basis of the base value established for the category of populated area within the boundaries of which the given populated area was located prior to the date of such a change.

12. For the objects of taxation specified in subparagraph 1) of Article 599 of this Code, the tax base shall be:

1) the value of the taxable object separately for each object - if the total value of such taxable objects for one taxpayer, available on December 31 of the tax period, is less than or equal to the maximum value;

2) the total value of such taxable objects available on December 31 of the tax period, if for one taxpayer such total value exceeds the maximum value.

For the purposes of this chapter, the maximum value is 450,000,000 tenge.

13. For land plots specified in subparagraph 2) of Article 599 of this Code, the tax base is the area of the land plot and (or) land share.

Article 601. Calculation and payment of tax in certain cases

For taxable objects used (to be used) in entrepreneurial activity (in activity related to private practice), an individual, including an individual engaged in private practice, shall calculate and pay property tax and submit tax reporting for this type of tax in the manner determined by Chapters 64, 65 and 66 of this Code for individual entrepreneurs applying a special tax regime based on a simplified declaration.

The tax base for the taxable objects specified in subparagraph 1) of Article 599 of this Code shall be determined in accordance with paragraph 6 of Article 591 of this Code.

At the same time, for the purposes of this chapter, objects of taxation used (to be used) in entrepreneurial activity shall not be recognized as housing and other objects, the tax base for which is determined in accordance with Article 600 of this Code, and the tax is calculated by tax authorities, as well as the land plot occupied by such housing and other objects, subject to the conditions that such housing and other objects are provided for lease (use) exclusively for the purpose of residence and are not removed from the housing stock.

Article 602. Tax rates and tax period

1. The property tax of individuals, the tax base for which is determined in accordance with subparagraph 1) of paragraph 12 of Article 600 of this Code, shall be calculated depending on the value of taxable objects at the following rates:

1	2	3
1.	up to 2,000,000 tenge inclusive	0.05 percent of the value of taxable objects
2.	over 2,000,000 tenge up to and including 4,000,000 tenge	1,000 tenge + 0.08 percent of the amount exceeding 2,000,000 tenge
3.	over 4,000,000 tenge up to and including 6,000,000 tenge	2,600 tenge + 0.1 percent of the amount exceeding 4,000,000 tenge
4.	over 6,000,000 tenge up to and including 8,000,000 tenge	4,600 tenge + 0.15 percent of the amount exceeding 6,000,000 tenge
5.	over 8,000,000 tenge up to and including 10,000,000 tenge	7,600 tenge + 0.2 percent of the amount exceeding 8,000,000 tenge
6.	over 10,000,000 tenge up to and including 12,000,000 tenge	11,600 tenge + 0.25 percent of the amount exceeding 10,000,000 tenge
7.	over 12,000,000 tenge up to and including 14,000,000 tenge	16,600 tenge + 0.3 percent of the amount exceeding 12,000,000 tenge
8.	over 14,000,000 tenge up to and including 16,000,000 tenge	22,600 tenge + 0.35 percent of the amount exceeding 14,000,000 tenge
9.	over 16,000,000 tenge up to and including 18,000,000 tenge	29,600 tenge + 0.4 percent of the amount exceeding 16,000,000 tenge
10.	over 18,000,000 tenge up to and including 20,000,000 tenge	37,600 tenge + 0.45 percent of the amount exceeding 18,000,000 tenge
11.	over 20,000,000 tenge up to and including 75,000,000 tenge	46,600 tenge + 0.5 percent of the amount exceeding 20,000,000 tenge
12.	over 75,000,000 tenge up to and including 100,000,000 tenge	321,600 tenge + 0.6 percent of the amount exceeding 75,000,000 tenge
13.	over 100,000,000 tenge up to and including 150,000,000 tenge	471,600 tenge + 0.65 percent of the amount exceeding 100,000,000 tenge
14.	over 150,000,000 tenge up to and including 350,000,000 tenge	796,600 tenge + 0.7 percent of the amount exceeding 150,000,000 tenge
15.	over 350,000,000 tenge up to and including 450,000,000 tenge	2,196,600 tenge + 0.75 percent of the amount exceeding 350,000,000 tenge

16.	over 450,000,000 tenge	2,946,600 tenge + 2 percent of the amount exceeding 450,000,000 tenge

The total amount of tax on the property of individuals, the tax base for which is determined in accordance with subparagraph 2) of paragraph 12 of Article 600 of this Code, shall be calculated at the following rate: 2,946,600 tenge + 2 percent of the tax base exceeding the maximum value.

2. Basic tax rates on land occupied by housing stock, including buildings and structures attached to it (except for house plots), shall be established per square meter of area in the following amounts:

№	Category of settlement	Basic tax rates on land occupied by housing stock, including buildings and structures attached to it (tenge)
1	2	3
	Cities:	
1.	Almaty	0.96
2.	Shymkent	0.58
3.	Astana	0.96
4.	Aktau	0.58
5.	Aktobe	0.58
6.	Atyrau	0.58
7.	Zhezkazgan	0.58
8.	Kokshetau	0.58
9.	Karaganda	0.58
10.	Konaev	0.58
11.	Kostanay	0.58
12.	Kyzylorda	0.58
13.	Uralsk	0.58
14.	Ust-Kamenogorsk	0.58
15.	Pavlodar	0.58
16.	Petropavlovsk	0.58
17.	Semey	0.58
18.	Taldykorgan	0.58
19.	Taraz	0.58
20.	Turkestan	0.39
21.	Almaty region:	
22.	cities of regional significance	0.39
23.	cities of regional significance	0.39
24.	Akmola region:	
25.	cities of regional significance	0.39
26.	cities of regional significance	0.39
27.	Other cities of regional significance	0.39

28.	Other cities of regional significance	0.19
29.	Settlements	0.13
30.	Villages	0.09

In this case, the categories of settlements shall be established in accordance with the classifier of administrative-territorial objects approved by the authorized body in the field of technical regulation.

3. House land plots shall be subject to taxation at the following basic tax rates:

1) for the capital, cities of republican status and cities of oblast status:

for an area of up to 1000 square meters inclusive – 0.20 tenge per 1 square meter;

for an area exceeding 1000 square meters – 6.00 tenge per 1 square meter.

By decision of local representative bodies, tax rates on land plots exceeding 1000 square meters may be reduced from 6.00 to 0.20 tenge per 1 square meter;

2) for other settlements:

for an area of up to 5,000 square meters inclusive – 0.20 tenge per 1 square meter;

for an area exceeding 5,000 square meters – 1.00 tenge per 1 square meter.

By decision of local representative bodies, tax rates on land plots exceeding 5,000 square meters may be reduced from 1.00 tenge to 0.20 tenge per 1 square meter.

A house land plot is considered to be a part of a land plot related to the lands of populated areas, intended for servicing a residential building (residential house) and not occupied by a residential building (residential house), including structures and facilities attached to it.

4. Basic tax rates on agricultural land, as well as land in settlements provided to individuals for personal household (subsidiary) farming, gardening and summer cottage construction, including land occupied by the corresponding buildings, shall be established at the following rates:

1) for an area of up to 0.50 hectares inclusive – 20 tenge per 0.01 hectares;

2) for an area exceeding 0.50 hectares – 100 tenge per 0.01 hectare.

5. Lands of settlements, with the exception of lands occupied by housing stock, including buildings and structures attached to it, shall be subject to taxation at the basic rates for lands of populated areas established in column 3 of the table of Article 577 of this Code.

6. Local representative bodies, on the basis of land zoning projects (schemes), carried out in accordance with the land legislation of the Republic of Kazakhstan, shall have the right to lower or raise the basic tax rates on land occupied by housing stock, including buildings and structures attached to it, by no more than 50 percent of the basic tax rates.

At the same time, it is prohibited to lower or raise rates individually for individual taxpayers.

Such a decision to lower or raise rates shall be made by the local representative body no later than December 1 of the year preceding the year of its introduction, and shall be put into effect on January 1 of the year following the year of its adoption.

The decision of the local representative body to lower or raise rates shall be subject to official publication.

7. The tax period for calculating the property tax of individuals is the calendar year from January 1 to December 31.

In the event of destruction, demolition, or dismantling of taxable objects for individuals, the month in which the fact of destruction, demolition, or dismantling of taxable objects occurred is included in the calculation of the tax period.

Article 603. Procedure for calculating and paying taxes

1. Calculation of the tax of individuals on objects of taxation, except for those specified in Article 604 of this Code, shall be carried out by tax authorities no later than July 1 of the year following the reporting tax period, at the location of the object of taxation, regardless of the taxpayer's place of residence, by applying the relevant tax rate to the tax base, taking into account the actual period of ownership of the taxation objects by individuals, the rights to which were registered before January 1 of the year following the reporting tax period.

2. The property tax of individuals includes the amounts of taxes calculated separately for each object of taxation specified in Article 599 of this Code for the tax period.

3. If during the tax period the object of taxation is owned for less than twelve months, the property tax payable on such objects shall be calculated by dividing the amount of tax determined in accordance with paragraph 1 of this Article by twelve and multiplying by the number of months of the actual period of ownership of the object of taxation.

In this case, the actual period of ownership of an object shall be determined from the beginning of the tax period (if the object was owned on such date) or from the 1st day of the month in which the right of ownership to the object arose, until the 1st day of the month in which the right of ownership to such object was transferred, or until the end of the tax period (if the object was owned on such date).

4. For a taxable object that is in common shared ownership of several individuals, the tax shall be calculated in proportion to their share in this property.

5. In the event of destruction, demolition or dismantling of a taxable object, the recalculation of the tax amount shall be carried out in the presence of documents issued by the authorized state body confirming the fact of destruction, demolition or dismantling.

6. In the event of occurrence or termination during the tax period of the right to apply the provisions of subparagraphs 1) – 5) of paragraph 2 of Article 597 of this Code, such provisions:

when a right arises, they shall apply from the 1st day of the month in which such right arose until the end of the tax period or until the 1st day of the month in which such right ceases;

upon termination of the right – shall not apply from the 1st day of the month in which such right terminates.

7. Unless otherwise provided by paragraph 8 of this Article, tax shall be paid to the budget at the location of the taxable objects no later than October 1 of the year following the reporting tax period.

8. The amount of tax payable for the actual period of ownership of the taxable object by the person transferring the ownership right must be paid into the budget no later than the day of state registration of the ownership right.

In this case, for the purposes of calculating the property tax of individuals in the case provided for in part one of this paragraph, the tax base determined for the tax period preceding the year in which the transfer of ownership of the taxable object took place shall be used.

9. When the boundaries of an administrative-territorial unit change, the tax on the property of individuals located in a populated area in the territory that, as a result of such a change in boundaries, is transferred to the boundaries of another administrative-territorial unit , for the tax period in which such a change is made, shall be calculated based on the base value established for the category of populated area within the boundaries of which the given populated area was located prior to the date of such a change.

10. When a settlement is transferred during a tax year from one category of settlements to another, the property tax on land plots owned by individuals for the tax period in which such transfer is made shall be calculated at the rates established for the category of settlement to which the given settlement belonged prior to such transfer.

Article 604. Procedure for calculating and paying tax when the maximum value is exceeded

1. Calculation of tax on objects of taxation of individuals, provided for in subparagraph 1) of Article 599 of this Code, the tax base for which exceeds the maximum value, shall be carried out by tax authorities no later than July 1 of the year following the tax period.

The tax shall be calculated for the tax period in the following order:

1) the total amount of tax of the taxpayer shall be determined for all objects of taxation owned by him/her as of December 31 of the tax period by applying the appropriate tax rate to the tax base;

2) the tax amount for each taxable object included in the tax base shall be determined using the following formula: total tax amount * value of taxable object/tax base.

2. Tax payment shall be made to the budget at the location of the taxable objects no later than October 1 of the year following the tax period.

SECTION 13. GAMBLING TAX Chapter 68. GAMBLING TAX

Article 605. Payers

Payers of the gambling tax shall be legal entities (gambling business organizers) carrying out the following types of activities in the gambling business:

1) casino;

2) a hall of gaming machines;

3) totalizator;

4) bookmaker's office.

Article 606. Objects of taxation

The objects of taxation for gambling business when carrying out activities in the gambling business shall be:

1) gaming table;

2) slot machine;

3) totalizator cash desk;

4) electronic totalizator cash desk;

5) bookmaker's office cash desk;

6) electronic cash desk of the bookmaker's office.

Article 607. Tax rates

1. The tax rate on gambling business per taxable object shall be established as follows:

1) for a gaming table – 1,660 times the monthly calculation index per month;

2) for a slot machine – 60 times the monthly calculation index per month;

3) for a totalizator cash desk – 300 times the monthly calculation index per month;

4) for an electronic totalizator cash desk – 4,000 times the monthly calculation index per month;

5) for a bookmaker's cash desk - 300 times the monthly calculation index per month;

6) for an electronic bookmaker's cash desk - 3,000 times the monthly calculation index per month.

2. The tax rates established by paragraph 1 of this Article shall be determined based on the amount of the monthly calculation index in effect on the 1st day of the tax period.

Article 608. Tax period

The tax period for gambling tax is a calendar quarter.

Article 609. Procedure for calculating tax

1. The calculation of the tax on the gambling business shall be carried out by applying the appropriate tax rate to each object of taxation defined in Article 606 of this Code, unless otherwise established by paragraph 2 of this Article.

2. When putting taxable objects into operation before the 15th day of the month inclusive, the tax on the gambling business shall be calculated at the established rate, after the 15th day - at 1/2 of the established rate.

When taxable objects are disposed of before the 15th day of the month inclusive, the gambling business tax shall be calculated at 1/2 of the established rate, after the 15th day - at the established rate.

Article 610. Deadline for submission of tax declaration

The gambling tax declaration shall be submitted no later than the 15th day of the second month following the reporting quarter.

The declaration on tax on gambling business shall be submitted to the tax authority at the place of registration as a taxpayer carrying out certain types of activities.

Article 611. Tax payment deadline

The gambling tax shall be subject to payment to the budget at the place of registration of the taxable object no later than the 25th day of the second month following the reporting tax period.

SECTION 14. PAYMENTS TO THE BUDGET Chapter 69. FEES

Article 612. General provisions on fees

1. Fees are one-time payments to the budget that are collected by tax authorities, local executive bodies and other authorized government bodies when performing:

1) registration actions;

2) actions for issuing permits or their duplicates.

For the purposes of this chapter, the permitting documents shall also include consents, issued by the authorized body for regulation, control and supervision of the financial market and financial organizations, and a document, confirming the residency of a foreign national or stateless person, who is an investment resident of the AIFC, issued by tax authorities in the manner and cases, established by the legislation of the Republic of Kazakhstan, unrelated to permits.

2. For the purposes of this chapter, registration actions shall mean the performance by authorized state bodies in the manner determined by the legislation of the Republic of Kazakhstan of the following actions:

1) state registration of legal entities and registration of branches and representative offices , as well as their re-registration;

2) state registration of vehicles, as well as their re-registration.

3. Fees shall be collected upon issuance by the relevant authorized state bodies, tax authorities, local executive bodies in the manner determined by the legislation of the Republic of Kazakhstan of the following documents or their duplicates:

1) licenses for engaging in certain types of activities subject to licensing in accordance with the legislation of the Republic of Kazakhstan on permits and notifications;

2) permits issued for the travel of motor vehicles through the territory of the Republic of Kazakhstan (hereinafter - the fee for the travel of motor vehicles through the territory of the Republic of Kazakhstan):

departure from the territory of the Republic of Kazakhstan of domestic motor vehicles carrying passengers and cargo in international traffic;

entry (exit) into (from) the territory of the Republic of Kazakhstan, transit through the territory of the Republic of Kazakhstan of foreign motor vehicles carrying passengers and cargo in international traffic;

travel of domestic and foreign large-sized and (or) heavy-duty vehicles on the territory of the Republic of Kazakhstan;

3) permits for the recruitment of foreign labor to the Republic of Kazakhstan (its extension);

4) a document, confirming the residency of a foreign national or stateless person, who is an investment resident of the AIFC.

4. Authorized state bodies carrying out the relevant actions, the performance of which provides for the collection of fees, shall calculate and accrue the amounts of fees in accordance with the legislation of the Republic of Kazakhstan, and shall also be responsible for the completeness of collection, the timeliness of payment of the calculated (accrued) fees to the budget, as well as for the accuracy of the information submitted to state revenue authorities in accordance with paragraph 5 of this Article.

5. Authorized state bodies shall, quarterly, no later than the 20th day of the month following the reporting quarter, submit to the tax authority at the location of their location (until the transfer is fully automated) information on fee payers and taxable objects, with the exception of cases provided for in Article 54 of this Code.

Article 613. Fee payers

1. Unless otherwise provided by this Article, payers of fees shall be individuals, as well as structural subdivisions of legal entities, in whose interests the authorized state bodies shall perform actions, the implementation of which provides for the collection of fees.

2. Persons who attract foreign labor in cases determined by the legislation of the Republic of Kazakhstan on social protection and the legislation of the Republic of Kazakhstan in the field of population migration shall not be required to pay the fee for issuing or renewing a permit to attract foreign labor to the Republic of Kazakhstan.

Article 614. Procedure for calculating and paying fees

1. The amounts of fees shall be calculated at established rates and paid at the location of the fee payer before the submission of the relevant documents to the authorized state body and local executive body or before receiving the permits.

2. In the event of detection of a fact of a motor vehicle travel without the execution of the relevant permits, as well as with a violation of the permissible parameters of the motor vehicle established by the authorized state body exercising management in the field of motor transport, the amount of the fee for the motor vehicle travel through the territory of the Republic of Kazakhstan shall be paid to the budget no later than five working days from the date of detection of such fact.

3. Payment to the budget of the amount of the fee for the motor vehicles travel through the territory of the Republic of Kazakhstan shall be made by transfer through banking organizations or by depositing in cash at checkpoints or in other specially equipped places of the authorized state body on the basis of strict reporting forms established by the authorized body.

The amounts of the fee for the motor vehicles travel through the territory of the Republic of Kazakhstan accepted in cash shall be submitted by the authorized state body exercising management in the field of motor transport to banks or organizations carrying out certain types of banking operations, daily no later than the next business day from the day on which the money was accepted, for subsequent transfer to the budget. If the daily receipt of cash is less than 10 times the monthly calculation indicator in effect on the date of payment of the fee , the money shall be transferred once every three business days from the day on which the money was accepted.

When individuals pay the fee for the motor vehicles travel through the territory of the Republic of Kazakhstan in cash, the business identification number of the authorized state body shall be indicated on strict reporting forms.

4. The fee for issuing or renewing a permit for employers to hire foreign labor in the Republic of Kazakhstan shall be collected within ten business days of receipt of notification from the local executive body of the oblast, capital, city of national status regarding the decision to issue or renew the permit for employers to hire foreign labor in the Republic of Kazakhstan in the manner, determined by the legislation of the Republic of Kazakhstan on social protection and the legislation of the Republic of Kazakhstan on migration.

5. The fee for issuing a document, confirming the residency of a foreign national or stateless person, who is an investment resident of the AIFC shall be paid at the location of the AIFC prior to the filing of the relevant documents to the tax authority.

Article 615. Registration payment rates

1. The rates of registration shall be determined in an amount that is a multiple of the monthly calculation index (hereinafter referred to in the text of this chapter as the MCI) in effect on the date of payment of such fees.

2. The payment rates for state (accounting) registration of legal entities, their branches and representative offices, with the exception of commercial organizations, as well as their re-registration shall be:

№	Types of registration actions	Rates (MCI)
1	2	3
1.	For state registration (re-registration) , state registration of termination of activities of legal entities (including during reorganization in cases stipulated by the legislation of the Republic of Kazakhstan), registration (re-registration), deregistration of their branches and representative offices, with the exception of commercial organizations:	
1.1.	legal entities, their branches and representative offices	6.5

1.2.	political parties, their branches and representative offices	14
2.	For state registration (re-registration), state registration of termination of activity (including during reorganization in cases stipulated by the legislation of the Republic of Kazakhstan) of institutions financed from budget funds, state-owned enterprises, associations of owners of property of an apartment building and cooperatives of owners of apartments (premises), registration (re-registration), deregistration of their branches and representative offices:	
2.1.	for state registration, registration of termination of activity, accounting registration, deregistration	1
2.2.	for re-registration	0.5
3.	For state registration (re-registration), state registration of termination of activities (including during reorganization in cases stipulated by the legislation of the Republic of Kazakhstan) of children's and youth public associations, as well as public associations of persons with disabilities and (or) organizations created by them that meet the conditions of Article 322 of this Code, registration (re-registration), deregistration of their branches and representative offices, branches of republican and regional national and cultural public associations:	
3.1.	for registration (including during reorganization in cases stipulated by the legislation of the Republic of Kazakhstan)	2
3.2.	for re-registration, state registration of termination of activities (including during reorganization in cases stipulated by the legislation of the Republic of Kazakhstan), deregistration	1

3. The rates of the fee for state registration of vehicles, as well as their re-registration, shall be:

№	Types of registration actions	Rates (MCI)
1	2	3
1.	For state registration of:	

1.1.	a mechanical vehicle (except for a vehicle undergoing primary state registration) or a trailer	0.25
1.2.	sea vessels	60
1.3.	river vessels	15
1.4.	small-sized vessels:	
1.4.1.	self-propelled small vessels with a capacity of over 50 horsepower (37 kW)	3
1.4.2.	self-propelled small vessels with a capacity of up to 50 horsepower (37 kW)	2
1.4.3.	non-self-propelled small vessels	1.5
1.5.	urban rail transport	0.25
1.6.	railway traction and motor-car rolling stock	0.25
2.	For re-registration of:	
2.1.	a motor vehicle or trailer	0.25
2.2.	sea vessels	30
2.3.	river vessels	7.5
2.4.	small-sized vessels:	
2.4.1.	self-propelled small vessels with a capacity of over 50 horsepower (37 kW)	1.5
2.4.2.	self-propelled small vessels with a capacity of up to 50 horsepower (37 kW)	1
2.4.3.	non-self-propelled small vessels	0.75
2.5.	urban rail transport	0.25
2.6.	railway traction and motor-car rolling stock	0.25
3.	For issuing a duplicate document certifying state registration of:	
3.1.	a motor vehicle or trailer	0.25
3.2.	sea vessels	15
3.3.	river vessels	3.75
3.4.	small-sized vessels:	
3.4.1.	self-propelled small vessels with a capacity of over 50 horsepower (37 kW)	0.75
3.4.2.	self-propelled small vessels with a capacity of up to 50 horsepower (37 kW)	0.5
3.4.3.	non-self-propelled small vessels	0.38
3.5.	urban rail transport	0.25

3.6.	railway traction and motor-car rolling stock	0.25
4.	For the initial state registration of motor vehicles:	
4.1.	Category M1 vehicles with electric motors, with the exception of hybrid vehicles:	
4.1.1.	up to 2 years, including the year of manufacture	0.25
4.1.2.	from 2 to 3 years, including the year of manufacture	25
4.1.3.	from 3 years and above, including the year of manufacture	250
4.2.	vehicles of category M1, with the exception of vehicles with electric motors:	
4.2.1.	up to 2 years, including the year of manufacture	0.25
4.2.2.	from 2 to 3 years, including the year of manufacture	50
4.2.3.	from 3 years and above, including the year of manufacture	500
4.3.	vehicles of category M2, M3, N1, N2, N3 (except for tractor units):	
4.3.1.	up to 2 years, including the year of manufacture	0.25
4.3.2.	from 2 to 3 years, including the year of manufacture	240
4.3.3.	from 3 to 5 years, including the year of manufacture	350
4.3.4.	from 5 years and above, including the year of manufacture	2500
4.4.	vehicles of category N3 (tractor units):	
4.4.1.	up to 2 years, including the year of manufacture	0.25
4.4.2.	from 2 to 3 years, including the year of manufacture	240
4.4.3.	from 3 to 7 years, including the year of manufacture	350
4.4.4.	from 7 years and above, including the year of manufacture	2500

Article 616. payment rates for issuing permits

The rates of fees for issuing permits shall be determined in an amount multiple of the MCI in effect on the date of payment of such fees.

2. The rates of the fee for the motor vehicles travel through the territory of the Republic of Kazakhstan shall be:

1) for departure from the territory of the Republic of Kazakhstan of domestic motor vehicles carrying out transportation of:

passengers and cargo in international traffic – 1-times the MCI;

passengers and baggage in international traffic on a regular basis with the receipt of a foreign permit for one calendar year in accordance with international treaties of the Republic of Kazakhstan - 10 times the MCI;

2) for entry into (exit from) the territory of the Republic of Kazakhstan, transit through the territory of the Republic of Kazakhstan of foreign motor vehicles carrying passengers and cargo in international traffic - 30 times the MCI;

3) for the travel of domestic and foreign large-sized and (or) heavy-duty vehicles through the territory of the Republic of Kazakhstan - in the amounts established by paragraph 3 of this Article.

3. The rates of the fee for the travel of domestic and foreign large-sized and (or) heavy-duty vehicles through the territory of the Republic of Kazakhstan shall be:

1) for exceeding the total actual mass of a motor vehicle (with or without cargo) over the permissible total mass – 0.005 times the MCI for each ton (including partial) of excess.

The amount of the fee for exceeding the total actual mass of a motor vehicle (with or without cargo) over the permitted total mass shall be determined by multiplying the specified fee rate by the amount of such excess and the corresponding distance of transportation along the route (in kilometers);

2) for exceeding the actual axle loads of a motor vehicle (with or without cargo) over the permissible axle loads (for each overloaded single, double and triple axle):

№	Actual excess over permissible axial loads, in %	Tariff for exceeding the permissible axle loads (MCI)
1	2	3
1.	up to 10% inclusive	0,011
2.	from 10.0% to 20.0% inclusive	0,014
3.	from 20.0% to 30.0% inclusive	0,190
4.	from 30.0% to 40.0% inclusive	0.380
5.	from 40.0% to 50.0% inclusive	0,500
6.	over 50.0%	1

The amount of the fee shall be determined by multiplying the rate corresponding to the actual excess over the permissible axle loads by the distance of transportation along the route (in kilometers);

3) for exceeding the dimensions of a motor vehicle (with or without cargo) over the permissible overall parameters for the height, width and length of motor vehicles:

№	Overall dimensions of vehicles, in meters	Rates for exceeding the permissible overall dimensions (MCI)

1	2	3
1.	Height:	
1.1.	over 4 to 4.5 inclusive	0,009
1.2.	over 4.5 to 5 inclusive	0,018
1.3.	over 5	0.036
2.	Width:	
2.1.	over 2.55 (2.6 for isometric bodies) up to and including 3	0,009
2.2.	over 3 to 3.75 inclusive	0,019
2.3.	over 3.75	0.038
3.	Length:	
3.1.	for each meter (including partial) exceeding the permitted length	0.004

The amount of the fee for exceeding the dimensions of a motor vehicle (with or without cargo) over the permissible overall parameters for the height, width and length of motor vehicles shall be determined in the following order:

the amount of the fee for exceeding the dimensions of a motor vehicle (with or without cargo) over the permissible overall height parameters, obtained by multiplying the rate corresponding to the actual overall height dimension of the motor vehicle by the distance of transportation along the route (in kilometers), plus the amount of the fee for exceeding the dimensions of a motor vehicle (with or without cargo) over the permissible overall width parameters, obtained by multiplying the rate corresponding to the actual overall width dimension of the motor vehicle by the distance of transportation along the route (in kilometers), plus the amount of the fee for exceeding the dimensions of a motor vehicle (with or without cargo) over the permissible overall length parameters, obtained by multiplying the rate corresponding to the actual overall length dimension of the motor vehicle by the distance of transportation along the route (in kilometers).

4. The rates of the license fee for the right to engage in certain types of activities (fee for issuing licenses for engaging in certain types of activities) shall be:

№	Types of licensed activities	Collection rates (MCI)
1	2	3
1.	Rates of license fees for the right to engage in certain types of activities:	
1.1.	Operation of mining and chemical industries	10
1.2.	Purchase of electrical energy for the purpose of energy supply	10
1.3.	Carrying out works related to the stages of the life cycle of nuclear facilities	100
1.4.	Handling of nuclear materials	50

1.5.	Handling radioactive substances, devices and installations containing radioactive substances	10
1.6.	Handling devices and installations generating ionizing radiation	5
1.7.	Provision of services in the field of nuclear energy use	5
1.8.	Radioactive waste management	50
1.9.	Transportation, including transit, of nuclear materials, radioactive substances, radioisotope sources of ionizing radiation, radioactive waste within the territory of the Republic of Kazakhstan	50
1.10.	Activities on the territories of former nuclear test sites and other territories contaminated as a result of nuclear tests	10
1.11.	Production, processing, acquisition, storage, sale, use, destruction of poisons	10
1.12.	Production (formulation) of pesticides, sale of pesticides, application of pesticides by aerosol and fumigation methods	10
1.13.	Irregular transportation of passengers by buses, minibuses in intercity interregional, interdistrict (intercity intraregional) and international traffic, as well as regular transportation of passengers by buses, minibuses in international traffic	3
1.14.	Activities related to the transportation of goods by rail	6
1.15.	Activities related to the circulation of narcotic drugs, psychotropic substances and precursors	20
1.16.	Development and implementation (including other transfer) of cryptographic information protection tools	9
1.17.	Development, production, repair and sale of special technical means intended for conducting operational-search activities	20
1.18.	Provision of services to identify technical channels of information	20

	leakage and special technical means intended for conducting operational investigative activities	
1.19.	Issuance of a conclusion (permit document) for the import into the customs territory of the EAEU and export from the customs territory of the EAEU of special technical means intended for the covert acquisition of information	0
1.20.	Issuance of a conclusion (permit document) for the import into the customs territory of the EAEU and export from the customs territory of the EAEU of encryption (cryptographic) means	0
1.21.	Conducting a technical study on the classification of goods as cryptographic information protection tools and special technical means intended for conducting operational investigative activities	0
1.22.	Registration of notifications on the characteristics of goods (products) containing encryption (cryptographic) means	0
1.23.	Development, production, repair, acquisition and sale of ammunition, weapons and military equipment, spare parts, components and devices for them, as well as special materials and equipment for their production, including assembly, adjustment, modernization, installation, use, storage, repair and maintenance	22
1.24.	Development, production, acquisition, sale, storage of explosive and pyrotechnic (except for civilian) substances and products using them	22
1.25.	Liquidation (destruction, disposal, burial) and processing of released ammunition, weapons, military equipment, special means	22
1.26.	Development, production, repair, trade, collecting, exhibiting civilian and service weapons and ammunition for them	10
1.27.	Development, production, trade, use of civil pyrotechnic substances and products with their use	10

1.28.	Activities in the field of space use	186
1.29.	Provision of services in the field of communication	6
1.30.	Educational activities	10
1.31.	Activities for the distribution of television and radio channels	6
1.32.	Medical activities	10
1.33.	Pharmaceutical activities	10
1.34.	Advocacy	6
1.35.	Notarial activities	6
1.36.	Activities related to the execution of writs of execution	6
1.37.	Audit activities	10
1.38.	Performance of works and provision of services in the field of environmental protection	50
1.39.	Implementation of security activities by legal entities	6
1.40.	Tour operator activities	10
1.41.	Veterinary activities	6
1.42.	Forensic activities	6
1.43.	Carrying out scientific restoration work on historical and cultural monuments and (or) archaeological work	10
1.44.	Banking operations carried out*:	
1.44.1.	by second-tier banks, branches of banks - non-residents of the Republic of Kazakhstan	800
1.44.2.	by organizations carrying out certain types of banking operations	400
1.45.	Operations of banks, branches of banks - non-residents of the Republic of Kazakhstan on the implementation of professional activities in the securities market	800
1.46.	Other operations carried out by banks, branches of banks - non-residents of the Republic of Kazakhstan	800
1.46.1.	Microfinance activities	30
1.47.	Operations of legal entities operating exclusively through exchange offices on the basis of a license from the National Bank for exchange operations with foreign currency in cash	40

1.48.	Life insurance activities**	500
1.49.	Activities in the field of general insurance**	500
1.50.	Reinsurance activity as an exclusive type of activity	500
1.51.	Reinsurance activities	200
1.52.	Insurance broker activities	300
1.53.	Actuarial activities	10
1.54.	Brokerage activities	30
1.55.	Dealer activity	30
1.56.	Investment portfolio management activities	30
1.57.	Custodial activity	30
1.58.	Transfer agency activities	10
1.59.	Activities related to organizing trade in securities and other financial instruments	10
1.60.	Clearing activities for transactions with financial instruments	40
1.61.	Survey activities	10
1.62.	Construction and installation works	10
1.63.	Project activities	10
1.64.	Activities to organize the construction of residential buildings by attracting money from equity holders	10
1.65.	Production of the State Flag of the Republic of Kazakhstan and the State Emblem of the Republic of Kazakhstan	10
1.66.	Production of ethyl alcohol	3,000
1.67.	Production of alcoholic beverages, except for brewing products	3,000
1.68.	Production of brewing products	2,000
1.69.	Storage and wholesale of alcoholic beverages, with the exception of activities related to the storage and wholesale of alcoholic beverages on the territory of their production, for each facility of activity	200
1.70.	Storage and retail sale of alcoholic beverages, with the exception of activities related to the storage and retail sale of alcoholic beverages on the territory of their production, for each facility of activity for entities carrying out activities:	

1.70.1.	in the capital, cities of republican and regional significance	100
1.70.2.	in cities of regional significance and villages	70
1.70.3.	in rural areas	30
1.71.	Production of tobacco products	500
1.72.	Export and import of goods	10
1.73.	Export and import of products subject to export control	10
1.74.	Provision of warehouse services with the issue of grain receipts	10
1.75.	Activities in the gambling business:	
1.75.1.	for casinos and slot machine halls	3 845
1.75.2.	for totalizator and bookmaker's office	640
1.76.	Activities in the field of commodity exchanges:	
1.76.1.	for commodity exchange	10
1.77.	Provision of disinfection, disinsection and deratization services in the field of healthcare	10
1.78.	Subtype I – implementation of digital mining activities by a digital miner who owns or has other legal grounds for the processing of digital mining data	2,000
1.79.	Subtype II – implementation of digital mining activities by a digital miner who does not have ownership or other legal grounds for a digital mining data processing center and who carries out digital mining using a hardware and software complex for digital mining that he owns and that is located in a digital mining data processing center	5
2.	payment rates for issuing a duplicate license:	
2.1.	for all types of activities, except for those specified in paragraphs 1.45. – 1.47.1., 1.49. – 1.53., 1.67. – 1.74.	100% of the corresponding rate set in paragraph 1 of this Table
2.2.	for the types of activities specified in paragraphs 1.45. – 1.47.1., 1.49. – 1.53.	10% of the relevant rate set in paragr aph 1 of this Table
2.3.	for the types of activities specified in paragraphs 1.67. – 1.74.	1
3.	Rates for reissuing licenses:	

3.1.	for all types of licenses, with the exception of reissuing a license for the export and import of goods, as well as for the export and import of products subject to export control	10% of the relevant rate set in paragr aph 1 of this Table
3.2.	for reissuing a license for the export and import of goods, as well as for the export and import of products subject to export control	1

Note.

* For each banking transaction; ** for each insurance class.

5. The rates of the license fee for issuing a license related to the right to engage in certain subtypes of activity in the hydrocarbon sector shall be:

№	Subtypes of licensed activities	Collection rates (MCI)
1	2	3
1.	Rates of license fees for the right to engage in individual subtypes of activity:	
1.1.	field research in hydrocarbon exploration and production	100
1.2.	seismic exploration works in hydrocarbon exploration and production	100
1.3.	geophysical works in hydrocarbon exploration and production	100
1.4.	perforating and blasting operations in wells during exploration and production of hydrocarbons	100
1.5.	drilling of wells on land, at sea and in inland waters for exploration and production of hydrocarbons	100
1.6.	underground repair, testing, development, trialling, conservation, liquidation of wells during exploration and production of hydrocarbons	100
1.7.	cementation of wells in hydrocarbon exploration and production	100
1.8.	enhancing oil recovery from oil reservoirs and increasing well productivity during hydrocarbon exploration and production	100
1.9.	works to prevent and eliminate spills at hydrocarbon deposits at sea	100
1.10.	exploitation of petrochemical production facilities	100
	preparation of basic design documents for hydrocarbon deposits	

1.11.	and analysis of hydrocarbon deposit development	100
1.12.	preparation of technical design documents for hydrocarbon deposits	100
1.13.	operation of main pipelines	100
2.	rate for reissuing licenses for subtypes of activities specified in paragraphs 1.1 – 1.13 (for electronic submission of an application for a license)	8% of the rate when issuing a license
3.	fee for issuing a duplicate license (for electronic submission of an application for a license)	80% of the rate when issuing a license

6. The payment rates for issuing or extending a permit to attract foreign labor to the Republic of Kazakhstan shall be established by the Government of the Republic of Kazakhstan.

7. The fee for issuing a document, confirming the residency of a foreign national or stateless person, who is an investment resident of the AIFC is 7,000 MCI.

Chapter 70. FEES Section 1. Fee for the use of land plots

Article 617. General provisions

1. The fee for the use of land plots (hereinafter for the purposes of this paragraph - the fee) shall be charged for the provision by the state of:

a land plot for temporary paid land use (lease);

subsoil plot in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use on the basis of a license for exploration or extraction of solid minerals.

2. The procedure for the provision of land plots and subsoil plots shall be established by the Land Code of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

3. Authorized state bodies for land relations, and in the territories of special economic zones - local executive bodies or management companies of special economic zones, on a quarterly basis no later than the 15th day of the month following the reporting quarter, shall submit to the tax authorities at their location information on payers of the fee, objects of taxation and periods for which land plots have been provided for temporary paid land use (lease).

4. Authorized state bodies for granting subsoil use rights shall, on a quarterly basis and no later than the 15th day of the month following the reporting quarter, submit to the tax authorities at the location of the fee payers information on the fee payers, taxable objects, the period of validity of the license for exploration or extraction of solid minerals, identifying coordinates of blocks and their individual codes.

Article 618. Payers of fees

1. The payers of the fee shall be the persons who have received:

a land plot for temporary paid land use (lease);

a subsoil area based on a license for exploration or extraction of solid minerals.

2. A legal entity shall have the right, by its decision, to recognize its structural subdivision as an independent payer of the fee.

The decision of a legal entity or the cancellation of such a decision shall come into effect on January 1 of the year following the year in which such decision was made.

If a legal entity, by its decision, has recognized a newly created structural subdivision of the legal entity as an independent payer of the fee, then such decision shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

The provisions of this paragraph shall not apply to taxpayers who have received a subsoil plot on the basis of a license for exploration or extraction of solid minerals.

3. The following ones shall not be the fee payers:

taxpayers applying the special tax regime for peasant or farm households – for land plots used in activities covered by this special tax regime;

concessionaire - for land plots provided for the purpose of implementing a concession agreement concluded in accordance with the legislation of the Republic of Kazakhstan, during the period specified in the concession agreement, but not more than five years from the date of the decision by the local executive body to grant the right of temporary paid land use.

Article 619. Object of taxation

The object of taxation shall be:

a land plot provided by the state for temporary paid land use (lease);

a subsoil area based on a license for exploration or extraction of solid minerals.

Article 620. Tax period

The tax period shall be determined in accordance with Article 358 of this Code.

Article 621. Rates of payment

1. For a subsoil plot granted on the basis of a license for exploration or extraction of solid minerals, the payment rates shall be determined based on the amount of the minimum calculation index in effect on the 1st day of the tax period and shall be:

№	Period	Payment rates (MCI)
1	2	3
1.	from 1 to 36 months of the exploration license validity, for 1 block	15, if the number of blocks is less than 70; 30, if the number of blocks is from 70 to 120; 40, if the number of blocks is 120 or more
		23, if the number of blocks is less than 60;

2.	from 37 to 60 months of the exploration license validity, for 1 block	50, if the number of blocks is from 60 to 100; 60, if the number of blocks is 100 or more
3.	from 61 to 84 months of the exploration license validity, for 1 block	32, if the number of blocks is less than 50; 60, if the number of blocks is from 50 to 100; 80, if the number of blocks is 100 or more
4.	from the 85th month of the exploration license validity and further, for 1 block	60 if the number of blocks is less than 30; 80, if the number of blocks is from 30 to 80; 100 if the number of blocks is 80 or more
5.	from the first month of the mining license validity and further, per 1 km2	450

For the purposes of this chapter, a block means a territory for which, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, a license for exploration or extraction of solid minerals has been issued. Each block has identifying coordinates and an individual code assigned to it by the authorized body for subsoil study.

2. For other land plots, the payment rates shall be determined in accordance with the land legislation of the Republic of Kazakhstan. In this case, the payment rates shall be established not lower than the land tax rates without taking into account the provisions provided for in paragraphs 2 and 3 of Article 582 of this Code.

Article 622. Procedure for calculating and paying fees for land plots in certain cases

1. The amount of payment for land plots received for temporary paid land use (lease) shall be calculated on the basis of temporary paid land use agreements concluded with the authorized body for land relations, and in the territory of a special economic zone - with the local executive body or the management company of the special economic zone.

Annual amounts of payment for land plots received for temporary paid land use (lease) shall be established in calculations prepared by authorized bodies for land relations, and in the territories of special economic zones - by local executive bodies or administrations of special economic zones.

Calculations of the amount of payment for land plots received for temporary paid land use (lease) shall be revised by authorized bodies for land relations, and in the territories of special economic zones - by local executive bodies or administrations of special economic zones in cases of changes in the terms of contracts, as well as the procedure for calculating land tax established by this Code, which entail a change in the amounts of land tax.

2. The amount of payment for land plots received for temporary compensated land use (lease), subject to payment for the tax period, shall be determined based on the payment rates

established in the calculations specified in paragraph 1 of this Article and the actual period of use of the land plot in the tax period.

In this case, the actual period of use of a land plot shall be determined from the beginning of the tax period (if the land plot was under the right of primary paid land use on the date of the beginning of the tax period) or from the 1st day of the month in which such right to the land plot arose until the 1st day of the month in which such right was terminated, or until the end of the tax period (if the land plot was under such right on the date of the end of the tax period).

3. The amount of payment for land plots received for temporary paid land use (lease) shall be established at the rate no less than the amount of land tax calculated for such land plots in accordance with this Code.

For individuals, the amount of payment for land plots specified in subparagraph 2) of Article 599 of this Code, received for temporary paid land use (lease), shall be established no less than the amount of the property tax for individuals calculated for such land plots in accordance with this Code.

4. Payers of the fee shall pay the fee amount to the budget in equal installments no later than February 25, May 25, August 25 and November 25 of the current year, unless otherwise provided by paragraphs 5 and 6 of this Article.

In the event that the state provides land plots for temporary paid land use after one of the above-mentioned payment deadlines, the first deadline for paying the fee to the budget shall be the next regular payment deadline.

5. Individuals for land plots received for paid land use and not used (not subject to use) in entrepreneurial activities shall pay the fees no later than February 25.

In the event of the conclusion of a temporary paid land use agreement after the deadline established by part one of this paragraph, payment by an individual for the tax period in which such agreement was concluded shall be made no later than the 25th day of the month following the month in which such agreement was concluded.

6. In the event of the expiration of the term of the temporary paid land use agreement or its termination before the end of the tax period, the amount of payment for land plots received for temporary paid land use (lease) for the actual period of land use in such year shall be paid into the budget no later than the 25th day of the month following the month in which the term of the agreement expired or such agreement was terminated.

7. The amount of the fee shall be paid to the budget at the location of the land plot - according to the fee calculated for the land plot provided for temporary paid land use (lease).

8. Organizations operating in the territories of special economic zones, as well as management companies of special economic and industrial zones, shall calculate the fee for the use of land plots taking into account the provisions established by Chapter 80 of this Code

.

9. For land plots intended for the construction of facilities and not used for the relevant purposes or used in violation of the legislation of the Republic of Kazakhstan, with the exception of land plots of populated areas, specified in lines 27–30 of the table of Article 577 of this Code, the amount of payment for land plots, received for temporary paid land use (lease), calculated on the basis of temporary paid land use agreements, concluded with the land relations authority, and in the territory of a special economic zone - with the local executive body or the management company of the special economic zone, shall be increased tenfold from the date of serving to the land user of a written injunction to use the land for the intended purpose and (or) to remedy violations of the land legislation of the Republic of Kazakhstan, by the territorial land resources management unit of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of land.

The procedure for identifying land plots that are not used for the relevant purposes or are used in violation of the legislation of the Republic of Kazakhstan, for the purposes of part one of this paragraph and paragraph 10 of this Article, shall be determined by the central authorized body for land resources management in agreement with the authorized body.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, and to its subsidiaries, if the land use right does not exceed three years.

10. For agricultural land plots, not used for their intended purpose or used in violation of the legislation of the Republic of Kazakhstan, the amount of payment for land plots, received for temporary paid land use (lease), calculated on the basis of temporary paid land use agreements, concluded with the land relations authority, and in the territory of a special economic zone - with the local executive body or the management company of the special economic zone, shall be increased by forty times from the date of serving to the land user of a written injunction to remedy violations of the land legislation of the Republic of Kazakhstan, by the territorial land resources management unit of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of land.

The provisions of this paragraph shall not apply to an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan, and to its subsidiaries, if the land use right does not exceed five years.

11. Territorial land resources management units of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of lands, shall provide information to the tax authorities on the land plots, referred to in paragraphs 9 and 10 of this article.

12. For the land plots, specified in paragraphs 9 and 10 of this article, information on which is provided by the territorial land resources management unit of the capital, oblasts, cities of republican status of the department of the central authorized body, exercising state control over the use and protection of land, the fee shall be calculated by the tax authorities based on the established rates with the sending to the taxpayer of a notice of the amount of taxes and (or) fees, calculated by the tax authority.

Article 623. Procedure for calculating and paying fees for subsoil plots in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use on the basis of a license for exploration or extraction of solid minerals

1. Subsoil users for a subsoil plot granted on the basis of a license for exploration or extraction of solid minerals shall pay an annual fee no later than February 25 of the reporting tax period - in the case of a license valid as of January 1 of the reporting year and until its end or when receiving a license up to and including February 1 of the reporting year - in the amount of an annual fee determined at the rates established by paragraph 1 of Article 621 of this Code.

2. If, as of 1 February of the reporting tax period, it is known that the validity period of a license for exploration or extraction of solid minerals expires in the current tax period, then no later than 25 February of the reporting tax period, payment must be made for the actual period of validity of such license, calculated in accordance with paragraph 3 of this Article.

3. In the event of obtaining a license for exploration or extraction of solid minerals after February 1 of the reporting tax period or the termination of the license during the reporting tax period, the amount of the fee shall be determined by the subsoil user based on the payment rates established by paragraph 1 of Article 621 of this Code and the actual period of validity in the reporting tax period of such license.

In this case, the actual period of validity of the license shall be determined from the beginning of the tax period (if such license was valid on the date of the beginning of the tax period) or from the 1st day of the month in which such license became valid until the 1st day of the month in which such license was terminated, or until the end of the tax period (if such license was valid on the date of the end of the tax period).

4. In the event of receipt or termination of a license for exploration or extraction of solid minerals after February 1 of the reporting tax period, the amount of the fee for the actual period of validity of such license shall be paid to the budget no later than the 25th day of the second month of the quarter following the quarter in which the license expired.

5. The amount of the fee shall be paid to the budget at the location of the subsoil plot - according to the fee for the subsoil plot granted on the basis of a license for exploration or extraction of solid minerals.

Article 624. Tax reporting

1. Payers of fees, with the exception of individuals who are not individual entrepreneurs, as well as individual entrepreneurs on land plots occupied by taxable objects, the property tax

base for which is calculated in accordance with Article 600 of this Code, and (or) allocated for individual housing construction, shall submit a calculation of the amounts of current payments to the tax authorities:

1) at the location of the land plot - according to the fee calculated for the land plot provided for temporary paid land use (lease);

2) at the location of the subsoil plot - for payment for the subsoil plot granted to the subsoil user on the basis of a license for exploration or extraction of solid minerals.

2. The calculation of the amounts of current payments shall be submitted by the payers of the fee no later than February 20 of the reporting tax period.

3. Persons who have entered into an agreement on temporary paid land use or received a license for exploration or extraction of solid minerals after February 20 of the reporting tax period shall submit a calculation of the amounts of current payments no later than the 20th day of the month following the month in which the agreement was entered into or the license was received.

4. In the event of termination of a temporary land use agreement with a local executive body or with the administration of a special economic zone or termination of a license for exploration or extraction of solid minerals after February 20 of the reporting tax period, an additional calculation of the amounts of current payments shall be submitted no later than ten calendar days from the date of expiration (termination) of the agreement.

Section 2. Payment for the use of natural resources

Article 625. General provisions

1. The fee for the use of natural resources (hereinafter for the purposes of this paragraph - the fee) shall be charged for the use of:

1) water resources of surface water bodies;

2) the animal world;

3) plant and forest resources;

4) sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the project implementation.

2. The fee for the use of water resources of surface water bodies shall be charged for types of special water use carried out on the basis of a permit for special water use issued in the manner established by the water legislation of the Republic of Kazakhstan.

Special water use without a formal permit document shall be considered as water use with actual volumes of water withdrawal exceeding the established volumes of withdrawal and (or) use of water resources.

3. The fee for the use of the animal world shall be collected in accordance with the procedure for special use of the animal world.

The fee for the use of rare and endangered species of animals shall be established in each individual case by the Government of the Republic of Kazakhstan when issuing a permit for the removal of these animals from the natural environment.

No fee shall be charged for:

1) removal of animals from the natural environment for the purposes of marking, ringing, relocation, artificial breeding and crossing for scientific research and economic purposes with their subsequent release into the natural environment;

2) the use of wildlife that is the property of individuals and legal entities, artificially bred and kept in captivity and/or semi-free conditions;

3) implementation by the authorized state body in the field of protection, reproduction and use of wildlife of control catch of fish and other aquatic animals for the purpose of biological justification for the use of fish resources and other types of aquatic animals;

4) the removal of animal species whose numbers are subject to regulation for the purpose of protecting public health, preventing diseases of farm and other domestic animals, preventing damage to the environment, and preventing the risk of causing significant damage to agricultural activities.

4. Payment for the use of plant resources on plots of all land categories, except for lands of the state forest fund and specially protected natural areas, shall be collected in the order of special use during the procurement (collection) of wild plant species for pharmaceutical, food and technical needs;

5. Fees shall be charged for the following forest uses in areas of the state forest fund:

1) timber procurement;

2) preparation of resin and tree sap;

3) procurement of secondary wood resources (bark, branches, stumps, roots, leaves, buds of trees and shrubs);

4) secondary forest uses (haymaking, cattle grazing, maral breeding, fur farming, placing beehives and apiaries, gardening, melon growing, horticulture and growing other agricultural crops, procurement and collection of medicinal plants and technical raw materials, wild fruits, nuts, mushrooms, berries and other food products, moss, forest litter and fallen leaves, reeds);

5) use of areas of the state forest fund for:

cultural, health, recreational, tourist and sports purposes;

needs of hunting;

6) use of areas of the state forest fund for growing planting material of tree and shrub species and special-purpose plantations.

For the purposes of this chapter, forest use also includes the removal of rare and endangered plant species, their parts or derivatives on the basis of a relevant decision of the Government of the Republic of Kazakhstan.

When making a decision on the removal of rare and endangered plant species from the natural environment, their parts or derivatives, the volume of such removals, the amount of

the fee and the term of its payment shall be established in each individual case by the Government of the Republic of Kazakhstan.

The right to use forests in areas of the state forest fund shall be granted on the basis of a logging permit and a forest ticket (hereinafter - a permit document), issued in the manner and within the timeframes established by the forest legislation of the Republic of Kazakhstan.

The right to use plant resources in the order of special use of the plant world shall be granted subject to payment for the use of plant resources in accordance with the tax legislation of the Republic of Kazakhstan and the submission of a notification on the procurement (collection) of wild plants for pharmaceutical, food and technical needs.

6. The fee for the use of sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the implementation of the project, fixed in accordance with the legislation of the Republic of Kazakhstan in the field of aquaculture, shall be charged for the right to carry out cage farming activities.

7. Basin water inspectorates for the protection and regulation of water resources use shall, on a quarterly basis no later than the 25th day of the second month following the reporting quarter, submit to the tax authorities at their location information on fee payers and taxable objects, their location, issued permits for special water use, established volumes of withdrawal and (or) use of water resources, changes made to permits and volumes of withdrawal and (or) use of water resources, on the results of state control and supervision in the field of protection and use of water resources for compliance with the water legislation of the Republic of Kazakhstan, judicial acts on appealing the results of state control in the field of use and protection of water resources for compliance with the water legislation of the Republic of Kazakhstan.

8. The authorized state body in the field of protection, reproduction and use of wildlife and local executive bodies shall, on a quarterly basis and no later than the 15th day of the month following the reporting quarter, submit to the tax authorities at their location information on payers of the fee and objects of taxation.

9. State forest owners (state forestry institutions of local executive bodies; state forestry institutions and state organizations of the authorized body in the field of forestry; environmental protection institutions of the authorized body in the field of specially protected natural areas; state organizations of the authorized state body implementing state policy in the field of rail transport and the authorized state body for highways in accordance with departmental subordination) shall, on a quarterly basis, no later than the 15th day of the second month following the reporting quarter, submit to the tax authorities at their location information on payers of fees and taxable objects.

10. Local executive bodies of the capital, oblasts, cities of republican status shall, on a quarterly basis, no later than the 15th day of the second month, following the reporting

quarter (year), submit information to the tax authorities at their location on the payers of fees for the use of plant resources and taxation items.

11. Authorized bodies in the field of forestry, specially protected natural areas and the protection, conservation, restoration and use of flora shall, annually, no later than the 15th day of the second month following the reporting year, submit to the tax authorities at their location information on payers of the fee, the amount of which is determined in accordance with paragraphs 4 and 5 of this Article, and objects of taxation.

12. The authorized body in the field of aquaculture shall, annually, no later than the 15th day of the second month following the reporting year, submit to the tax authorities at the location of its location information on payers of fees and objects of taxation.

Article 626. Payers of fees

1. The payers of the fee shall be:

1) individuals and legal entities who have received the right of special water use to withdraw water resources directly from a surface water body in the manner established by the water legislation of the Republic of Kazakhstan;

2) persons who have received, in the manner determined by the legislation of the Republic of Kazakhstan, the right to special use of the animal world;

3) state forest owners and persons who have received the right to use forests in the manner determined by the Forest Code of the Republic of Kazakhstan;

4) persons who have received the right to remove rare and endangered plant species, their parts or derivatives on the basis of a relevant decision of the Government of the Republic of Kazakhstan;

5) persons engaged in the procurement (collection) of wild plant species for pharmaceutical, food and technical needs;

6) legal entities carrying out cage farming activities in areas of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the implementation of a project in the manner established by the legislation of the Republic of Kazakhstan in the field of aquaculture.

2. The following shall not be the fee payers:

forest owners carrying out forest management on areas of private forest fund that are in their ownership or long-term land use in accordance with the Land Code of the Republic of Kazakhstan upon receipt of the right to forest management with the intended purpose of afforestation;

state forest owners and persons who have received the right to use forests in the manner determined by the Forest Code of the Republic of Kazakhstan, carrying out intermediate-use felling and other felling in areas affected by fires, if the area of such fires exceeded one hundred hectares.

3. A legal entity shall have the right, by its decision, to recognize its structural subdivision as an independent payer of fees for the use of water resources of surface water bodies.

The decision of a legal entity or the cancellation of such a decision shall come into effect on January 1 of the year following the year in which such decision was made.

If a legal entity, by its decision, has recognized a newly created structural subdivision of the legal entity as an independent payer of fees for the use of water resources of surface water bodies, then such decision shall be put into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

Article 627. Objects of taxation

1. The objects of taxation shall be:

1) the volume of water taken from a surface water body, with the exception of:

the volume of water accumulated by dams and other retaining hydraulic and water-regulating structures;

water losses due to filtration and evaporation in canals that carry out inter-basin transfer of runoff and in off-channel reservoirs that regulate runoff, confirmed by the authorized body in the field of protection and use of water resources on the basis of design data for water management systems;

the volume of environmental and (or) sanitary-epidemiological release approved by the authorized body in the field of protection and use of water resources in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

the volume of forced water intake into irrigation systems, carried out for the purpose of preventing floods, inundations and waterlogging, confirmed by the authorized body in the field of protection and use of water resources;

2) the volume of electricity generated;

3) volume of transportation by water transport;

4) the volume of procurement (collection) of wild plant species for pharmaceutical, food and technical needs outside the territory of the state forest fund and specially protected natural areas;

5) the volume of forest use and (or) the area of the state forest fund sections provided for use, including in specially protected natural areas, with the exception of:

the volume of timber released on the standing stock, during maintenance felling for the composition and shape of stands, as well as regulation of its density in young stands (thinning , clearing) and felling associated with the reconstruction of low-value forest stands and the formation of landscapes;

the volume of timber resources, resin, and secondary forest resources withdrawn for scientific researches;

6) the area of sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the project implementation.

2. No fee shall be charged for:

1) timber rafting without ship propulsion, recreation;

2) use of earthmoving equipment;

3) drainage of swamps.

Article 628. Rates of payment for the use of water resources of surface water bodies, the use of sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the project implementation

1. The rates of payment for the use of water resources of surface water bodies shall be established by local representative bodies of the capital, oblasts, cities of republican status on the basis of the methodology for calculating the rates of payment for the use of water resources of surface water bodies, approved by the water fund protection and use authority.

If the actual volumes of water withdrawal exceed the volumes of withdrawal and (or) use of water resources established by basin water inspectorates for the protection and regulation of water resource use, the rates of payment for the use of water resources of surface water bodies, increased by five times, shall be applied to the volume of such excess.

2. The rates of payment for the use of sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the implementation of the project shall be determined by the rules for assigning sections of such fishery water bodies, approved by the authorized body in the field of aquaculture.

Article 629. Rates of payment for the use of wildlife

1. The rates of payment for the use of wildlife shall be determined in an amount that is a multiple of the monthly calculation index (hereinafter - the MCI) in effect on the date of payment of such payment.

2. The rates of payment for the use of wildlife during commercial, amateur and sport hunting in the Republic of Kazakhstan shall be:

№	Species of wild animals	Rate of payment per individual (MCI)	
		commercial hunting	amateur and sport hunting
1	2	3	4
1.	Mammals:		
1.1.	moose (male)	-	16
1.2.	moose (female)	-	11
1.3.	elk (youngling)	-	6
1.4.	Maral (male)	-	13
1.5.	Maral (female)	-	7
1.6.	maral (yearling)	-	4
1.7.	Askanian deer (male)	-	9
1.8.	Askanian deer (female)	-	5
1.9.	Askanian deer (yearling)	-	3.5
1.10.	roe deer (northern part of the range, male)		4

1.11.	roe deer (northern part of the range, female, yearling)	-	3
1.12.	roe deer (southern part of the range, male)	-	3
1.13.	roe deer (southern part of the range, female, yearling)	-	2
1.14.	Siberian ibex (male)	-	4
1.15.	Siberian ibex (female, yearling)	-	3.5
1.16.	musk deer	-	2
1.17.	wild boar (male)	-	4
1.18.	wild boar (female, yearling)	-	3
1.19.	saiga (male)	4	5
1.20.	saiga (female, yearling)	3	4
1.21.	brown bear (except Tien Shan)	-	14
1.22.	river beaver, otter (except Central Asian)	1	2
1.23.	sable	2	4
1.24.	marmots (except Menzbier's marmot)	0,060	0.12
1.25.	muskrat	0.045	0.9
1.26.	badger, fox	0.10	0.20
1.27.	corsac fox	0.045	0.10
1.28.	American mink	0.12	0.25
1.29.	lynx (except Turkestan)	-	0.45
1.30.	hares (tolay, hare, hare)	0,010	0.045
1.31.	raccoon dog, raccoon, wolverine, solongoi, weasel, ermine, Siberian weasel, steppe polecat, red squirrel	0,020	0.35
1.32.	yellow gopher (sandstone)	0,015	0.025
1.33.	wolf	0	0
1.34.	jackal	0	0
2.	Birds		
2.1.	loon (red-throated, black-throated)	0,015	0,030
2.2.	wood grouse	-	0.15
2.3.	black grouse	-	0.055
2.4.	Himalayan snowcock	-	0.20
2.5.	pheasant	0,020	0,060
2.6.	geese* (gray, white-fronted , bean), black goose	0,020	0.045

2.7.	ducks* (ruddy shelduck, common shelduck, mallard, common shelduck, common teal, common shelduck, wigeon, pintail, garganey, shoveler, red-crested pochard, red-headed duck, tufted duck, greater scaup, long-tailed duck, common goldeneye, king eider, common scaup, smew, red-breasted merganser, common merganser)	0,010	0,020
2.8.	coot, lapwing, partridges (white, tundra, desert, grey, bearded), chukar, hazel grouse, pigeons (common wood pigeon, stock dove, common, rocky), turtle dove (common, greater), sandpipers (ruff, jack snipe , common snipe, asian snipe, mountain snipe, common snipe, woodcock, eurasian curlew, red-whimbrel, black-tailed godwit, bar-tailed godwit)	0.005	0,010
2.9.	quail	0.005	0,010

Note.

* Except for species listed in the Red Book of the Republic of Kazakhstan.

3. The rates of payment for the use of species of animals that are objects of fishing shall be:

№	Types of aquatic animals	Payment rates (MCI)	
		per individual	per kilogram
1	2	3	4
1.	For commercial, scientific and reproductive purposes:		
1.1.	sturgeon (beluga, sturgeon, stellate sturgeon, sterlet, thorn, Siberian sturgeon, Syr Darya false shovelnose)		0.064
1.2.	herring (puzanok, brazhnikovskaya, black-backed), mullet, flounder, sprat		0
1.3.	salmon (rainbow trout, lenok, grayling, Caspian		0,017

	salmon, Aral salmon, taimen, nelma, whitefish)		
1.4.	whitefish (vendace, smelt, peled, broad whitefish, muksun), long-clawed crayfish		0,012
1.5.	vobla		0.004
1.6.	seal	1.93	
1.7.	large cyprinids:		
1.7.1.	grass carp, carp, carp, asp, bersh, catfish, burbot, silver carp, pike, snakehead , pike perch, kutum, pike asp (balder), Aral barbel, Turkestan barbel		0,013
1.8.	small cyprinids:		
1.8.1.	bream, roach, chub, shemaya, chub, osman, ide, crucian carp, perch, tench, common and Talas dace, rudd, white bream, sharp-bellied bream, white-eye bream, blue bream, sabrefish, buffalo, marinka, Ili marinka (Ili population), Chui sharp-eared bream, Balkhash perch (Balkhash-Ili population), Chatkal sculpin, Volga multi-raker herring		0.004
2.	When conducting sport and amateur (recreational) fishing:		
2.1.	with the exception of:		
2.1.1.	large cyprinids		0,017
2.1.2.	beluga		6.5
2.1.3.	sturgeon		5.5
2.1.4.	whitefish, salmon		0.042
2.1.5.	small cyprinids		0.008
2.1.6.	Crawfish	0.008	
2.2.	on a catch and release basis :		
2.2.1.	large cyprinids		0,1
2.2.2.	sturgeon (beluga, sturgeon, stellate sturgeon, sterlet, thorn)	4.97	
2.2.3.	whitefish and salmonids		0.27

2.2.4.	small cyprinids		0.068

4. The rates of payment for the use of animal species used for other economic purposes (except hunting and fishing) shall be:

№	Animal species	Payment rates (MCI)	
		per individual	per kilogram
1	2	3	4
1.	Mammals:		
1.1.	spotted or steppe cat	0,030	-
1.2.	forest dormouse	0,015	-
2.	Birds:		
2.1.	Little, black-necked, red-necked, red-cheeked, great grebe, great cormorant, great bittern, night heron, grey and red heron	0,010	-
2.2.	Great white egret	0,015	-
2.3.	Grey plover, golden plover, ringed plover, little ringed plover, mongolian plover, caspian plover, oriental plover, kentish plover, rusty plover, ruddy turnstone, dotterel, crake, little crake, common moorhen, sandpiper, magpie, black-winged sandpiper, wood sandpiper, greenshank, red-necked phalarope, little stint, ruby-necked stint, long-toed stint, temminck's stint, curlew sandpiper, dunlin, sharp-tailed stint, sanderling, mud sandpiper, prairie and steppe pratincole, ringed dove, myna, alpine chough, common starling, common starling goldfinch, red-capped finch, roller, larks (crested, lesser, slender-billed, grey, salt-marsh, steppe, two-spotted, white-winged, black, horned, forest, field, Indian), common chough, pied rock thrush	0.005	-
2.4.	goshawk	0,010	-

2.5.	sparrowhawk, scops owl, little owl, long-eared owl, short-eared owl, buzzard	0.045	-
3.	Reptiles:		
3.1.	Central Asian tortoise, pond turtle	0,020	-
3.2.	steppe agama, round-eared round-headed gecko, takyr round-headed gecko, skink gecko	0,010	-
3.3.	common pit viper	0.045	-
3.4.	Patterned snake, eastern and sand boa	0.035	-
3.5.	marsh frog	0.005	-
4.	Aquatic invertebrates:		
4.1.	Artemia (cysts)	-	0.045
4.2.	gammarus, daphnia	-	0,010
4.3.	leeches	-	0,030
4.4.	other aquatic invertebrates and cysts	-	0.005
4.5.	Artemia	-	0,0043

Article 630. Rates of payment for the use of forest and plant resources

1. The rates of payment for the use of forest and plant resources, with the exception of those specified in paragraph 2 of this article, shall be established by local representative bodies of the capital, oblasts, cities of republican status on the basis of calculations by local executive bodies of the capital, oblasts, cities of republican status, compiled in accordance with the procedure, determined by authorized bodies in forestry and the protection, conservation, restoration and use of flora.

2. The rates of payment for the use of forest and plant resources for timber released on the standing stock shall be determined in an amount that is a multiple of the minimum wage in effect on the first day of the relevant financial year in which the right to use the forest arises, for one solid cubic meter and shall be:

№	Name of tree and shrub species	Commercial timber depending on the diameter of the trunk sections at the upper end, without bark (MCI)			Firewood in bark (MCI)
		large (25 cm and more)	medium (from 13 to 24 cm)	small (from 3 to 12 cm)	
1	2	3	4	5	6
1.	pine	1.48	1.05	0.52	0.21
2.	Schrenk's spruce	1.93	1.37	0.68	0.27
3.	Siberian spruce, fir	1.34	0.95	0.48	0.16
4.	larch	1.19	0.85	0.41	0.15
5.	cedar	2.67	1.91	0.93	0.23

6.	Juniper tree (archa)	1.79	1.26	0.63	0.27
7.	oak, ash	2.67	1.91	0.93	0.41
8.	black alder, maple, elm, linden	0.60	0.42	0.21	0.14
9.	saxaul				0.60
10.	birch	0.69	0.48	0.23	0.16
11.	aspen, willow, poplar	0.52	0.37	0.18	0.11
12.	walnut, pistachio	3.24	2.32	1.15	0.35
13.	apricot, white acacia, cherry plum, hawthorn, cherry, oleaster, rowan, plum, bird cherry, mulberry, apple, other tree species	1.90	1.35	0.68	0.23
14.	juniper, cedar elfin			0.34	0.18
15.	comb maker			0.3	0.25
16.	yellow acacia, shrubby willows, sea buckthorn, zhuzgun, chingil and other shrubs			0.19	0.12

3. The following coefficients shall be applied to the payment rates:

1) depending on the distance of logging sites from public roads:

№	Remoteness	Coefficient
1	2	3
1.	up to 10 km	1.30
2.	10.1 – 25 km	1.20
3.	25.1 – 40 km	1.00
4.	40.1 – 60 km	0.75
5.	60.1 – 80 km	0.55
6.	80.1 – 100 km	0.40
7.	more than 100 km	0.30

The remoteness of the logging area from public roads shall be determined based on cartographic materials by the shortest distance from the center of the logging area to the road and shall be adjusted depending on the terrain using the following coefficients:

flat terrain – 1.1;

hilly terrain or marshy areas – 1.25;

mountainous terrain – 1.5;

2) when carrying out intermediate felling – 0.6;

3) when carrying out selective felling of primary forests – 0.8;

4) when releasing timber on mountain slopes with a steepness of over 20 degrees – 0.7.

4. For logging residues (firewood from the crown) formed during the release of standing timber, the rate of payment for the use of forest resources shall be set at 20 percent of the rate for firewood of the corresponding species specified in paragraph 2 of this Article.

5. The rates of payment for the use of plant resources located outside the territory of the state forest fund and specially protected natural areas shall be determined in an amount that is a multiple of the minimum wage in effect on the first day of the relevant financial year in which the right to use arises, per kilogram.

Article 631. Procedure for calculating and paying fees for the use of water resources of surface water bodies, fees for the use of sections of fishery water bodies of international and (or) national importance for the implementation of cage farming activities during the project implementation

1. The amount of the fee is calculated by payers based on the actual volumes of withdrawal and (or) use of water resources of surface water bodies and established rates.

2. For the volume of transportation by water transport in water bodies that have retaining hydraulic and water-regulating structures, the amount of payment shall be calculated per ton/ kilometer of transported cargo.

3. Payers (except for taxpayers applying a special tax regime for peasant or farm households) shall pay current amounts of payment to the budget for actual volumes of water use no later than the 25th day of the second month following the reporting quarter, based on the monthly volumes of withdrawal and (or) use of water resources of surface water bodies established by basin water inspectorates for the protection and regulation of water resource use.

4. The fee shall be paid to the budget at the location of special water use specified in the permit document.

5. Taxpayers applying the special tax regime for peasant or farm households shall pay the fee within the timeframes established by Article 732 of this Code.

6. Thermal power plants shall determine the amount of payment for water used to produce thermal energy for housing, operational and communal needs, as well as for technological needs for cooling units (return water consumption) within the limits of the volume of withdrawal and (or) use of water resources of surface water bodies, at the rates provided for organizations providing housing, operational and communal services.

For non-refundable water consumption, the amount of payment shall be determined according to the rates established for industrial enterprises.

7. The amount of the fee for the use of sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities during the implementation of the project shall be determined by the rules for assigning sections of such fishery water bodies, approved by the authorized body in the field of aquaculture.

8. The amount of the fee for the use of sections of fishery water bodies of international and (or) republican significance for the implementation of cage farming activities shall be paid to the budget at the location of the body that carries out the assignment of such fishery water bodies to sections.

Payment shall be made after a decision is made by the authorized body in the field of aquaculture to secure a section of a fishery reservoir of international and (or) republican significance for the implementation of cage farming activities during the implementation of the project in the manner established by the legislation of the Republic of Kazakhstan in the field of aquaculture.

Article 632. Procedure for calculating and paying fees for the use of wildlife

1. The amount of the fee shall be calculated by payers based on the established rates and the number of animals or weight (for certain types of aquatic animals).

When calculating the fee for foreign nationals hunting in the Republic of Kazakhstan a coefficient of 10 shall be applied to the established rates.

2. The fee shall be paid to the budget at the place where the permit for the use of wildlife was obtained. Payment shall be made before the permit is received by transfer through banking organizations, with the exception of the fee for the use of animal species that are objects of commercial fishing, if the amount of the fee payable to the budget exceeds 350 times the monthly calculation indicator for the quotas for the removal of commercial fishing objects for the current year.

Payment of fees for the use of species of animals that are objects of commercial fishing, if the amount of the fee payable to the budget exceeds 350 times the monthly calculated indicator for quotas for the removal of commercial fishing objects for the current year, shall be made in installments within the following timeframes:

until December 25 of the current year – 20 percent of the total quota issued in the current year;

until March 25 of the year following the year in which the quota was issued – 40 percent of the total quota issued in the current year;

until June 25 of the year following the year in which the quota was issued – 40 percent of the total quota issued in the current year.

Article 633. Procedure for calculating and paying fees for the use of forest and plant resources

1. The amount of payment for forest use shall be calculated by state forest owners and indicated in the permit document, with the exception of the payment, the amount of which shall be established in accordance with paragraph 2 of this Article.

2. The fee for the use of plant resources outside the territory of the state forest fund and specially protected natural areas shall be calculated by local executive bodies of the capital, oblasts, cities of republican status.

3. The amount of the fee shall be determined:

when releasing standing timber - based on the volume of forest use and payment rates, taking into account the coefficients established by Article 630 of this Code;

for other types of forest use, with the exception of forest uses, the amount of payment for which is determined in accordance with paragraph 2 of Article 630 of this Code - based on the volume and (or) area of forest use, the rates of payment for other types of forest use, established by local representative bodies of the capital, oblasts, cities of republican status.

4. The amount of payment for forest use shall be paid to the budget at the location of the forest use facility within the following timeframes:

1) for long-term forest use – quarterly in equal shares of the total amount of annual forest use no later than the 20th day of the month following the reporting quarter;

2) for short-term forest use - before or on the day of receipt of permits. In this case, a note shall be made in the permit document about the payment made, indicating the details of the payment document;

3) for timber released on the standing stock - quarterly in equal shares of the annual amount of payment for issued logging tickets no later than the 15th day of the month following the reporting quarter;

4) for the removal of rare and endangered plant species, their parts or derivatives – within the timeframes established in each individual case on the basis of the relevant decision of the Government of the Republic of Kazakhstan.

5. The amount of payment for the use of plant resources outside the territory of the state forest fund and specially protected natural areas shall be paid to the budget at the location of the facility being used quarterly in equal shares of the annual amount of payment no later than the 20th day of the month following the reporting quarter.

6. If, when releasing standing timber, resin, tree sap and minor forest resources, the total quantity of harvested timber, resin, tree sap and minor forest resources does not coincide with the quantity (area) stipulated in the logging ticket, state forest owners shall recalculate the amount of payment for the volume actually harvested. The amount of payment established during the recalculation shall be paid at the next payment date.

7. For undercuts transferred for felling for the next period, as well as for felling of the previous year’s felling area that has not yet begun, the payment amount shall be made in the manner determined by Article 630 of this Code.

8. Payment of the fee shall be made by transfer through banking organizations or by depositing it in cash into the cash desks of state forest owners on the basis of strict reporting forms in the form established by the authorized body in the field of forestry.

The accepted amounts of payment in cash shall be submitted by state forest owners to banking organizations no later than the next business day from the day on which the money was received for subsequent transfer to the budget. In the event that daily cash receipts are less than 10 times the monthly calculation indicator, the money is submitted for transfer to the budget once every three business days from the day on which the money was received.

9. When individuals pay the fee in cash, the business identification number of state forest owners shall be indicated on strict reporting forms.

Article 634. Tax period

The tax period shall be determined in accordance with Article 358 of this Code.

Article 635. Tax reporting

1. Payers of fees for the use of water resources of surface water bodies (with the exception of payers of fees for the use of forest, plant and animal resources and sections of fishery waters of international and (or) republican significance for the implementation of cage farming activities during the implementation of the project) shall submit a declaration on the fee to the tax authorities at the place of special water use.

2. The declaration shall be submitted by payers of fees for the use of surface water resources, with the exception of taxpayers applying a special tax regime for peasant or farm households, quarterly no later than the 15th day of the second month following the reporting quarter.

3. Taxpayers applying the special tax regime for peasant or farming enterprises shall submit tax reporting on the fee for the use of surface water resources in the form of a corresponding appendix to the declaration for taxpayers applying the special tax regime for peasant or farming enterprises.

Section 3. Payment for negative impact on the environment

Article 636. General provisions

1. The fee for negative impact on the environment (hereinafter in the text of this paragraph – the fee) shall be charged for emissions and discharges of pollutants (emissions into the environment), the placement of sulfur in open form on sulfur pads and the disposal of waste, carried out on the basis of the relevant environmental permit and declaration of impact on the environment in accordance with the environmental legislation of the Republic of Kazakhstan.

2. Territorial units of the environmental protection authority and local executive bodies of the capital, oblasts, cities of republican status shall, on a quarterly basis and no later than the 15th day of the second month, following the reporting quarter, submit information to the tax authorities at the location on the fee payers and taxable items, issued environmental permits, established environmental emission standards, changes made to environmental permits and established environmental emission standards, as well as information on natural resource users, concerning their temporary storage of production and consumption waste (volumes, established temporary storage periods, and actual storage duration).

3. The authorized body in the field of environmental protection and its territorial bodies shall submit to the tax authorities at their location information on the actual volumes of negative impact on the environment, established during the implementation of inspections on compliance with the environmental legislation of the Republic of Kazakhstan (state

environmental control), taking into account the appeal of the results of such inspections in accordance with the laws of the Republic of Kazakhstan, no later than ten working days after the expiration of the periods for appealing the results of such inspections, stipulated by the laws of the Republic of Kazakhstan.

Article 637. Payers of fees

1. Payers of the fee shall be operators of facilities of categories I, II and III, determined in accordance with the Environmental Code of the Republic of Kazakhstan.

2. A legal entity shall have the right, by its decision, to recognize its structural subdivision as an independent payer of the fee based on the volumes of emissions into the environment of such structural subdivision.

The decision of a legal entity specified in part one of this paragraph, or the cancellation of such a decision, shall enter into force on January 1 of the year following the year in which such decision was adopted.

If a legal entity, by its decision, has recognized a newly created structural subdivision of the legal entity as an independent payer of the fee, then such decision shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

3. Taxpayers who apply the special tax regime for peasant or farming households shall not be subject to the fee for the negative impact on the environment arising as a result of carrying out activities covered by the special tax regime for peasant or farming households.

Article 638. Object of taxation

The object of taxation shall be the actual volume of negative impact on the environment (mass, unit of measurement of activity - for radioactive waste) in the reporting period (for objects of categories I and II - within the established standards and limits, for objects of category III - within the declared volume), including that established based on the results of the implementation by the authorized body in the field of environmental protection and its territorial bodies of state environmental control over compliance with the environmental legislation of the Republic of Kazakhstan (state environmental control), in the form of:

1) emissions of pollutants;

2) discharges of pollutants;

3) buried waste;

4) sulfur located in the open on sulfur maps, formed during operations for exploration and (or) production of hydrocarbons.

Article 639. Rates of payment

1. The rates of payment shall be determined in an amount that is a multiple of the monthly calculation index in effect on the first day of the tax period.

2. The rates of payment for emissions of pollutants from stationary sources of first category facilities, with the exception of first category life support facilities from January 1, 2026 to January 1, 2028 and second and third category facilities, shall be:

№	Types of pollutants	Rates of payment per 1 ton (MCI)	Rates of payment per 1 kilogram (MCI)
1	2	3	4
1.	Sulfur oxides (SOx)	20	
2.	Nitrogen oxides (NOx)	20	
3.	Dust and ash	10	
4.	Lead and its compounds	3 986	
5.	Hydrogen sulfide	124	
6.	Phenols	332	
7.	Hydrocarbons	0.32	
8.	Formaldehyde	332	
9.	Carbon monoxide	0.32	
10.	Methane	0.02	
11.	Soot	24	
12.	Ferrous oxide	30	
13.	Ammonia	24	
14.	Hexavalent chromium	798	
15.	Copper oxides	598	
16.	Benzo(a)pyrene		996.6

3. The rates of payment for emissions of pollutants from stationary sources of first-category facilities, with the exception of first-category life support facilities, shall be:

1) from January 1, 2028 to January 1, 2031

№	Types of pollutants	Rates of payment per 1 ton (MCI)	Rates of payment per 1 kilogram (MCI)
1	2	3	4
1.	Sulfur oxides (SOx)	40	
2.	Nitrogen oxides (NOx)	40	
3.	Dust and ash	20	
4.	Lead and its compounds	7972	
5.	Hydrogen sulfide	248	
6.	Phenols	664	
7.	Hydrocarbons	0.64	
8.	Formaldehyde	664	
9.	Carbon monoxide	0.64	
10.	Methane	0.04	
11.	Soot	48	
12.	Ferrous oxide	60	
13.	Ammonia	48	
14.	Hexavalent chromium	1569	
15.	Copper oxides	1196	
16.	Benzo(a)pyrene		1993,2

2) from January 1, 2031:

№	Types of pollutants	Rates of payment per 1 ton (MCI)	Rates of payment per 1 kilogram (MCI)
1	2	3	4
1.	Sulfur oxides (SOx)	60	
2.	Nitrogen oxides (NOx)	60	
3.	Dust and ash	30	
4.	Lead and its compounds	11958	
5.	Hydrogen sulfide	372	
6.	Phenols	996	
7.	Hydrocarbons	0.96	
8.	Formaldehyde	996	
9.	Carbon monoxide	0.96	
10.	Methane	0.06	
11.	Soot	72	
12.	Ferrous oxide	90	
13.	Ammonia	72	
14.	Hexavalent chromium	2394	
15.	Copper oxides	1794	
16.	Benzo(a)pyrene		2989.8

4. The rates of payment for emissions of pollutants from stationary sources for life support facilities of the first category shall be:

№	Types of pollutants	Rates of payment per 1 ton (MCI)	Rates of payment per 1 kilogram (MCI)
1	2	3	4
1.	Sulfur oxides (SOx)	20	
2.	Nitrogen oxides (NOx)	20	
3.	Dust and ash	10	
4.	Lead and its compounds	3 986	
5.	Hydrogen sulfide	124	
6.	Phenols	332	
7.	Hydrocarbons	0.32	
8.	Formaldehyde	332	
9.	Carbon monoxide	0.32	
10.	Methane	0.02	
11.	Soot	24	
12.	Ferrous oxide	30	
13.	Ammonia	24	
14.	Hexavalent chromium	798	
15.	Copper oxides	598	
16.	Benzo(a)pyrene		996.6

5. The rates of payment for emissions of pollutants from the flaring of associated and (or) natural gas shall be:

№	Types of pollutants	Rates of payment per 1 ton (MCI)
1	2	3
1.	Hydrocarbons	44.6
2.	Carbon oxides	14.6
3.	Methane	0.8
4.	Sulfur dioxide	200
5.	Nitrogen dioxide	200
6.	Soot	240
7.	Hydrogen sulfide	1 240
8.	Mercaptan	199 320

6. The rates of payment for emissions of pollutants into the atmosphere from mobile sources shall be:

№	Types of fuel	Rate per 1 ton of fuel used (MCI)
1	2	3
1.	For unleaded petrol	0.33
2.	For diesel fuel	0.45
3.	For liquefied, compressed gas, kerosene	0.24

7. The rates of payment for discharges of pollutants from first-category facilities, with the exception of first-category life support facilities from January 1, 2026 to January 1, 2028, and second- and third-category facilities, shall be:

№	Types of pollutants	Rates of payment per 1 ton (MCI)
1	2	3
1.	Nitrites	1 340
2.	Zinc	2 680
3.	Copper	26 804
4.	Biological oxygen consumption	8
5.	Ammonium salt	68
6.	Petroleum products	536
7.	Nitrates	2
8.	Ferrum total	268
9.	Sulfates (anion)	0.8
10.	Suspended solids	2
11.	Synthetic surfactants	54
12.	Chlorides (anion)	0.2
13.	Aluminum	54

8. The rates of payment for discharges of pollutants from first-category facilities, with the exception of first-category life support facilities, shall be:

1) from January 1, 2028 to January 1, 2031

№	Types of pollutants	Rates of payment per 1 ton (MCI)
1	2	3

1.	Nitrites	2680
2.	Zinc	5360
3.	Copper	53608
4.	Biological oxygen consumption	16
5.	Ammonium salt	136
6.	Petroleum products	1072
7.	Nitrates	4
8.	Ferrum total	536
9.	Sulfates (anion)	0.16
10.	Suspended solids	4
11.	Synthetic surfactants	108
12.	Chlorides (anion)	0.4
13.	Aluminum	108

2) from January 1, 2031:

№	Types of pollutants	Rates of payment per 1 ton (MCI)
1	2	3
1.	Nitrites	4020
2.	Zinc	8040
3.	Copper	80412
4.	Biological oxygen consumption	24
5.	Ammonium salt	204
6.	Petroleum products	1608
7.	Nitrates	6
8.	Ferrum total	804
9.	Sulfates (anion)	0.24
10.	Suspended solids	6
11.	Synthetic surfactants	162
12.	Chlorides (anion)	0.6
13.	Aluminum	162

9. The rates of payment for discharges of pollutants for life support facilities of the first category shall be:

№	Types of pollutants	Rates of payment per 1 ton (MCI)
1	2	3
1.	Nitrites	1 340
2.	Zinc	2 680
3.	Copper	26 804
4.	Biological oxygen consumption	8
5.	Ammonium salt	68
6.	Petroleum products	536
7.	Nitrates	2
8.	Ferrum total	268

9.	Sulfates (anion)	0.8
10.	Suspended solids	2
11.	Synthetic surfactants	54
12.	Chlorides (anion)	0.2
13.	Aluminum	54

10. The rates of payment for the disposal of production and consumption waste from first-category facilities, with the exception of first-category life support facilities from January 1, 2026 to January 1, 2028, and second- and third-category facilities, shall be:

№	Types of waste	Payment rates (MCI)	
		per 1 ton	for 1 gigabecquerel (GBq)
1	2	3	4
1.	For the disposal of production and consumption waste in landfills, storage facilities, authorized dumps and specially designated areas:		
1.1.	Waste for which the hazardous properties are taken into account for the purposes of calculating fees, with the exception of waste specified in line 1.2 of this Table:		
1.1.1.	hazardous waste	8.01	
1.1.2.	non-hazardous waste	1.06	
1.2.	Certain types of waste for which the hazardous properties are not taken into account for the purposes of calculating fees:		
1.2.1.	Municipal waste (municipal solid waste, sewage treatment plant sludge)	0.38	
1.2.2.	Mining and quarrying waste (except oil and natural gas production):		
1.2.2.1.	overburden rocks	0.004	
1.2.2.2.	host rocks	0.026	
1.2.2.3.	enrichment waste	0.02	
1.2.2.4.	slags, sludges	0.038	
	Slags, sludges formed in the metallurgical process during the processing of ores, concentrates,		

1.2.3.	agglomerates and pellets containing minerals, and the production of alloys and metals	0.038	
1.2.4.	Ash and ash slag	0.66	
1.2.5.	Agricultural waste, including manure, bird droppings	0.002	
1.2.6.	Radioactive waste:		
1.2.6.1.	transuranic		0.76
1.2.6.2.	alpha radioactive		0.38
1.2.6.3.	beta radioactive		0.04
1.2.6.4.	ampoule radioactive sources		0.38

11. The rates of payment for the disposal of production and consumption waste from first-category facilities, with the exception of first-category life support facilities, shall be:

1) from January 1, 2028 to January 1, 2031:

№	Types of waste	Payment rates (MCI)	
		per 1 ton	for 1 gigabecquerel (GBq)
1	2	3	4
1.	For the disposal of production and consumption waste in landfills, storage facilities, authorized dumps and specially designated areas:		
1.1.	Waste for which the hazardous properties are taken into account for the purposes of calculating fees, with the exception of waste specified in line 1.2 of this Table:		
1.1.1.	hazardous waste	16.02	
1.1.2.	non-hazardous waste	2.12	
1.2.	Certain types of waste for which the hazardous properties are not taken into account for the purposes of calculating fees:		
1.2.1.	Municipal waste (municipal solid waste, sewage treatment plant sludge)	0.76	
1.2.2.	Mining and quarrying waste (except oil and natural gas production):		

1.2.2.1.	overburden rocks	0.008	
1.2.2.2.	host rocks	0.052	
1.2.2.3.	enrichment waste	0.04	
1.2.2.4.	slags, sludges	0.076	
1.2.3.	Slags, sludges formed in the metallurgical process during the processing of ores, concentrates, agglomerates and pellets containing minerals, and the production of alloys and metals	0.076	
1.2.4.	Ash and ash slag	1.32	
1.2.5.	Agricultural waste, including manure, bird droppings	0.004	
1.2.6.	Radioactive waste:		
1.2.6.1.	transuranic		1.52
1.2.6.2.	alpha radioactive		0.76
1.2.6.3.	beta radioactive		0.08
1.2.6.4.	ampoule radioactive sources		0.76

2) from January 1, 2031:

№	Types of waste	Payment rates (MCI)	
		per 1 ton	for 1 gigabecquerel (GBq)
1	2	3	4
1.	For the disposal of production and consumption waste in landfills, storage facilities, authorized dumps and specially designated areas:		
1.1.	Waste for which the hazardous properties are taken into account for the purposes of calculating fees, with the exception of waste specified in line 1.2 of this Table:		
1.1.1.	hazardous waste	24.03	
1.1.2.	non-hazardous waste	3.18	
1.2.	Certain types of waste for which the hazardous properties are not taken into account for the purposes of calculating fees:		

1.2.1.	Municipal waste (municipal solid waste, sewage treatment plant sludge)	1.14	
1.2.2.	Mining and quarrying waste (except oil and natural gas production):		
1.2.2.1.	overburden rocks	0,012	
1.2.2.2.	host rocks	0.078	
1.2.2.3.	enrichment waste	0.06	
1.2.2.4.	slags, sludges	0.114	
1.2.3.	Slags, sludges formed in the metallurgical process during the processing of ores, concentrates, agglomerates and pellets containing minerals, and the production of alloys and metals	0.114	
1.2.4.	Ash and ash slag	1.98	
1.2.5.	Agricultural waste, including manure, bird droppings	0.006	
1.2.6.	Radioactive waste:		
1.2.6.1.	transuranic		2.28
1.2.6.2.	alpha radioactive		1.14
1.2.6.3.	beta radioactive		0.12
1.2.6.4.	ampoule radioactive sources		1.14

12. The rates of payment for the disposal of production and consumption waste for life support facilities of the first category shall be:

№	Types of waste	Payment rates (MCI)	
		per 1 ton	for 1 gigabecquerel (GBq)
1	2	3	4
1.	For the disposal of production and consumption waste in landfills, storage facilities, authorized dumps and specially designated areas:		
1.1.	Waste for which the hazardous properties are taken into account for the purposes of calculating fees, with the exception of waste specified in line 1.2 of this Table:		

1.1.1.	hazardous waste	8.01	
1.1.2.	non-hazardous waste	1.06	
1.2.	Certain types of waste for which the hazardous properties are not taken into account for the purposes of calculating fees:		
1.2.1.	Municipal waste (municipal solid waste, sewage treatment plant sludge)	0.38	
1.2.2.	Mining and quarrying waste (except oil and natural gas production):		
1.2.2.1.	overburden rocks	0.004	
1.2.2.2.	host rocks	0.026	
1.2.2.3.	enrichment waste	0.02	
1.2.2.4.	slags, sludges	0.038	
1.2.3.	Slags, sludges formed in the metallurgical process during the processing of ores, concentrates, agglomerates and pellets containing minerals, and the production of alloys and metals	0.038	
1.2.4.	Ash and ash slag	0.66	
1.2.5.	Agricultural waste, including manure, bird droppings	0.002	
1.2.6.	Radioactive waste:		
1.2.6.1.	transuranic		0.76
1.2.6.2.	alpha radioactive		0.38
1.2.6.3.	beta radioactive		0.04
1.2.6.4.	ampoule radioactive sources		0.38

13. The rates of payment for the placement of sulfur in open form on sulfur pads, generated during operations on exploration and (or) production of hydrocarbons, amount to 3.77 monthly calculation indices per ton.

Article 640. Procedure for calculation and payment

1. The amount of fee shall be:

1) calculated by payers who are operators of facilities of categories I and II, based on the taxable objects specified in Article 638 of this Code and the established rates of payment using the coefficients provided for in this Article;

2) calculated by payers who are operators of Category III facilities, based on the declared taxable objects specified in Article 638 of this Code and the established payment rates;

3) calculated by tax authorities using the coefficients provided for in this Article, based on the established rates of payment and the undeclared portion of taxable objects defined in Article 638 of this Code, identified, including, based on information obtained as a result of state environmental or tax control.

In the event that the amount of the fee is calculated in accordance with subparagraph 3) of part one of this paragraph, the tax authority shall issue a corresponding notification within ten working days from the date of receipt of the information specified in paragraph 3 of Article 636 of this Code.

2. In order to stimulate the introduction and application of the best available techniques in the territory of the Republic of Kazakhstan, to prevent or reduce the level of harmful anthropogenic impact on the environment, when calculating fees for facilities that have a negative impact on the environment, for which a comprehensive environmental permit has been issued, including before July 1, 2021, payers shall apply the following coefficients:

coefficient 0 – to the payment rates provided for in paragraphs 2, 3, 4, and 5 of Article 639 of this Code, for emissions of pollutants from stationary sources and from the flaring of associated and (or) natural gas within the limits of the standards established in the integrated environmental permit, from the date of its issue;

coefficient 0 – to the payment rates provided for in paragraphs 7, 8, and 9 of Article 639 of this Code, for discharges of pollutants within the limits of the standards established in the integrated environmental permit, from the date of its issue;

coefficient 0 – to the payment rates provided for in paragraphs 10, 11, and 12 of Article 639 of this Code, for the disposal of waste within the limits and in accordance with the reports submitted during the formation, use, disposal and disposal of production and consumption waste, from the date of issuance of the integrated environmental permit;

coefficient 0 - to the fee rate provided for in paragraph 13 of Article 639 of this Code, for the placement of sulfur in open form on sulfur pads within the limits during operations for the exploration and (or) production of hydrocarbons and in accordance with the reporting submitted during the formation and placement of sulfur, from the date of issuance of the integrated environmental permit.

3. From January 1, 2026 to January 1, 2028, when individual payers calculate the amount of payment for facilities that have a negative impact on the environment, for which a comprehensive environmental permit is not valid, the following coefficients shall be applied to the relevant payment rates:

1) for category I facilities included in the list of fifty category I facilities with the largest total emissions of pollutants as of January 1, 2021, approved by the Government of the Republic of Kazakhstan:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

0.6 – to the rates established by paragraph 4 of Article 639 of this Code;

0.86 – to the rates established by paragraph 9 of Article 639 of this Code;

0.1 – to the rates established by line 1.2.4 of the Table of paragraph 12 of Article 639 of this Code;

by other payers:

2 – to the rates established by paragraphs 2, 5, 7, 10, and 13 of Article 639 of this Code;

2) for objects of category I, except for objects specified in subparagraph 1) of part one of this paragraph, as well as for objects of categories II and III:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

0.3 – to the rates established by paragraph 4 of Article 639 of this Code;

0.43 – to the rates established by paragraph 9 of Article 639 of this Code;

0.05 – to the rates established by line 1.2.4 of the Table of paragraph 12 of Article 639 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.2 – to the rates established by line 1.2.1 of the Table of paragraph 12 of Article 639 of this Code for the volume of solid municipal waste generated by individuals at their place of residence.

In this case, the coefficients established by part one of this paragraph shall be applied in relation to the volumes of negative impact on the environment within the standards and limits established by the relevant environmental permits of payers for objects of categories I and II, or the volumes of negative impact on the environment specified in declarations for objects of category III.

4. From January 1, 2028 to January 1, 2031, when individual payers calculate the amount of payment for facilities that have a negative impact on the environment, for which a comprehensive environmental permit is not valid, the following coefficients shall be applied to the relevant payment rates:

1) for category I facilities included in the list of fifty category I facilities with the largest total emissions of pollutants as of January 1, 2021, approved by the Government of the Republic of Kazakhstan:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

1.2 – to the rates established by paragraph 4 of Article 639 of this Code;

1.72 – to the rates established by paragraph 9 of Article 639 of this Code;

0.2 – to the rates established by line 1.2.4 of the Table of subparagraph 1) of paragraph 11 of Article 639 of this Code;

by other payers:

4 – to the rates established by subparagraph 1) of paragraph 3, paragraph 5, subparagraph 1) of paragraph 8, subparagraph 1) of paragraph 11, and paragraph 13 of Article 639 of this Code;

2) for category I facilities, except for facilities specified in subparagraph 1) of part one of this paragraph, as well as for category II and III facilities:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

0.3 – to the rates established by paragraph 4 of Article 639 of this Code;

0.43 – to the rates established by subparagraph 1) of paragraph 8 and paragraph 9 of Article 639 of this Code;

0.05 – to the rates established by line 1.2.4 of the Table of subparagraph 1) of paragraph 11 of Article 639 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.2 – to the rates established by line 1.2.1 of the Table of subparagraph 1) of paragraph 11 of Article 639 of this Code for the volume of solid municipal waste generated by individuals at their place of residence.

In this case, the coefficients established by part one of this paragraph shall be applied in relation to the volumes of negative impact on the environment within the standards and limits established in the relevant environmental permits of payers for objects of categories I and II, or the volumes of negative impact on the environment specified in declarations for objects of category III.

5. From January 1, 2031 to January 1, 2034, when individual payers calculate the amount of payment for facilities that have a negative impact on the environment, for which a comprehensive environmental permit is not valid, the following coefficients shall be applied to the relevant payment rates:

1) for category I facilities included in the list of fifty category I facilities with the largest total emissions of pollutants as of January 1, 2021, approved by the Government of the Republic of Kazakhstan:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

2.4 – to the rates established by paragraph 4 of Article 639 of this Code;

3.44 – to the rates established by paragraph 9 of Article 639 of this Code;

0.4 – to the rates established by line 1.2.4 of the Table of subparagraph 2) of paragraph 11 of Article 639 of this Code;

by other payers:

8 – to the rates established by subparagraph 2) of paragraph 3, paragraph 5, subparagraph 2) of paragraph 8, subparagraph 2) of paragraph 11 and paragraph 13 of Article 639 of this Code;

2) for category I facilities, except for facilities specified in subparagraph 1) of part one of this paragraph:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

0.6 – to the rates established by paragraph 4 of Article 639 of this Code;

0.86 – to the rates established by paragraph 9 of Article 639 of this Code;

0.1 – to the rates established by line 1.2.4 of the Table of subparagraph 2) of paragraph 11 of Article 639 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.4 – to the rates established by line 1.2.1 of the Table of subparagraph 2) of paragraph 11 of Article 639 of this Code for the volume of solid municipal waste generated by individuals at their place of residence;

by other payers:

2 – to the rates established by subparagraph 2) of paragraph 3, paragraph 5, subparagraph 2) of paragraph 8, subparagraph 2) of paragraph 11 and paragraph 13 of Article 639 of this Code;

3) for objects of categories II and III:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

0.3 – to the rates established by paragraph 2 of Article 639 of this Code;

0.43 – to the rates established by paragraph 7 of Article 639 of this Code;

0.05 – to the rates established by line 1.2.4 of the Table of paragraph 10 of Article 639 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.2 – to the rates established by line 1.2.1 of the Table of paragraph 10 of Article 639 of this Code for the volume of solid municipal waste generated by individuals at their place of residence.

In this case, the coefficients established by part one of this paragraph shall be applied in relation to the volumes of negative impact on the environment within the standards and limits established in the relevant environmental permits of payers for objects of categories I and II, or the volumes of negative impact on the environment specified in declarations for objects of category III.

6. From January 1, 2034 to January 1, 2037, when individual payers calculate the amount of payment for facilities that have a negative impact on the environment, for which a comprehensive environmental permit is not valid, the following coefficients shall be applied to the relevant payment rates:

1) for category I facilities included in the list of fifty category I facilities with the largest total emissions of pollutants as of January 1, 2021, approved by the Government of the Republic of Kazakhstan:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

2.4 – to the rates established by paragraph 4 of Article 639 of this Code;

3.44 – to the rates established by paragraph 9 of Article 639 of this Code;

0.4 – to the rates established by line 1.2.4 of the able of subparagraph 2) of paragraph 11 of Article 639 of this Code;

by other payers:

8 – to the rates established by subparagraph 2) of paragraph 3, paragraph 5, subparagraph 2) of paragraph 8, subparagraph 2) of paragraph 11 and paragraph 13 of Article 639 of this Code;

2) for Category I facilities, except for facilities specified in subparagraph 1) of part one of this paragraph:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

1.2 – to the rates established by paragraph 4 of Article 639 of this Code;

0.72 – to the rates established by paragraph 9 of Article 639 of this Code;

0.2 – to the rates established by line 1.2.4 of the Table of subparagraph 2) of paragraph 11 of Article 639 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.8 – to the rates established by line 1.2.1 of the Table of subparagraph 2) of paragraph 11 of Article 639 of this Code for the volume of solid municipal waste generated by individuals at their place of residence;

by other payers:

4 – to the rates established by subparagraph 2) of paragraph 3, paragraph 5, subparagraph 2) of paragraph 8, subparagraph 2) of paragraph 11 and paragraph 13 of Article 639 of this Code;

3) for objects of categories II and III:

by payers who are subjects of natural monopolies – when providing public utilities, by payers who are energy producing organizations – when producing electricity:

0.3 – to the rates established by paragraph 2 of Article 639 of this Code;

0.43 – to the rates established by paragraph 7 of Article 639 of this Code;

0.05 – to the rates established by line 1.2.4 of the Table of paragraph 10 of Article 639 of this Code;

payers who are landfill operators and carry out the disposal of municipal waste:

0.2 – to the rates established by line 1.2.1 of the Table of paragraph 10 of Article 639 of this Code for the volume of solid municipal waste generated by individuals at their place of residence.

In this case, the coefficients established by part one of this paragraph shall be applied in relation to the volumes of negative impact on the environment within the standards and limits

established in the relevant environmental permits of payers for objects of categories I and II, or the volumes of negative impact on the environment specified in declarations for objects of category III.

7. When calculating the amount of payment by legal entities engaged in the placement of radioactive waste generated as a result of nuclear tests conducted on the territory of the Republic of Kazakhstan, on the territory of the lands of the nuclear safety zone, a coefficient of 0 shall be applied to the payment rates established by lines 1.2.6.1, 1.2.6.2 and 1.2.6.3 of the table of paragraphs 10, 11 and 12 of Article 639 of this Code.

8. Payers of the fee who are operators of facilities of categories I and II, with payment volumes of up to 100 monthly calculation indices in the total annual volume, shall have the right to buy out standards or limits of negative impact on the environment established by the body issuing the permit document. The buyout of standards or limits shall be made with full advance payment for the current year upon registration of the permit document no later than March 20 of the reporting tax period.

When receiving a permit document after the specified period, the standard shall be redeemed no later than the 20th day of the month following the month in which the permit document was received.

9. The amount of the fee shall be paid to the budget at the location of the source (object) of negative impact on the environment, specified in the permit document, with the exception of mobile sources of pollution.

The amount of the fee for mobile sources of pollution shall be paid into the budget:

1) for mobile sources subject to state registration – at the place of registration of mobile sources, determined by the authorized state body when conducting such registration;

2) for mobile sources of pollution not subject to state registration - at the location of the taxpayer, including at the location of the structural division of a legal entity (if it is responsible for fulfilling the tax obligation).

10. Current amounts of payment for the actual volume of negative impact on the environment shall be paid by payers no later than the 25th day of the second month following the reporting quarter, with the exception of payers specified in paragraph 3 of this Article.

11. In the event that the indicator of the stage-by-stage reduction of the negative impact on the environment for a marker pollutant is not achieved by the deadline specified in the schedule for achieving the indicators of the stage-by-stage reduction of the negative impact on the environment within the framework of the program for improving environmental efficiency (hereinafter, for the purposes of this paragraph, the program) for an integrated environmental permit issued in relation to a category I facility by less than 30 percent of the value of such indicator, for the purposes of calculating the amount of the fee in relation to emissions of the said substance, the coefficient specified in paragraph 2 of this Article shall acquire the value of the corresponding coefficient specified in paragraphs 3, 4, 5, and 6 of this Article, starting from the tax period preceding the year in which the established indicator of

the stage-by-stage reduction of the negative impact was not achieved, and until the date of achieving such indicator.

In the event that by the date of completion of the program for the integrated environmental permit issued in relation to a category I facility, the established technological standards for 30 percent or less of the total quantity of marker pollutants are not achieved, for the purposes of calculating the amount of the fee, the coefficients provided for in paragraph 2 of this Article shall acquire the values of the corresponding coefficients provided for in paragraphs 3, 4, 5, and 6 of this Article for the relevant years, starting from the date of receipt of the integrated environmental permit in relation to emissions of marker pollutants for which the established technological standards have not been achieved.

In the event of revocation, deprivation or termination of a comprehensive environmental permit issued in relation to a category I facility under the condition and during the period of implementation of the program, on the grounds stipulated by the laws of the Republic of Kazakhstan, for the purposes of calculating the amount of the fee, the coefficients stipulated by paragraph 2 of this Article shall acquire the values of the corresponding coefficients stipulated by paragraphs 3, 4, 5, and 6 of this Article for the relevant years starting from the date of receipt of the comprehensive environmental permit for all types of negative impact on the environment for this category I facility for which the fee is charged, except for the case stipulated by part four of this paragraph.

In this case, if, within the framework of the program implementation, technological standards have been achieved for 70 percent or more of the total amount of marker pollutants, part three of this paragraph shall not be applied to emissions of marker pollutants carried out before the date of revocation, deprivation or termination of the integrated environmental permit issued in relation to a category I facility, for which, by the specified date, technological standards within the framework of the program implementation had been achieved.

On the amount of the fee that arose and was calculated in accordance with parts one, two and three of this paragraph, from the date of application of the coefficients specified in paragraphs 3, 4, 5, and 6 of this Article, penalties shall be calculated in the amount determined by this Code.

Article 641. Tax period

The tax period shall be determined in accordance with Article 358 of this Code.

Article 642. Tax reporting

1. Payers of the fee shall submit to the tax authorities a declaration at the location of the polluted object, with the exception of a declaration for mobile sources of pollution.

The declaration shall be submitted to the tax authorities for mobile sources of pollution:

1) subject to state registration – at the place of registration of mobile sources, determined by the authorized state body when conducting such registration;

2) not subject to state registration – at the location of the taxpayer.

2. The declaration shall be submitted by payers of the fee, with the exception of those specified in paragraph 3 of this Article, quarterly no later than the 15th day of the second month following the reporting quarter.

3. Payers of fees with payment volumes of up to 100 monthly calculation indices in the total annual volume shall submit a declaration no later than March 20 of the reporting tax period.

In the event that a permit document is issued after the specified period, payers shall submit a declaration no later than the 20th day of the month following the month in which the permit document was received.

Section 4. Fee for the use of radio frequency spectrum

Article 643. General provisions

1. The fee for the use of the radio frequency spectrum (hereinafter, for the purposes of this paragraph, the fee) shall be charged for the nominal values (bands, ranges) of the radio frequency spectrum allocated by the authorized state body implementing state policy in the field of communications (hereinafter, the nominal values of the radio frequency spectrum).

2. The right to use the radio frequency spectrum shall be certified by permitting documents issued by the authorized state body implementing state policy in the field of communications, in the manner determined by the Law of the Republic of Kazakhstan "On Communications".

3. Amounts of one-time fees for the implementation of entrepreneurial activity in the provision of services in the field of communications using the radio frequency spectrum, subject to payment to the budget in accordance with the Law of the Republic of Kazakhstan " On Communications", shall not be counted towards the fee.

4. Territorial divisions of the authorized state body implementing state policy in the field of communications shall submit to the tax authorities at the location of the taxpayers information about the taxpayers, objects of taxation, issued permits, their period of validity, amendments and additions made to the issued permits, notifications sent to taxpayers and the amounts of fees within the following timeframes:

1) in the case established by part one of paragraph 3 of Article 646 of this Code – no later than February 25 of the tax period;

2) in the case established by part two of paragraph 3 of Article 646 of this Code, no later than the 25th day of the month following the month in which the taxpayer received permission to use the radio frequency spectrum.

5. The territorial divisions of the authorized state body implementing state policy in the field of communications shall, no later than the 25th day of the month following the reporting quarter, submit to the tax authorities at the location of the payers information on the payers of

the one-time fee for the implementation of entrepreneurial activity in the provision of services in the field of communications using the radio frequency spectrum, the amounts of such one-time fee payable to the budget, and the deadlines for its payment.

Article 644. Payers of fees

1. Payers of the fee shall be the persons who have received the right to use the radio frequency spectrum in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

2. A legal entity shall have the right, by its decision, to recognize its structural subdivision as an independent payer of fees for the radio frequency spectrum used by such structural subdivision.

The decision of a legal entity or the cancellation of such a decision shall come into effect on January 1 of the year following the year in which such decision was made.

If a legal entity, by its decision, has recognized a newly created structural subdivision of the legal entity as an independent payer of the fee, then such decision shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

3. The following ones shall not be the fee payers:

1) state institutions that use the radio frequency spectrum in the performance of their primary functional duties;

2) owners of CB radio stations (27 MHz) for the frequencies used by one station.

Article 645. Rates of payment

1. Annual rates of payment shall be determined in an amount that is a multiple of the minimum wage in effect on the first day of the tax period.

2. The annual rates for the following types of radio communications shall be:

№	Types of radio communication	Territory of use	Rate of payment (MCI)
1	2	3	4
1.	Personal radio calling systems (for frequency assignment of 25 kHz width)	the capital, oblast, the city of republican status	10
2.	Trunking communication (for a radio channel with a width of 25 kHz for reception/25 kHz for transmission)		
2.1.		the capital and the city of republican status	140
2.2.		a populated area with a population of over 50 thousand people	80
		other administrative-territorial	

2.3.		units (city of district significance, district, settlement, village, rural district)	10
3.	VHF radio communication (per duplex channel 25 kHz for reception/25 kHz for transmission)		
3.1.		the capital and the city of republican status	80
3.2.		a populated area with a population of over 50 thousand people	60
3.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	15
4.	VHF radio communication (for a simplex channel of 25 kHz width)		
4.1.		the capital and the city of republican status	30
4.2.		a populated area with a population of over 50 thousand people	20
4.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	10
5.	HF communication (for one frequency assignment) with transmitter output power: - up to and including 50 W; - over 50 W	the capital, oblast, the city of republican status	10 20
6.	Radio extenders (per channel)	the capital, oblast, the city of republican status	2
7.	Cellular communications (for a frequency band of 1 MHz for reception/1 MHz for transmission	the capital, oblast, the city of republican status	2 300
	5G/IMT Cellular for a frequency band of 5 MHz for reception/5 MHz for transmission);	the capital, oblast, the city of republican status	1150

8.	Global Personal Mobile Satellite Communications (per 100 kHz receive/100 kHz transmit duplex bandwidth)	Republic of Kazakhstan	20
9.	Satellite communication with HUB technology (for 100 kHz bandwidth for reception/100 kHz bandwidth for transmission used on HUB)	Republic of Kazakhstan	30
9.1.	Satellite communications using non-geostationary satellites (for a bandwidth of 2 MHz for reception/2 MHz for transmission, for one receiving and transmitting device of the gateway station)	Republic of Kazakhstan	1
10.	Satellite communication without HUB technology (for frequencies used by one station)	Republic of Kazakhstan	100
11.	Radio relay lines (per duplex trunk on one span):		
11.1.	Local	district, city, town, village, rural district	40
11.2.	zonal and main	Republic of Kazakhstan	10
12.	Wireless radio access systems (for a duplex channel width of 25 kHz for reception/25 kHz for transmission)		
12.1.		a populated area with a population of over 50 thousand people	25
12.2.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	2
13.	Wireless radio access systems using WPS technology (for a duplex channel with a width of 2 MHz for reception/2 MHz for transmission)		
13.1.		the capital and the city of republican status	140

13.2.		a populated area with a population of over 50 thousand people	70
13.3.		other administrative-territorial units (city of district significance, district, settlement, village, rural district)	5
14.	Terrestrial and cable television (for a frequency band of 8 MHz)		
14.1.		a populated area with a population of over 200 thousand people	300
14.2.		a populated area with a population of 50,000 to 200,000 people	135
14.3.		city of regional significance with a population of up to 50 thousand people, district	45
14.4.		other administrative-territorial units (settlement, village, rural district)	5
15.	Marine radio communications (radio modem, shore communications, telemetry, radar, etc.), per radio channel	region	10

3. The annual payment rates for digital terrestrial television and radio broadcasting shall be:

№	Frequency range for digital terrestrial television and radio broadcasting	Territory of use	Rate of payment (MCI)
1	2	3	4
1.	TV/meter range		
1.1.	Power of transmitting radio electronic equipment up to 50 W inclusive	the capital and the city of republican status	81
		region	15
1.2.	Power of transmitting radio electronic equipment up to 250 W inclusive	the capital and the city of republican status	361
		region	65

1.3.	Power of transmitting radio electronic equipment up to 500 W inclusive	the capital and the city of republican status	957
		region	174
1.4.	Power of transmitting radio-electronic equipment up to 1000 W inclusive	the capital and the city of republican status	1 353
		region	245
1.5.	The power of the transmitting electronic device is over 1,000 W	the capital and the city of republican status	2 344
		region	425
2.	Television/decimeter frequency range		
2.1.	Power of transmitting radio electronic equipment up to 50 W inclusive	the capital and the city of republican status	51
		region	9
2.2.	Power of transmitting radio electronic equipment up to 250 W inclusive	the capital and the city of republican status	228
		region	41
2.3.	Power of transmitting radio electronic equipment up to 500 W inclusive	the capital and the city of republican status	605
		region	110
2.4.	Power of transmitting radio-electronic equipment up to 1000 W inclusive	the capital and the city of republican status	855
		region	155
2.5.	The power of the transmitting electronic device is over 1,000 W	the capital and the city of republican status	1 481
		region	269

4. When using the radio frequency spectrum for the period of trial operation, competitions , exhibitions and other events for a period of up to six months inclusive, the fee shall be established depending on the type of radio communication, the territory of use of the radio frequency spectrum and the power of the transmitting radio electronic device in an amount corresponding to the period of its actual use, but not less than 1/12 of the annual fee rate.

In the event of the use of technologies using a duplex (simplex) channel bandwidth of a width different from that specified in paragraphs 2 and 3 of this Article, the payment rates shall be determined based on the specific weight of the duplex (simplex) channel bandwidth actually used by the payer to the duplex (simplex) channel bandwidth specified in paragraphs 2 and 3 of this article.

When using wideband technology, the fee shall be charged for a 2 MHz receive/2 MHz transmit bandwidth.

Article 646. Procedure for calculation and payment

1. The amount of the fee shall be calculated by the authorized state body implementing state policy in the field of communications, in accordance with the technical parameters, including the power of the transmitting radio-electronic equipment, specified in the permitting documents, based on annual payment rates depending on the type of radio communication and the territory of use of the radio frequency spectrum.

2. If the period of use of the radio frequency spectrum in the tax period is less than one year, the amount of the fee shall be determined by dividing the amount of the fee calculated for the year by twelve and multiplying by the corresponding number of months of the actual period of use of the radio frequency spectrum in the year.

In this case, the actual period of use of the radio frequency spectrum shall be determined from the beginning of the tax period (if the right to use the radio frequency spectrum on the basis of a permit document was in effect (arose) on the date of the beginning of the tax period) or from the 1st day of the month in which such right arose until the 1st day of the month in which such right ceases (was terminated), or until the end of the tax period (if such right existed (was in effect) on the date of the end of the tax period).

3. The authorized state body implementing state policy in the field of communications shall issue a notice indicating the annual fee amount and send it to fee payers no later than February 20 of the current reporting period.

In the event of receipt of a permit document certifying the right to use the radio frequency spectrum, after the specified period, the authorized state body implementing state policy in the field of communications shall send the taxpayer a notice indicating the amount of the fee no later than the 20th day of the month following the month in which the taxpayer received permission to use the radio frequency spectrum.

4. Unless otherwise provided by this paragraph, the amount of the annual fee shall be paid to the budget at the location of the fee payer in equal installments no later than March 25, June 25, September 25 and December 25 of the current year.

In the event of receiving a permit document for the use of the radio frequency spectrum after one of the above payment deadlines, the first deadline for paying the fee to the budget shall be the next regular payment deadline after receiving the notification specified in paragraph 3 of this Article.

In this case, the amount of the fee payable to the budget shall be redistributed in equal shares for upcoming payment dates in the current tax period.

5. Foreign nationals, stateless persons and non-resident legal entities that do not carry out activities in the Republic of Kazakhstan and are not registered as taxpayers of the Republic of Kazakhstan shall pay a fee to the budget at the location of the authorized state body, implementing state policy in communications for the entire period of validity of the right to

use the radio frequency spectrum, indicated in the permit document for the use of the radio frequency spectrum, but no less than for 1 month, no later than the 25th day of the month, following the month, in which such permit was received.

Article 647. Tax period

The tax period shall be determined in accordance with Article 358 of this Code.

Section 5. Fee for the provision of long-distance and (or) international telephone communications, as well as cellular communications

Article 648. General provisions

1. The fee for the provision of long-distance and (or) international telephone communications, as well as cellular communications (hereinafter, for the purposes of this paragraph, the fee) shall be charged for the right to provide:

1) long-distance and (or) international telephone communications;

2) cellular communications.

2. The right to provide long-distance and (or) international telephone communications, as well as cellular communications, shall be certified by permits issued by the authorized state body implementing state policy in the field of communications in the manner determined by the legislation of the Republic of Kazakhstan.

3. Territorial divisions of the authorized state body implementing state policy in the field of communications shall submit to the tax authorities at the location of the fee payers information on the payers, objects of taxation, issued permits, their period of validity, amendments and additions made to the issued permits, and the amounts of the fee within the following timeframes:

1) in the case established by part one of paragraph 3 of Article 652 of this Code – no later than February 25 of the tax period;

2) in the case established by part two of paragraph 3 of Article 652 of this Code, no later than the 25th day of the month following the month in which the taxpayer received permission to provide long-distance and (or) international telephone communications, as well as cellular communications.

Article 649. Payers of fees

Payers of the fee shall be legal entities that are operators of long-distance and (or) international telephone communications, as well as cellular communications, who have received the right to provide long-distance and (or) international telephone communications, as well as cellular communications in the manner determined by the Law of the Republic of Kazakhstan "On Communications".

Article 650. Tax period

The tax period for calculating the fee shall be the calendar year from January 1 to December 31.

Article 651. Rates of payment

The payment rates shall be established by the Government of the Republic of Kazakhstan.

Article 652. Procedure for calculation and payment

1. The amount of the fee shall be calculated by the authorized state body implementing state policy in the field of communications, based on the income of payers from the provision of electrical communications (telecommunications) services for the previous year and the established payment rates.

2. If the period of provision of long-distance and (or) international telephone communications, as well as cellular communications in the reporting tax period, is less than one year, the amount of the fee shall be determined by dividing the amount of the fee calculated for the year by twelve and multiplying by the actual number of months of provision of long-distance and (or) international telephone communications, as well as cellular communications in the reporting period.

In this case, the actual period of provision of long-distance and (or) international telephone communications, as well as cellular communications in the reporting tax period shall be determined from the beginning of the tax period (if the right to provide long-distance and (or) international telephone communications, as well as cellular communications on the basis of a permit document was in effect (arose) on the date of the beginning of the tax period) or from the 1st day of the month in which such right arose until the 1st day of the month in which such right was terminated, or until the end of the tax period (if such right existed (was in effect) on the date of the end of the tax period).

3. The authorized state body implementing state policy in the field of communications shall issue a notice indicating the annual fee amount and send it to the payer no later than February 20 of the current reporting period.

In the event of receipt of a permit document certifying the right after the period established by part one of this paragraph, the authorized state body implementing state policy in the field of communications shall send the payer a notice indicating the amount of the fee no later than the 20th day of the month following the month in which the taxpayer received permission to provide long-distance and (or) international telephone communications, as well as cellular communications.

4. Unless otherwise provided by this paragraph, the amount of the annual fee shall be paid to the budget at the location of the fee payer in equal installments no later than March 25, June 25, September 25 and December 25 of the current year.

In the event of receiving a permit document certifying the right to provide long-distance and (or) international telephone communications, as well as cellular communications, after one of the above-mentioned payment deadlines, the first deadline for paying the fee into the budget shall be the next regular payment deadline after receiving the notification specified in paragraph 3 of this Article.

In this case, the amount of the fee payable to the budget shall be redistributed in equal shares for upcoming payment dates in the current year.

Section 6. Fee for placement of outdoor (visual) advertising

Article 653. General provisions

1. The fee for the placement of outdoor (visual) advertising (hereinafter for the purposes of this paragraph referred to as the fee) shall be charged for the placement of outdoor (visual) advertising.

2. In the event of failure to send the appropriate notification, the basis for collecting and paying the fee into the budget shall be the actual placement of outdoor (visual) advertising.

In the case established by part one of this paragraph, the rates of payment determined by Article 655 of this Code, taking into account the decision of the local representative body, shall be doubled.

3. Local executive bodies shall, on a monthly basis, no later than the 15th day of the month following the reporting month, submit to the tax authorities at the location of placement of outdoor (visual) advertising information on the payers of the fee, the amount of the fee, the period and location of placement of outdoor (visual) advertising, and the sending (non-sending) of notification.

Article 654. Payers of fees

1. The payers of the fee shall be the owners of outdoor (visual) advertising objects or the owners of buildings (structures) on which outdoor (visual) advertising is placed.

2. A legal entity shall have the right, by its decision, to recognize its structural subdivision as an independent payer of the fee.

The decision of a legal entity or the cancellation of such a decision shall come into effect on January 1 of the year following the year in which such decision was made.

If a legal entity has recognized a newly created structural subdivision of the legal entity as the payer of the fee, then such a decision shall come into effect from the date of creation of this structural subdivision or from January 1 of the year following the year of creation of this structural subdivision.

3. State bodies of the Republic of Kazakhstan for outdoor (visual) advertising placed in connection with the implementation of the functional duties assigned to them shall not be the payers of fees.

Article 655. Rates of payment

1. The rates of payment shall be determined in an amount that is a multiple of the monthly calculation index that is in effect on the first day of the corresponding calendar month in which the outdoor (visual) advertising is placed.

2. The basic monthly payment rates for the placement of outdoor (visual) advertising in the right-of-way of public roads of international and national significance with an area of the side of the outdoor (visual) advertising being placed of up to three square meters inclusive shall be:

№	Road category	Rate of payment (MCI)

1	2	3
1.	Approaches to the city	8
2.	I, II	7
3.	III	3
4.	IV	2

When placing outdoor (visual) advertising with an area of the side of placement of such advertising of three or more-square meters, the basic monthly rates of payment shall be increased proportionally to the increase in the area of the side of the placed outdoor (visual) advertising in relation to three square meters.

3. Basic monthly rates for the placement of outdoor (visual) advertising in open spaces outside of buildings in populated areas, in the right-of-way of public roads of regional and district significance, in open spaces outside of buildings outside of populated areas and outside the right-of-way of public roads shall be established based on the location and area of the side where the outdoor (visual) advertising is placed:

№	Types of outdoor (visual) advertising	Rates of payment for the side of placement of outdoor (visual) advertising (MCI)		
		the capital and the city of republican status	in a city of regional significance and in the right-of-way of public roads of regional significance	in a city of district significance, a village , a settlement, in the right-of-way of public roads of district significance, outside populated areas and outside the right-of-way of public roads
1	2	3	4	5
1.	Outdoor (visual) advertising up to 2 sq.m., inclusive, with the exception of outdoor (visual) advertising distributed via video images	2	1	0.5
2.	Lightboxes (city format)	3	2	1
3.	Outdoor (visual) advertising, with the exception of outdoor (visual) advertising distributed via video images, with an area of:			
3.1.	from 2 to 5 sq.m inclusive	5	3	1

3.2.	from 5 to 10 sq.m inclusive	10	5	2
3.3.	from 10 to 20 sq.m inclusive	20	10	3
3.4.	from 20 to 30 sq.m inclusive	30	15	5
3.5.	from 30 to 50 sq.m inclusive	50	20	7
3.6.	from 50 to 70 sq.m inclusive	70	30	12
3.7.	over 70 sq.m	100	50	25
4.	Roof-mounted outdoor illuminated (visual) advertising (light-dynamic panels or volumetric neon letters):			
4.1.	up to 30 sq.m inclusive	30	20	6
4.2.	over 30 sq.m	50	30	8
5.	Outdoor (visual) advertising on tents, canopies, marquees, awnings, umbrellas, flags, pennants, standards, street furniture (equipment) , with the exception of outdoor (visual) advertising distributed via video images:			
5.1.	up to 5 sq.m inclusive	1	1	0
5.2.	from 5 to 10 sq.m inclusive	2	1	0
5.3.	over 10 sq.m	3	2	1
6.	Outdoor (visual) advertising on temporary kiosks, with the exception of outdoor (visual) advertising distributed via video images:			
6.1.	up to 2 sq.m inclusive	2	1	0
6.2.	from 2 to 5 sq.m inclusive	2	1	0
6.3.	from 5 to 10 sq.m inclusive	3	2	1

6.4.	over 10 sq.m	8	4	2
7.	Mobile outdoor advertising	10	5	1
8.	Outdoor (visual) advertising distributed via video images, area:			
8.1.	up to 20 sq.m inclusive	20	14	6
8.2.	over 20 sq.m	30	24	16
9.	Outdoor (visual) advertising distributed via a running line	3	2	1

Local representative bodies of the regions for outdoor (visual) advertising placed in open spaces outside of buildings in populated areas and in the right-of-way of public roads of regional significance shall have the right to reduce the basic monthly rates of payment by no more than 50 percent or increase them by no more than 100 percent, depending on the location and size of the outdoor (visual) advertising.

Local representative bodies of the capital and cities of republican significance for outdoor (visual) advertising placed in open spaces outside of premises in populated areas shall have the right to reduce the basic monthly rates of payment by no more than 50 percent or increase them by no more than 200 percent, depending on the location and size of the outdoor (visual) advertising.

Note. The side of placement of outdoor (visual) advertising means the side of the outdoor (visual) advertising object based on the location and area of the side of placement of outdoor (visual) advertising, regardless of the quantity of outdoor (visual) advertising placed, including images, video images, running lines in Kazakh and Russian.

Article 656. Procedure for calculation, payment and payment deadlines

1. The amount of the fee shall be calculated based on the payment rates and the actual period of placement of outdoor (visual) advertising:

1) specified in the notification;

2) established by the local executive body of the capital, city of republican status, city of oblast status and district – in the case of outdoor (visual) advertising placement without notification.

When placing outdoor (visual) advertising for a period of less than one calendar month, the amount of the fee shall be determined for one calendar month.

2. The amount of the fee to be paid into the budget shall be paid monthly no later than the 25th day of the current month.

In this case, in the event of placement of outdoor (visual) advertising on the basis of a notification, payment for the first month of advertising placement must be made before sending the notification.

3. When notifying local executive bodies of the capital, cities of republican status, cities of oblast status and districts the fee payers must attach a document, confirming payment of the fee for the first month of outdoor (visual) advertising placement to the budget.

4. The amount of fee shall be paid to the budget at the location of the outdoor (visual) advertising.

Section 7. Digital mining fee

Article 657. General provisions

1. The fee for digital mining (hereinafter for the purposes of this paragraph referred to as the fee) shall be charged for the volume of electrical energy consumed during digital mining.

Article 658. Payers of fees

For the purposes of this chapter, the payers of the fee shall be the persons:

carrying out digital mining on the territory of the Republic of Kazakhstan;

providing services for the provision of complex computing infrastructure for the performance of computing operations and data processing to persons engaged in digital mining activities.

Article 659. Rate of payment

1. Unless otherwise provided by this Article, for the purposes of digital mining, the fee shall be calculated at a rate of 2 tenge per 1 kilowatt-hour of consumed electrical energy for the reporting period.

2. For the purposes of digital mining, the fee shall be calculated at a rate of 1 tenge per 1 kilowatt-hour of consumed electrical energy when using electrical energy generated from renewable sources of electrical energy at own power plants on the territory of the Republic of Kazakhstan or from generating units not connected to the unified electric power system of the Republic of Kazakhstan.

In the absence of a license to carry out digital mining activities, control devices for metering the volume of electricity consumption and (or) their being in a faulty condition for the purposes of digital mining, the fee shall be calculated at a rate of 25 tenge per 1 kilowatt-hour of consumed electricity.

3. In cases when there are no control devices for measuring the volume of electrical energy consumption and (or) they are in a faulty state, for the purposes of digital mining, the volume of electrical energy consumed shall be calculated based on the round-the-clock consumption of maximum electrical energy capacity.

Article 660. Tax period and tax declaration

1. The tax period for calculating the fee is a quarter.

2. The declaration shall be submitted to the tax authority at the location of the taxpayer quarterly no later than the 15th day of the second month following the reporting quarter.

Article 661. Procedure for calculation and payment

1. The amount of the fee shall be calculated by the fee payers based on the actual volumes of electrical energy consumed during digital mining and the established fee rate.

2. Payers of fees shall pay current amounts of fees to the budget quarterly no later than the 25th day of the second month following the reporting quarter.

3. The amount of the fee shall be subject to payment to the budget at the location of the taxpayer.

Chapter 71. STATE DUTY. CONSULAR FEES Section 1. State duty

Article 662. General provisions

1. A state duty shall be a payment to the budget, collected for the performance of legally significant actions, including those related to the issuance of documents (their copies, duplicates) by authorized state bodies or officials.

2. Authorized state bodies or officials shall, on a quarterly basis, no later than the 20th day of the month following the reporting quarter, provide the tax authority at their location with information on payers of state duty and the amounts of state duty calculated by them.

Article 663. Payers of state duty

1. Payers of state fees shall be the persons who apply to authorized state bodies or officials regarding the performance of legally significant actions.

2. A legal entity shall have the right, by its decision, to impose the obligation to pay amounts of state duty on its structural subdivision when the relevant authorized bodies perform legally significant actions in the interests of such structural subdivision.

Article 664. Objects of collection

1. State duty shall be charged:

1) from administrative claims filed with the court, claims, applications for special claim proceedings, applications (complaints) in special proceedings, applications for the issuance of a court order, applications for the issuance of a duplicate writ of execution, applications for the issuance of writs of execution for the enforcement of arbitration and foreign court decisions, petitions to set aside an arbitration award, applications for the re-issuance of copies of judicial acts, writs of execution and other documents;

2) for the performance of notarial acts, as well as for the issuance of copies (duplicates) of notarized documents by authorized persons provided for by the Law of the Republic of Kazakhstan "On Notaries";

3) for processing documents for leaving the Republic of Kazakhstan for permanent residence;

4) for processing invitations to foreign nationals and stateless persons to enter the Republic of Kazakhstan on private matters, accepting and coordinating invitations from hosts for the issuance of visas of the Republic of Kazakhstan;

5) for issuance, reinstating or extending within the territory of the Republic of Kazakhstan to foreign nationals and stateless persons of visas for exit from the Republic of Kazakhstan and for entering the Republic of Kazakhstan;

6) for the execution of documents on the acquisition of citizenship of the Republic of Kazakhstan, restoration of citizenship of the Republic of Kazakhstan and termination of citizenship of the Republic of Kazakhstan;

7) for issuing (reissuing) a hunter's license (duplicate hunter's license);

8) for the issuance of identity documents, with the exception of refugee certificates, the issuance of identity documents of a citizen of the Republic of Kazakhstan for the first time and upon expiration of the validity period;

9) for issuing permits for the acquisition, storage or storage and carrying, transportation of civilian, service weapons and ammunition for them;

10) for issuing certificates for the import into the territory of the Republic of Kazakhstan and export from the territory of the Republic of Kazakhstan of civilian, service weapons and ammunition for them;

11) for the registration and re-registration of each unit of civilian and service weapons of individuals and legal entities (with the exception of cold hunting weapons, signal weapons, mechanical sprayers, aerosol and other devices loaded with tear gas or irritants, pneumatic weapons with a muzzle energy of no more than 7.5 J and a caliber of up to 4.5 mm inclusive);

12) for the affixing of an apostille by state bodies authorized by the Government of the Republic of Kazakhstan on official documents executed in the Republic of Kazakhstan, in accordance with an international treaty ratified by the Republic of Kazakhstan;

13) for issuing driver's licenses, tractor driver's licenses, and certificates of state registration of motor vehicles;

14) for the issuance of state registration plates (duplicates), with the exception of state registration plates for a vehicle that have been stored for a period not exceeding the period established for their storage by the legislation of the Republic of Kazakhstan on road traffic;

15) for issuing a permit for the acquisition of civilian pyrotechnic substances and products using them;

16) for issuing a permit for permanent residence in the Republic of Kazakhstan.

2. The rates of state duty shall be determined in an amount that is a multiple of the monthly calculation index in effect on the date of payment of the state duty (hereinafter referred to in the text of this chapter as the MCI), or as a percentage of the amount of the claim, unless otherwise established by Article 665 of this Code.

Footnote. Article 664 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 665. Rates of state fees in courts

Footnote. The title of Article 665 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

1. For administrative claims, claims, applications for special claim proceedings, applications (complaints) in cases of special proceedings, applications for the issuance of a court order, applications for the issuance of a duplicate writ of execution, applications for the issuance of writs of execution for the compulsory execution of decisions of arbitration and foreign courts, applications for the re-issuance of copies of judicial acts, writs of execution and other documents filed with the court, the state duty shall be collected in the following amounts:

1) unless otherwise provided by this paragraph, for property claims:

for individuals – 1 percent of the amount of the claim, but not more than 10,000 MCI;

for legal entities – 3 percent of the amount of the claim, but not more than 20,000 MCI;

2) from complaints about illegal actions (inaction) and decisions of state bodies and their officials that infringe on the rights of individuals – 0.3 MCI;

3) from complaints about illegal actions (inaction) and decisions of state bodies and their officials that infringe on the rights of legal entities – 5 MCI;

4) from administrative claims to challenge notifications on inspection reports:

for individual entrepreneurs and peasant or farm households - 0.1 percent of the disputed amount of taxes, customs duties and payments to the budget (including penalties) specified in the notification, but not more than 500 MCI;

for legal entities – 1 percent of the disputed amount of taxes, customs duties and payments to the budget (including penalties) specified in the notification, but not more than 20 thousand MCI;

5) from claims for divorce – 0.3 MCI.

In cases of division of property during divorce, the duty shall be determined based on the price of the claim in accordance with subparagraph 1) of this paragraph;

6) from claims for the division of property upon dissolution of marriage with persons recognized in the established manner as missing or incapacitated due to mental illness or dementia, or with persons sentenced to imprisonment for a term exceeding three years, in accordance with subparagraph 1) of this paragraph;

7) from claims for modification or termination of a housing lease agreement, for extension of the period for acceptance of an inheritance, for release of property from seizure and from other non-property claims or claims not subject to assessment – 0.5 MCI;

8) from applications for special claim proceedings, applications (complaints) in cases of special proceedings, administrative claims within the framework of the Administrative Procedural Code of the Republic of Kazakhstan, with the exception of those specified in subparagraphs 2), 3), 4), and 13) of this paragraph - 0.5 MCI;

9) for petitions to annul arbitration decisions - 50 percent of the amount of the state fee charged when filing non-property claims in a court of the Republic of Kazakhstan, and for property disputes - 50 percent of the amount of the state fee charged when filing a property claim in a court of the Republic of Kazakhstan and calculated based on the amount disputed by the applicant;

10) for applications for the issuance of a court order – 50 percent of the state payment rates specified in subparagraph 1) of this paragraph;

11) for applications for the issuance of a duplicate writ of execution, applications for the issuance of writs of execution for the compulsory execution of decisions of arbitration and foreign courts - 5 MCI;

12) from applications for re-issuance of copies (duplicates) of court decisions, sentences, rulings, other court orders, as well as copies of other documents from the case, issued by the courts at the request of the parties and other persons participating in the case - 0.1 MCI for each document, as well as 0.03 MCI for each page produced;

13) from applications for recognizing legal entities as bankrupt, applying the rehabilitation procedure - 0.5 MCI;

14) from applications for the application of the procedure for restoring solvency or the procedure for judicial bankruptcy - 0.3 MCI;

15) from claims by individuals for recovery in monetary terms of compensation for moral damage caused by the dissemination of information defaming honor, dignity and business reputation - 1 percent of the amount of the claim;

16) from claims by legal entities for recovery of damages caused by the dissemination of information defaming a business reputation – 3 percent of the amount of the claim.

2. Excluded by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

3. For cassation appeals for review of judicial acts in cassation proceedings against determinations on issues of annulment of arbitration decisions and issuance of writs of execution for the compulsory execution of arbitration decisions and foreign courts, decisions and orders of courts on non-property and property disputes, the state fee shall be charged in the amount of 50 percent of the corresponding rate of the state fee established by paragraph 1 of this article for the subject of the appeal.

4. For claims containing both property and non-property claims, the state fee established for property claims and for non-property claims shall be collected simultaneously.

Article 666. State duty rates for issuing visas of the Republic of Kazakhstan, preparing documents for departure from the Republic of Kazakhstan for permanent residence, issuing and coordinating invitations for entry of foreign nationals and stateless persons into the Republic of Kazakhstan, acquiring citizenship of the Republic of Kazakhstan, restoring citizenship of the Republic of Kazakhstan or renouncing citizenship of the Republic of Kazakhstan, issuing a permit for permanent residence in the Republic of Kazakhstan

For actions, related to the issuance of visas of the Republic of Kazakhstan, preparation of documents for departure from the Republic of Kazakhstan for permanent residence, registration and approval of invitations for entry of foreign nationals and stateless persons into the Republic of Kazakhstan, acquisition of citizenship of the Republic of Kazakhstan, reinstatement of citizenship of the Republic of Kazakhstan or renunciation of citizenship of the Republic of Kazakhstan, issuance of a permit for permanent residence in the Republic of Kazakhstan, state duty shall be charged in the following amounts:

1) for the issuance, restoration or extension on the territory of the Republic of Kazakhstan of a visa to foreigners and stateless persons for the right to:

leave the Republic of Kazakhstan – 0.5 MCI;

enter the Republic of Kazakhstan and leave the Republic of Kazakhstan – 7 MCI;

multiple entry into the Republic of Kazakhstan and exit from the Republic of Kazakhstan – 30 MCI;

2) for processing documents for exit from the Republic of Kazakhstan for permanent residence to citizens of the Republic of Kazakhstan, as well as foreign nationals and stateless persons permanently residing in the Republic of Kazakhstan – 1 MCI;

3) for processing invitations for entry of foreign nationals and stateless persons into the Republic of Kazakhstan on private matters, coordinating invitations from hosts for the issuance of visas of the Republic of Kazakhstan – 0.5 MCI for each invitee;

4) for registration of documents on acquisition of citizenship of the Republic of Kazakhstan, restoration of citizenship of the Republic of Kazakhstan, renunciation of citizenship of the Republic of Kazakhstan – 1 MCI;

5) for issuing a permit for permanent residence in the Republic of Kazakhstan – 4 MCI.

Article 667. Rates of state duty for the performance of notarial and other actions. Exemption from payment of state duty when performing notarial actions.

1. For the performance of notarial acts, the state fee shall be charged in the following amounts:

1) for certification of contracts for the alienation of real estate (land plots, housing, summer houses, garages, structures and other real estate) in urban areas:

if one of the parties is a legal entity – 10 MCI;

costing up to 30 MCI:

to the children, spouse, parents, siblings, grandchildren – 1 MCI;

to other persons – 3 MCI;

costing over 30 MCI:

to children, spouse, parents, siblings, grandchildren – 5 MCI;

to other persons – 7 MCI;

if the transaction is carried out for the purpose of acquiring real estate using funds received through a mortgage housing loan – 2 MCI;

2) for certification of contracts for the alienation of real estate (land plots, housing, summer houses, garages, buildings and other real estate) in rural areas:

if one of the parties is a legal entity – 1 MCI;

to children, spouse, parents, siblings, grandchildren – 0.5 MCI;

to other persons – 0.7 MCI;

3) for certification of contracts for the alienation of motor vehicles:

if one of the parties is a legal entity – 7 MCI;

to children, spouse, parents, siblings, grandchildren – 2 MCI;

to other persons – 5 MCI;

4) for certification of lease agreements, loans (except for mortgage housing loan agreements), deposits, leasing, contracts, marriage contracts, division of property in common ownership, division of inherited property, agreements on the payment of alimony, constituent agreements - 5 MCI;

5) for certification of mortgage housing loan agreements – 2 MCI;

6) for certification of wills – 1 MCI;

7) for issuing certificates of inheritance rights – 1 MCI for each certificate issued;

8) for the issuance of certificates of ownership of a share in the common property of spouses and other persons who own property on the basis of common joint ownership – 1 MCI;

9) for certification of powers of attorney for the right to use and dispose of property - 0.5 MCI;

10) for certification of powers of attorney for the right to use and operate motor vehicles without the right to sell - 1 MCI;

11) for certification of powers of attorney for the sale, donation, or exchange of motor vehicles – 2 MCI;

12) for certification of other powers of attorney:

for individuals – 0.1 MCI;

for legal entities – 0.5 MCI;

13) for certification of consents for which the legislation of the Republic of Kazakhstan provides for mandatory notarization – 0.5 MCI;

14) for taking measures to protect inherited property – 1 MCI;

15) for committing a sea protest – 0.5 MCI;

16) for certification of the accuracy of copies of documents and extracts from documents (per page):

for individuals – 0.05 MCI;

for legal entities – 0.1 MCI;

17) for certification of the authenticity of signatures on documents, as well as the accuracy of the translation of documents from one language to another (for each document):

for individuals – 0.03 MCI;

for legal entities – 0.1 MCI;

18) for the transfer of applications from individuals and legal entities to other individuals and legal entities – 0.2 MCI;

19) for issuing notarized copies of documents – 0.2 MCI;

20) for issuing a duplicate – 1 MCI;

21) for certification of the authenticity of signatures when opening accounts in second-tier banks (for each document):

for individuals – 0.1 MCI;

for legal entities – 0.5 MCI;

22) for certification of real estate mortgage agreements, rights of claim and mortgage certificates for mortgage housing loans - 2 MCI; for certification of other mortgage agreements - 7 MCI;

23) for protesting a bill of exchange and for certifying non-payment of a check – 0.5 MCI;

24) for issuing an executive inscription – 0.5 MCI;

25) for storage of documents and securities – 0.1 MCI for each month;

26) for certification of suretyship and guarantee agreements – 0.5 MCI;

27) for the performance of other notarial acts provided for by other laws of the Republic of Kazakhstan – 0.2 MCI.

2. The following persons shall be exempt from paying state duty when performing notarial acts:

1) individuals – for certification of their wills, contracts for the donation of property in favor of the state;

2) state institutions – for issuing them certificates (duplicate certificates) of the state's right to inheritance, as well as for all documents necessary to obtain these certificates (duplicate certificates);

3) individuals – for issuing them certificates of inheritance rights:

property of persons who died in the defense of the Republic of Kazakhstan, in connection with the performance of other state or public duties or in connection with the performance of the duty of a citizen of the Republic of Kazakhstan to save human life, protect state property and law and order;

housing or a share in a housing cooperative, if the heir lived with the testator for at least three years on the day of the testator's death and continues to live in this housing after his death;

insurance payments under insurance contracts, government bonds, amounts of wages, copyrights, amounts of royalties and remuneration for discoveries, inventions and industrial designs;

property of rehabilitated citizens;

4) veterans of the Great Patriotic War, veterans entitled to benefits equal to veterans of the Great Patriotic War, and veterans of military operations in the territory of other states, persons

awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons with disabilities, as well as one of the parents of a person with a disability from childhood, a child with a disability - for all notarial acts;

5) kandasy (fellow countrymen) – for all notarial actions related to the acquisition of citizenship of the Republic of Kazakhstan;

6) mothers of many children, awarded the title of "Mother Heroine", awarded the pendants "Altyn Alka", "Kumis Alka" – for all notarial actions;

7) individuals suffering from mental illness or dementia, over whom guardianship has been established in accordance with the procedure established by the legislation of the Republic of Kazakhstan - for obtaining certificates of inheritance of property;

8) the union "Voluntary Society of Persons with Disabilities of Kazakhstan", the Kazakh Society of the Deaf, the Kazakh Society of the Blind, as well as their production enterprises - for all notarial actions;

9) orphans and children left without parental care, until they reach the age of eighteen – for issuing them certificates of inheritance rights.

3. For the performance of other actions, the state duty shall be charged in the following amounts:

1) for issuing (reissuing) a hunter's license (duplicate hunter's license) – 2 MCI;

2) for issuance:

of a passport of a citizen of the Republic of Kazakhstan in the following volumes:

24 pages – 4 MRPs (for children under 16 years of age);

36 pages – 8 MCI;

48 pages – 12 MCI;

certificate of a stateless person, travel document – 8 MCI;

identity cards of a citizen of the Republic of Kazakhstan – 0.2 MCI;

identity card of a citizen of the Republic of Kazakhstan in connection with its loss during the year more than twice - 1 MCI;

residence permit for a foreign national in the Republic of Kazakhstan – 0.2 MCI;

3) for issuance:

to legal entities of:

a conclusion on the import into the territory of the Republic of Kazakhstan of civilian, service weapons and ammunition for them - 2 MCI;

a conclusion on the export from the territory of the Republic of Kazakhstan of civilian, service weapons and ammunition for them - 2 MCI;

a permit for the storage of civilian and service weapons and ammunition for them - 1 MCI ;

a permit for the storage and carrying of civilian and service weapons and ammunition for them - 1 MCI;

a permit for the transportation of civilian and service weapons and ammunition for them – 2 MCI;

a permit for the acquisition of civilian and service weapons and ammunition for them – 3 MCI;

a permit for the acquisition of civilian pyrotechnic substances and products using them – 3 MCI;

to individuals of:

a permit for the purchase of civilian weapons and ammunition for them - 0.5 MCI;

a permit for storage of civilian weapons and ammunition for them – 0.5 MCI;

a permit for the storage and carrying of civilian weapons and ammunition for them - 0.5 MCI;

a permit for the transportation of civilian weapons and ammunition for them - 0.1 MCI;

4) for the registration and re-registration of each unit of civilian and service weapons of individuals and legal entities (except for bladed hunting and signal weapons, mechanical sprayers, aerosol and other devices loaded with tear gas or irritants, pneumatic weapons with a muzzle energy of no more than 7.5 J and a caliber of up to 4.5 mm inclusive) - 0.1 MCI;

5) for making changes to identity documents – 0.1 MCI;

6) for the affixing of an apostille by state bodies authorized by the Government of the Republic of Kazakhstan on official documents executed in the Republic of Kazakhstan, in accordance with an international treaty ratified by the Republic of Kazakhstan – 0.5 MCI for each document;

7) for issuance of:

a driver's license - 1.25 MCI;

a certificate of state registration of vehicles – 1.25 MCI;

a state registration number plate for a vehicle, unless otherwise provided by this subparagraph – 2.8 MCI;

a duplicate state registration number plate in the amount of 2 units per vehicle – 2.8 MCI;

a duplicate of the state registration number plate in the amount of 1 unit per vehicle – 1.4 MCI;

state registration number plates with digital designation 010, 020, 030, 040, 050, 060, 070 , 077, 080, 090, 707 for a vehicle – 57 MCI;

state registration number plates with digital designations 010, 020, 030, 040, 050, 060, 070, 077, 080, 090, 707 with the same letter designations for a vehicle – 114 MCI;

state registration number plates with digital designation 100, 111, 200, 222, 300, 333, 400 , 444, 500, 555, 600, 666, 700, 800, 888, 900, 999 for a vehicle – 137 MCI;

state registration number plates with digital designations 100, 111, 200, 222, 300, 333, 400, 444, 500, 555, 600, 666, 700, 800, 888, 900, 999 with the same letter designations for a vehicle - 194 MCI;

state registration number plates with digital designation 001, 002, 003, 004, 005, 006, 007 , 008, 009, 777 for a vehicle – 228 MCI;

state registration number plates with digital designations 001, 002, 003, 004, 005, 006, 007, 008, 009, 777 with the same letter designations for a vehicle – 285 MCI;

state registration number plates with digital designation 101, 121, 131, 141, 151, 161, 171 , 181, 191, 202, 212, 232, 242, 252, 262, 272, 282, 292, 303, 313, 323, 343, 353, 363, 373, 383, 393, 404, 414, 424, 434, 454, 464, 474, 484, 494, 505, 515, 525, 535, 545, 565, 575, 585 , 595, 606, 616, 626, 636, 646, 656, 676, 686, 696, 717, 727, 737, 747, 757, 767, 787, 797, 808, 818, 828, 838, 848, 858, 868, 878, 898, 909, 919, 929, 939, 949, 959, 969, 979, 989 – 15 MCI;

state registration number plates with digital designation 101, 121, 131, 141, 151, 161, 171 , 181, 191, 202, 212, 232, 242, 252, 262, 272, 282, 292, 303, 313, 323, 343, 353, 363, 373, 383, 393, 404, 414, 424, 434, 454, 464, 474, 484, 494, 505, 515, 525, 535, 545, 565, 575, 585 , 595, 606, 616, 626, 636, 646, 656, 676, 686, 696, 717, 727, 737, 747, 757, 767, 787, 797, 808, 818, 828, 838, 848, 858, 868, 878, 898, 909, 919, 929, 939, 949, 959, 969, 979, 989 with the same letter designations per vehicle – 72 MCI;

state registration number plates (except for state registration number plates with digital designation 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 020, 030, 040, 050, 060, 070, 077, 080, 090, 100, 101, 111, 121, 131, 141, 151, 161, 171, 181, 191, 200, 202, 212, 222, 232 , 242, 252, 262, 272, 282, 292, 300, 303, 313, 323, 333, 343, 353, 363, 373, 383, 393, 400, 404, 414, 424, 434, 444, 454, 464, 474, 484, 494, 500, 505, 515, 525, 535, 545, 555, 565, 575 , 585, 595, 600, 606, 616, 626, 636, 646, 656, 666, 676, 686, 696, 700, 707, 717, 727, 737, 747, 757, 767, 777, 787, 797, 800, 808, 818, 828, 838, 848, 858, 868, 878, 888, 898, 900, 909 , 919, 929, 939, 949, 959, 969, 979, 989, 999) with the same letter designations per vehicle – 57 MCI;

state registration number plates with any desired digital and (or) letter designations (except for state registration number plates with digital designation 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 020, 030, 040, 050, 060, 070, 077, 080, 090, 100, 101, 111, 121, 131 , 141, 151, 161, 171, 181, 191, 200, 202, 212, 222, 232, 242, 252, 262, 272, 282, 292, 300, 303, 313, 323, 333, 343, 353, 363, 373, 383, 393, 400, 404, 414, 424, 434, 444, 454, 464, 474 , 484, 494, 500, 505, 515, 525, 535, 545, 555, 565, 575, 585, 595, 600, 606, 616, 626, 636, 646, 656, 666, 676, 686, 696, 700, 707, 717, 727, 737, 747, 757, 767, 777, 787, 797, 800, 808 , 818, 828, 838, 848, 858, 868, 878, 888, 898, 900, 909, 919, 929, 939, 949, 959, 969, 979, 989, 999 and (or) with the same letter designations) per vehicle - 10 MCI;

state registration number plate for a motor vehicle, trailer for a car – 1.4 MCI;

duplicate of the state registration number plate for a motor vehicle, trailer for a car – 1.4 MCI;

state registration number plate (transit) for transporting a vehicle – 0.35 MCI.

Moreover, the amount of the state duty for issuing a state registration number plate for a vehicle under the jurisdiction of a state body - 2.8 MCI;

8) for issuance of:

a tractor driver's license - 0.5 MCI;

state registration number plate for tractors, self-propelled chassis and mechanisms manufactured on their basis, trailers for them (including trailers with mounted special equipment), self-propelled agricultural, land reclamation and road construction machines and mechanisms - 1 MCI;

technical passport for state registration of tractors, self-propelled chassis and mechanisms manufactured on their basis, trailers for them (including trailers with mounted special equipment), self-propelled agricultural, land reclamation and road construction machines and mechanisms - 0.5 MCI;

Article 668. Exemption from payment of state fees in courts

Footnote. The title of Article 668 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

The following ones shall be exempt from paying state fees in court:

1) plaintiffs – for claims for recovery of wages and other demands related to labor activity ;

2) plaintiffs – authors, performers and organizations managing their property rights on a collective basis – in claims arising from copyright and related rights;

3) plaintiffs – authors of industrial property objects – in claims arising from the right to inventions, utility models and industrial designs;

4) plaintiffs – in claims for the recovery of alimony;

5) plaintiffs – in claims for compensation for damage caused by injury or other damage to health, as well as the death of a breadwinner;

6) plaintiffs – in claims for compensation for material damage caused by a criminal offense;

7) individuals and legal entities, except for persons not related to the case, for issuing them documents in connection with criminal cases and cases concerning alimony;

8) plaintiffs - in claims for the recovery of funds for the benefit of the state to compensate for damage caused to the state by violation of the environmental legislation of the Republic of Kazakhstan;

9) applicants –on complaints about violations of the electoral rights of citizens and public associations, the rights of citizens and public associations to participate in a national referendum;

10) vocational schools and vocational lyceums providing training for skilled workers and workers with advanced qualifications - for claims for recovery of expenses incurred by the state for the maintenance of students who have voluntarily left educational institutions or have been expelled from them;

11) individuals and legal entities who, in cases stipulated by the legislation of the Republic of Kazakhstan, have applied to the court with an application in defense of the rights and legally protected interests of other individuals or the state;

12) an attorney (agent) who has filed a claim with the court for the return of budget loans, as well as state and state-guaranteed loans in accordance with the budget legislation of the Republic of Kazakhstan;

13) veterans of the Great Patriotic War, veterans entitled to benefits equal to veterans of the Great Patriotic War, and veterans of military operations in the territory of other states, persons awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons with disabilities, as well as one of the parents of a person with a disability from childhood, a child with a disability - for all cases and documents;

14) plaintiffs-kandasy (fellow countrymen) – for all cases and documents related to the acquisition of citizenship of the Republic of Kazakhstan;

15) individuals and legal entities – for filing applications with the court regarding:

cancellation of a court decision to terminate proceedings on a case or to leave an application without consideration;

deferment or instalment of the execution of the decision;

changing the method and procedure for executing the decision;

securing claims or replacing one type of security with another;

review of decisions, rulings or orders of the court based on newly discovered circumstances;

addition or reduction of fines imposed by court orders;

reversal of the execution of court decisions on the restoration of missed deadlines;

cancellation of a default judgment;

placement in special educational organizations and educational organizations with a special detention regime;

and also:

complaints about the actions of bailiffs;

private complaints against court decisions to refuse to cancel or reduce fines;

other private complaints against court decisions;

complaints against decisions on administrative offenses;

16) prosecutor's offices - for all claims;

17) state institutions and state secondary educational institutions – when filing claims and appealing court decisions, with the exception of cases of protecting the interests of third parties;

18) public associations of persons with disabilities and (or) organizations created by them, in which at least 35 percent of persons with disabilities due to loss of hearing, speech, and vision work, when filing claims in their own interests;

19) policyholders and insurers – for claims arising from compulsory insurance contracts;

20) plaintiffs and defendants – in disputes related to compensation for damage caused to a citizen by an unlawful conviction, unlawful application of a preventive measure in the form of detention, or unlawful imposition of an administrative penalty in the form of arrest;

21) The National Bank, its branches, representative offices and departments – when filing claims on issues within their competence;

22) The Commissioner for Human Rights in the Republic of Kazakhstan – when filing claims on issues within his/her competence;

23) liquidation commissions of financial institutions undergoing forced liquidation – on claims, applications, and complaints filed in the interests of liquidation proceedings;

24) liquidation commissions of branches of banks that are non-residents of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations that are non-residents of the Republic of Kazakhstan, which are forcibly terminating their activities – on claims, applications, complaints filed in the interests of the procedure for forced termination of activities;

25) temporary administrations of forcibly liquidated financial organizations – on claims, applications, complaints filed in the interests of the temporary administration;

26) banks authorized in accordance with the law of the Republic of Kazakhstan to implement state investment policy - when filing claims on (concerning):

collection of debts on loans issued on a repayable basis using budgetary funds;

foreclosure on property;

bankruptcy of debtors due to their failure to fulfill their obligations under external government and government-guaranteed loans, as well as loans issued using budget funds;

27) representatives of bondholders – when filing claims on behalf of bondholders regarding issues of issuers' failure to fulfill obligations established by the bond issue prospectus;

28) bankruptcy and rehabilitation managers – when filing claims in the interests of the bankruptcy procedure, rehabilitation procedure within the limits of their powers provided for by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;

29) a unified accumulative pension fund, voluntary accumulative pension funds - when filing claims and appealing court decisions as part of ongoing work to collect debts from debtors that arose in connection with their failure to fulfill obligations in relation to pension assets;

30) internal affairs bodies – when filing complaints on matters, related to the expulsion of foreign nationals and stateless persons from the Republic of Kazakhstan for violation of the legislation of the Republic of Kazakhstan;

31) plaintiffs (applicants) – for claims (applications) on the protection of the rights, freedoms and legitimate interests of individuals and legal entities, including in the interests of an indefinite number of persons, on issues of environmental protection and the use of natural resources;

Note!

Subparagraph 32) is effective until January 1, 2030, in accordance with subparagraph 4) of paragraph 2 of Article 848 of this Code.

32) an organization specializing in improving the quality of loan portfolios of second-tier banks, the sole shareholder of which is the Government of the Republic of Kazakhstan – when filing claims and appealing court decisions;

33) plaintiffs – in claims to recognize a potential supplier or supplier as an unfair participant in public procurement;

34) an organization carrying out mandatory guarantee of deposits of individuals - in disputes related to the collection from a bank - a participant in the mandatory deposit guarantee system of amounts of unpaid contributions, as well as penalties for failure to fulfill its obligations under the accession agreement.

The persons specified in part one of this Article shall be exempt from paying state fees in courts also when appealing judicial decisions.

Footnote. Article 668 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 669. Exemption from payment of state duty when processing documents on acquiring citizenship of the Republic of Kazakhstan

1. The following ones shall be exempt from paying state duty:

1) persons who were forced to leave the territory of the Republic of Kazakhstan during periods of mass repression, forced collectivization, as a result of other inhumane political actions, and their descendants - for the registration of documents on the acquisition of citizenship of the Republic of Kazakhstan;

2) kandasy (fellow countrymen) – for registration of documents on acquiring citizenship of the Republic of Kazakhstan.

2. The specified exemption from payment of state duty shall be granted once.

Article 670. Exemption from payment of state duty when coordinating invitations of hosts for the issuance of visas of the Republic of Kazakhstan, as well as when issuing, restoring or extending visas of the Republic of Kazakhstan

The following ones shall be exempt from paying state duty:

1) when coordinating invitations from hosts for the issuance of visas of the Republic of Kazakhstan:

individuals and legal entities of states that have concluded an international agreement with the Republic of Kazakhstan on mutual waiver of consular fees;

hosts applying for approval of invitations for issuance of visas of the Republic of Kazakhstan:

members of foreign official delegations and persons accompanying them traveling to the Republic of Kazakhstan;

to foreign nationals, traveling to the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Kurultai of the Republic of Kazakhstan, Kazakstan Halyk Kenesi , the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the Government of the Republic of Kazakhstan, state bodies, akimats of the capital, oblasts, cities of national status;

foreign nationals, traveling to the Republic of Kazakhstan with humanitarian aid, coordinated with the relevant state bodies of the Republic of Kazakhstan;

foreign investors;

ethnic Kazakhs;

children under 16 years of age on the basis of the principle of reciprocity;

2) for the issuance, renewal, or extension of visas in the territory of the Republic of Kazakhstan to foreign nationals and stateless persons:

members of foreign official delegations and persons accompanying them arriving in the Republic of Kazakhstan;

to those arriving in the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Kurultai of the Republic of Kazakhstan, Kazakhstan Halyk Kenesi, the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the Government of the Republic of Kazakhstan, state bodies and akimats of the capital, oblasts, cities of national status;

to foreign nationals, traveling to the Republic of Kazakhstan with humanitarian aid, agreed upon with the interested state bodies of the Republic of Kazakhstan;

ethnic Kazakhs;

children under 16 years of age on the basis of the principle of reciprocity;

persons who previously held citizenship of the Republic of Kazakhstan, permanently residing abroad and traveling to the Republic of Kazakhstan for the funeral of close relatives;

foreign investors;

3) for issuing repeated visas instead of primary visas containing errors made by employees of consular offices of the Republic of Kazakhstan, the Ministry of Foreign Affairs, and the Ministry of Internal Affairs of the Republic of Kazakhstan.

Footnote. Article 670 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 671. Exemption from payment of state duty when performing other actions

The following ones shall be exempt from paying state duty when:

1) filing a civil claim in a criminal case;

2) affixing an apostille to documents received for apostilling through diplomatic missions and consular offices of the Republic of Kazakhstan;

3) issuance of duplicate certificates of registration of civil status acts – citizens who applied through diplomatic missions and consular offices of the Republic of Kazakhstan;

4) issuance of passports and identity cards of citizens of the Republic of Kazakhstan, as well as residence permits of foreign citizens in the Republic of Kazakhstan and certificates of stateless persons:

Heroes of the Soviet Union, Heroes of Socialist Labor;

persons awarded the Order of Glory of three degrees and Order of Labor Glory of three degrees, “Altyn Kyran”, “Otan”, awarded the titles “Halyk Kaharmany”, “Kazakhstannyn Enbek Yeri”;

mothers of many children, awarded the title of "Mother Heroine", and awarded the pendants "Altyn Alka", "Kumis Alka";

veterans of the Great Patriotic War, veterans entitled to benefits equal to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states, persons awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons with disabilities, as well as one of the parents of a person with a disability from childhood, a child with a disability;

граждане, пострадавшие вследствие Чернобыльской катастрофы.

elderly people living in general medical and social institutions for the elderly and people with disabilities, orphans and children left without parental care who are fully supported by the state, living in orphanages and (or) boarding schools;

citizens affected by the Chernobyl disaster;

5) issuance of a state registration number plate for a vehicle, a trailer for a vehicle, or a motor vehicle, with the exception of issuance of state registration number plates in high demand:

Heroes of the Soviet Union, Heroes of Socialist Labor, persons awarded the Order of Glory of three degrees and the Order of Labor Glory of three degrees, “Altyn Kyran”, “Otan”, awarded the titles of “Khalyk Kaharmany”, “Kazakstannyn Enbek Yeri”;

veterans of the Great Patriotic War, veterans entitled to benefits equal to veterans of the Great Patriotic War, and veterans of military operations on the territory of other states,

persons awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons who worked (served) for at least six months from June 22, 1941 to May 9, 1945 and were not awarded orders and medals of the former USSR for selfless labor and impeccable military service in the rear during the Great Patriotic War, persons with disabilities, as well as one of the parents of a person with a disability from childhood, a child with a disability;

citizens affected by the Chernobyl disaster.

Article 672. Procedure for payment of state duty

1. State duty shall be paid:

1) in cases considered by the courts - prior to the filing of the relevant claim, administrative claim, application (complaint) or application for the issuance of a court order, with the exception of cases provided for in Article 135 of this Code, cases provided for in part three of Article 106 of the Civil Procedure Code of the Republic of Kazakhstan, as well as when the court issues copies of documents;

2) before issuing the relevant documents:

for issuing passports and identity cards of citizens of the Republic of Kazakhstan, certificates of stateless persons, residence permits to foreign nationals in the Republic of Kazakhstan and travel documents;

for issuing (reissuing) a hunting license (duplicate hunting license);

for issuing permits for the acquisition, storage or storage and carrying, transportation, conclusions on the import into the territory of the Republic of Kazakhstan and export from the territory of the Republic of Kazakhstan of civilian, service weapons and ammunition for them;

for issuing permits for the acquisition of civilian pyrotechnic substances and products using them;

for the registration and re-registration of each unit of civilian and service weapons of individuals and legal entities (with the exception of cold hunting weapons, signal weapons, mechanical sprayers, aerosol and other devices loaded with tear gas or irritants, pneumatic weapons with a muzzle energy of no more than 7.5 J and a caliber of up to 4.5 mm inclusive);

in cases related to the acquisition of citizenship of the Republic of Kazakhstan or termination of citizenship of the Republic of Kazakhstan, as well as exit from the Republic of Kazakhstan and entry into the Republic of Kazakhstan;

3) for the issuance of driver's licenses, tractor driver's licenses, certificates of state registration of mechanical vehicles and trailers, state registration number plates, as well as a duplicate of the state registration number plate - until the issuance of the relevant documents, state registration number plates, a duplicate of the state registration number plate;

4) for the affixing of an apostille by state bodies authorized by the Government of the Republic of Kazakhstan on official documents issued by state bodies and notaries of the Republic of Kazakhstan – until the affixing of the apostille.

2. The state duty shall be credited at the place where legally significant actions are performed and (or) documents are issued by authorized state bodies or officials.

3. Payment of the state duty to the budget shall be made by transfer through banking organizations or by depositing it in cash on the basis of strict reporting forms in the form established by the authorized body.

4. When paying the amount of state duty in cash, such accepted amounts of state duty shall be surrendered by authorized state bodies to banking organizations no later than the next business day from the day on which the money was accepted for subsequent transfer to the budget. If daily cash receipts are less than 10 times the MCI, the money shall be surrendered once every three business days from the day on which the money was accepted.

Footnote. Article 672 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Section 2. Consular fee

Article 673. General provisions

The consular fee is a payment to the budget, collected by diplomatic missions and consular offices of the Republic of Kazakhstan, the Ministry of Foreign Affairs from foreign nationals, stateless persons, non-resident foreign legal entities, individuals and legal entities of the Republic of Kazakhstan, for the performance of consular actions and the issuance legally significant documents.

Article 674. Payers of consular fees

The payers of the consular fee are foreign nationals, stateless persons, and non-resident foreign legal entities, as well as individuals and legal entities of the Republic of Kazakhstan, on whose behalf consular acts are performed, as provided for in Article 675 of this Code.

Article 675. Objects of collection

A consular fee shall be charged for the following consular actions:

1) registration of a passport of a citizen of the Republic of Kazakhstan, with the exception of registration of diplomatic and service passports of the Republic of Kazakhstan;

2) processing of applications from citizens and legal entities of the Republic of Kazakhstan, as well as foreign nationals and stateless persons, foreign legal entities for the issuance of visas and sending an instruction to foreign institutions of the Republic of Kazakhstan on the issuance of visas (visa support);

3) issuance of visas of the Republic of Kazakhstan;

4) issuance of a certificate for return to the Republic of Kazakhstan;

5) registration of applications from citizens of the Republic of Kazakhstan on matters of staying abroad;

6) preparation of documents on issues of citizenship of the Republic of Kazakhstan;

7) registration of civil status acts;

8) requesting documents;

9) legalization of documents, as well as acceptance and forwarding of documents for apostille;

10) performance of notarial acts;

11) storage of a will, a package of documents (except a will), money, securities and other valuables (except inherited ones) in a consular office;

12) sale of goods or other property at public auction;

13) acceptance of property or monetary sums as a deposit for a period of up to six months for transfer to the appropriate owner;

14) sending documents by diplomatic mail to legal entities;

15) issuance of a temporary certificate for the right to sail under the State Flag of the Republic of Kazakhstan in the event of the purchase of a vessel abroad;

16) drafting or certification of any declaration or other document provided for by the legislation of the Republic of Kazakhstan or international treaties to which the Republic of Kazakhstan is a party, in relation to the courts of the Republic of Kazakhstan;

17) drawing up a report on maritime protest in the event of loss of or damage to a vessel or cargo (shipwreck of vessels) of the Republic of Kazakhstan located abroad;

18) issuance of other documents (certificates) of legal significance.

Article 676. Consular payment rates

The Ministry of Foreign Affairs, in agreement with the authorized body and the authorized body in the field of tax policy, shall develop and approve consular payment rates:

1) collected on the territory of the Republic of Kazakhstan;

2) for performing consular actions on the territory of a foreign state.

The Ministry of Foreign Affairs shall have the right to establish, in addition to the rates approved in accordance with subparagraph 2) of part one of this Article, rates of consular fees for urgency based on the principle of reciprocity.

Article 677. Exemption from payment of consular fee

Consular fee shall not be charged:

1) in the cases provided for in Articles 667–671 of this Code;

2) from individuals and legal entities of states that have concluded an international agreement with the Republic of Kazakhstan on mutual waiver of consular fees;

3) for the recovery, at the request of authorities and individual citizens of states that have concluded an international agreement with the Republic of Kazakhstan on legal assistance, of documents on family, civil and criminal cases, on alimony, state benefits and pensions, on adoption;

4) for drafting and printing notes to foreign diplomatic missions and consular offices on the issuance of visas to:

members of official delegations of the Republic of Kazakhstan and persons accompanying them;

deputies of the Kurultai of the Republic of Kazakhstan;

civil servants of the Republic of Kazakhstan – holders of diplomatic, service or national passports of the Republic of Kazakhstan, traveling on official business;

family members of the personnel of foreign missions of the Republic of Kazakhstan;

close relatives of the personnel of foreign missions of the Republic of Kazakhstan and persons accompanying them, leaving due to illness or death of an employee or worker of a foreign mission of the Republic of Kazakhstan;

5) for processing visa applications from citizens and legal entities of the Republic of Kazakhstan, as well as foreign nationals and stateless persons, foreign legal entities and sending an instruction to foreign institutions of the Republic of Kazakhstan on the issuance of visas (visa support):

members of foreign official delegations and persons accompanying them traveling to the Republic of Kazakhstan;

to foreign nationals, traveling to the Republic of Kazakhstan to participate in events of national and international scale (symposia, conferences and other political, cultural, scientific and sporting events);

to foreign nationals, traveling to the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Kurultai of the Republic of Kazakhstan, Kazakstan Halyk Kenesi , the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Office of the Government of the Republic of Kazakhstan, state bodies and akimats of the capital, oblasts, cities of national status;

to foreign nationals, traveling to the Republic of Kazakhstan with humanitarian aid, coordinated with the relevant state bodies of the Republic of Kazakhstan;

employees of international organizations traveling to the Republic of Kazakhstan on official business;

to foreign nationals, traveling to the Republic of Kazakhstan at the invitation of foreign diplomatic missions and consular offices, as well as international organizations, accredited in the Republic of Kazakhstan, based on the principle of reciprocity;

investor visas;

persons of Kazakh nationality who are not citizens of the Republic of Kazakhstan;

children under 16 years of age on the basis of the principle of reciprocity;

6) for issuing visas to the:

members of foreign official delegations and persons accompanying them traveling to the Republic of Kazakhstan;

to foreign nationals, traveling to the Republic of Kazakhstan to participate in events of national and international scale (symposia, conferences and other political, cultural, scientific and sporting events);

to foreign nationals, traveling to the Republic of Kazakhstan at the invitation of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Kurultai of the Republic of Kazakhstan, Kazakstan Halyk Kenesi , the Constitutional Court of the Republic of Kazakhstan, the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Executive Office of the President of the Republic of Kazakhstan, the Office of the Government of the Republic of Kazakhstan;

to foreign nationals, traveling to the Republic of Kazakhstan with humanitarian aid, coordinated with the relevant state bodies of the Republic of Kazakhstan;

employees of international organizations traveling to the Republic of Kazakhstan on official business;

to foreign nationals, traveling to the Republic of Kazakhstan at the invitation of foreign diplomatic missions and consular offices, as well as international organizations, accredited in the Republic of Kazakhstan, based on the principle of reciprocity;

to foreign nationals – holders of diplomatic and service passports, traveling to the Republic of Kazakhstan on official business;

children under 16 years of age on the basis of the principle of reciprocity;

persons of Kazakh nationality who are not citizens of the Republic of Kazakhstan;

former citizens of the Republic of Kazakhstan permanently residing abroad and traveling to the Republic of Kazakhstan for the funeral of close relatives;

investor visas;

service visas;

diplomatic visas;

7) for issuing repeated visas instead of primary visas containing errors made by employees of consular offices of the Republic of Kazakhstan and the Ministry of Foreign Affairs;

8) for issuing certificates for return to the Republic of Kazakhstan and certificates to citizens of the Republic of Kazakhstan who do not have documents and money due to their loss, natural disasters or other force majeure circumstances;

9) for issuing death certificates and certificates when sending coffins and urns with ashes of citizens of the Republic of Kazakhstan who died abroad to the Republic of Kazakhstan;

10) for the retrieval of documents at the request of foreign diplomatic missions and consular offices on the basis of the principle of reciprocity;

11) for the legalization of documents of citizens of the Republic of Kazakhstan, requested through foreign institutions of the Republic of Kazakhstan;

12) for the legalization of documents at the request of foreign diplomatic missions and consular offices, as well as international organizations based on the principle of reciprocity;

13) for registration with the consulate and deregistration from the consulate of citizens of the Republic of Kazakhstan, temporarily and permanently residing abroad, as well as children , who are citizens of the Republic of Kazakhstan, given up for adoption to foreign nationals.

Footnote. Article 677 as amended by the Law in pursuance of the Law of the Republic of Kazakhstan dated 11.06.2026 № 308-VIII (effective as of 01.07.2026).

Article 678. Procedure for payment of consular fee

1. The consular fee shall be paid before consular actions are performed.

2. Diplomatic missions and consular offices of the Republic of Kazakhstan shall carry out consular actions after the payer has paid the consular fee.

3. Payment of consular fees on the territory of the Republic of Kazakhstan, the rate of which is set in US dollars, shall be made in tenge at the official rate set by the National Bank on the day of payment of the fee.

4. The consular fee shall be paid:

1) on the territory of the Republic of Kazakhstan – by transfer through second-tier banks or organizations carrying out certain types of banking operations to the budget at the location where consular actions are carried out or in cash at consular offices on the basis of strict reporting forms in the form established by the Ministry of Foreign Affairs.

In case of payment of the consular fee in cash, the amounts of the consular fee shall be deposited by the authorized state body to banking organizations no later than the next business day from the day on which the money was received for subsequent transfer to the budget. In case the daily receipt of cash is less than 10 times the monthly calculation indicator , the money shall be deposited once every three business days from the day on which the money was received;

2) outside the territory of the Republic of Kazakhstan – by transfer through banks or organizations carrying out certain types of banking operations to the bank account of a diplomatic mission or consular office without the right of economic use or in cash at consular offices on the basis of strict reporting forms in the form established by the Ministry of Foreign Affairs.

5. Payment of the consular fee shall be made in the currency of the state in whose territory the consular actions are carried out, or in any other freely convertible currency.

6. The accepted amounts of consular fees abroad shall be deposited by the diplomatic mission or consular office to a foreign bank of the host state of the diplomatic mission or consular office no later than ten business days from the date of their acceptance for crediting to a foreign bank account.

Consular fees received to a foreign bank account in the currency of the host state of a diplomatic mission or consular office shall be converted into US dollars, euros, British pounds sterling, Swiss francs, Canadian dollars, Japanese yen, Russian rubles, Chinese yuan by a foreign bank on behalf of the diplomatic mission or consular office of the Republic of Kazakhstan.

The manager of a foreign bank account shall be the head of the diplomatic mission or consular office of the Republic of Kazakhstan with the right of first signature.

Consular fees received on a foreign bank account shall be transferred monthly by the diplomatic mission or consular office to the foreign currency account of the Ministry of Foreign Affairs no later than the 10th day of the month following the reporting period for subsequent crediting to the budget revenue. If the monthly receipts from consular fees to the diplomatic mission or consular office are less than 1,000 US dollars or its equivalent in the types of currency specified in this paragraph, at the exchange rate at the end of the reporting period, the transfer shall be made quarterly no later than the 10th day of the month following the reporting period.

The Ministry of Foreign Affairs shall transfer consular fees transferred by a diplomatic mission or consular office to the republican budget within three working days from the date of receipt from the National Bank of statements on correspondent accounts in foreign currency with payment documents attached in electronic form.

7. Consular fees paid are non-refundable.

SECTION 15. TAXATION OF NON-RESIDENTS

Article 679. Non-resident income from sources in the Republic of Kazakhstan

1. The following types of income shall be recognized as non-resident income from sources in the Republic of Kazakhstan:

1) income from the sale of goods within the Republic of Kazakhstan, as well as income from the sale of goods located in the Republic of Kazakhstan outside its borders as part of foreign trade activities;

2) income from the performance of work and the provision of services within the Republic of Kazakhstan;

3) income from the provision of information processing, management, financial, consulting, engineering, marketing, auditing, design, advertising, and legal services (except for services related to representation and protection of rights and legitimate interests in courts, arbitration, or arbitration tribunals, as well as notary services) outside the Republic of Kazakhstan.

For the purposes of this section, financial services shall be defined as:

activities of the insurance market participants (except for insurance and/or reinsurance services) and the securities market;

activities of the unified accumulative pension fund and voluntary accumulative pension funds;

banking activities, the activities of organizations conducting certain types of banking operations (except for services provided to a structural subdivision of a legal entity that is a resident of the Republic of Kazakhstan, located outside the Republic of Kazakhstan, for opening and maintaining bank accounts, transfer and cash transactions, foreign exchange

transactions, including exchange transactions with cash foreign currency, and acceptance of payment documents for collection);

activities of the central depository and mutual insurance companies;

activities of the social health insurance fund;

activities of the social insurance fund;

4) Income of a person registered in a state with preferential taxation from the performance of work or the provision of services, regardless of the location of their actual performance or provision, as well as other income established by this article.

The provisions of this subparagraph shall not apply to income from:

provision of tourist services to an individual in the territory of such state;

airport operations, as defined in accordance with the legislation of the Republic of Kazakhstan;

5) Income of a person registered in a foreign state in the form of liabilities for an advance payment received, if one of the following conditions is met:

not satisfied by the non-resident within twelve months from the date of payment of such advance payment (prepayment);

not satisfied by the non-resident on the date of filing the liquidation tax report upon liquidation of the person who paid the advance payment.

In the event that, upon liquidation of the person who paid the advance (prepayment), a liquidation tax audit or the issuance of a conclusion based on the desk audit results is provided for in accordance with this Code, the amount of such liability shall be determined as :

the amount of liabilities (excluding value added tax) payable in accordance with the taxpayer's primary documents and to be reflected (reflected) in the interim liquidation balance sheet as of the date of approval of such balance sheet

minus

the amount of liabilities that will be satisfied in the period from the date of approval of the interim liquidation balance sheet to the date of completion of the liquidation tax audit or desk audit;

On the liquidation tax audit results the amount of the liability is determined by the tax authority based on the actual amount of satisfied liabilities for the specified period. The amount of this liability is reflected in the tax audit report.

On the desk audit results the amount of the liability is determined by the tax authority based on the actual amount of satisfied liabilities for the specified period and is reflected in the notice of expected discrepancies based on the desk audit results.

6) income in the form of obligations to pay a resident for the supply of goods, provision of services, and performance of work that have not been satisfied by a non-resident within

twelve months from the date of such supply of goods, provision of services, and performance of work;

7) income from capital gains on the sale of:

property located in the territory of the Republic of Kazakhstan, the ownership title to which or transactions involving which are subject to state registration in accordance with the laws of the Republic of Kazakhstan;

property located in the territory of the Republic of Kazakhstan, subject to state registration in accordance with the laws of the Republic of Kazakhstan;

securities issued by a resident, as well as shares in the authorized capital of a resident legal entity, consortium located in the Republic of Kazakhstan;

shares issued by a non-resident, as well as shares in the authorized capital of a non-resident legal entity or consortium, if 50 percent or more of the value of such shares, interests, or assets of a non-resident legal entity consists of property located in the Republic of Kazakhstan;

8) income from the assignment of a debt claim to a resident or non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment – for the non-resident that assigned the claim.

In this case, the amount of such income is determined as the positive difference between the value of the claim at which the assignment was made and the value of the claim receivable from the debtor on the date of the assignment, according to the non-resident's primary documents;

9) income from the assignment of claims upon acquisition of a claim for a debt from a resident or non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, with the exception of the income provided for in subparagraph 10) of this paragraph – for the non-resident acquiring the claim.

In this case, the amount of such income is determined as the positive difference between the amount receivable from the debtor upon claim for the principal debt, including the amount in excess of the principal debt on the date of assignment of the claim, and the cost of acquiring the claim right;

10) income from the assignment of rights of claim upon acquisition of the right to claim a debt from a resident or a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, which are assigned (reassigned) in accordance with the laws of the Republic of Kazakhstan “On banks and banking activities in the Republic of Kazakhstan” and “On microfinance activities” - for the non-resident acquiring the right of claim.

In this case, the amount of such income is determined as the positive difference between the amount actually paid by the debtor and the cost of acquiring the claim.

Income from the assignment of a claim is recognized in the tax period in which the positive difference arises (increases). This does not take into account any positive difference previously recognized in previous tax periods.

11) income in the form of penalties (fines, late fees) and other sanctions, except for fines previously withheld unjustifiably and refunded from the budget;

12) income in the form of dividends received from a resident legal entity, also from mutual investment funds established under the laws of the Republic of Kazakhstan;

13) income in the form of remuneration, with the exception of remuneration on debt securities;

14) income in the form of remuneration on debt securities received from the issuer;

15) income in the form of royalties;

16) income from the lease (rental) of property located or to be located in the Republic of Kazakhstan, except for financial leasing;

17) income received from real estate located in the Republic of Kazakhstan;

18) income in the form of insurance premiums paid under contracts for insurance of risks arising in the Republic of Kazakhstan;

19) income in the form of insurance premiums paid under contracts for reinsurance of risks arising in the Republic of Kazakhstan;

20) income from the provision of international transportation services.

For the purposes of this section, international transportation shall be recognized as any transportation of passengers, baggage, goods, including mail, by sea, river, or air vessel, motor vehicle, or rail transport, carried out between points located in different states, one of which is the Republic of Kazakhstan.

For the purposes of this section, the following shall not be considered international transportation:

transportation carried out exclusively between points located outside the Republic of Kazakhstan, as well as exclusively between points located within the territory of the Republic of Kazakhstan;

transportation of goods via trunk pipelines;

21) income in the form of payment for vessel downtime during loading and unloading operations in excess of the standard time specified in the maritime transport agreement (contract);

22) income received from the operation of pipelines, power lines, and fiber-optic communication lines located in the territory of the Republic of Kazakhstan;

23) income of a non-resident individual from activities in the Republic of Kazakhstan under an employment contract (agreement, contract) concluded with a resident or non-resident employer;

24) income of a non-resident labor immigrant under an employment contract concluded in accordance with the labor legislation of the Republic of Kazakhstan on the basis of a permit for a labor immigrant;

25) remuneration of a manager and/or other payments to members of a management body (board of directors or other body) received by the said persons in connection with the performance of their assigned management duties in relation to a resident, regardless of the place where such duties are actually performed;

26) allowances paid to a non-resident individual in connection with residence in the Republic of Kazakhstan by a resident or non-resident employer;

27) income of a non-resident individual from activities in the Republic of Kazakhstan in the form of material benefits received from an employer.

For the purposes of this section, material benefits shall include:

payment and/or reimbursement for goods, work performed, or rendered services, received by a non-resident individual from third parties;

the negative difference between the cost of goods, work, or services sold to a non-resident individual and the purchase price or cost of such goods, work, or services;

writing off the amount of a debt or liability of a non-resident individual;

28) income of a non-resident individual in the form of material benefits received from a person who is not an employer.

For the purposes of this section, material benefits shall include:

payment and/or reimbursement of the cost of goods, work performed, services rendered, received by a non-resident individual from third parties;

the negative difference between the cost of goods, work, services sold to a non-resident individual and the purchase price or cost of these goods, work, services;

write-off of the amount of debt or liability of a non-resident individual;

29) pension payments made by a resident accumulative pension fund;

30) insurance payments to non-resident individuals made under a pension annuity agreement;

31) income of a theater, film, radio, or television artist, musician, artist, athlete, or other non-resident individual from activities in the Republic of Kazakhstan in culture, art, and sports, regardless of how and to whom the payments are made;

32) income in the form of winnings;

33) income from the provision of independent personal (professional) services in the Republic of Kazakhstan;

34) Income in the form of gratuitously received or inherited property, including works and services, with the exception of property received gratuitously by a non-resident individual from a resident individual.

The value of gratuitously performed works and rendered services is determined by the amount of expenses incurred in connection with the performance of such works and provision of services.

The value of gratuitously received property, with the exception of gratuitously performed works and rendered services is determined by its book value according to the accounting records of the person who transferred such property on the date of transfer.

If it is impossible to determine the value of gratuitously received property based on accounting records, or inherited property, the value of such property on the date of transfer or inheritance is determined in one of the following ways:

based on the value established by the State Corporation as of January 1 of the calendar year during which such property was received;

based on the listed price of a security traded on a Kazakhstan's or foreign stock exchange, on the date of receipt of the said security (inheritance).

If it is impossible to determine the value of property received gratuitously or inherited in the manner specified in this subparagraph, the value shall be determined based on a property valuation report;

35) income from derivative financial instruments;

36) income received from the transfer of property into trust management to a resident who is not responsible for fulfilling the tax liability in the Republic of Kazakhstan on behalf of a non-resident who is the founder of the trust management;

37) income from an investment deposit placed in an Islamic bank;

38) other incomes arising from activities in the Republic of Kazakhstan;

39) income in the form of:

received financial loan (except for a bank loan) in the amount of unpaid or partially unpaid principal debt within the terms established by the terms of the financial loan, the maturity of which does not exceed twenty-four months.

If the terms of the financial loan provide for a schedule for the repayment of the principal debt of the financial loan, then income is recognized as each liability not fulfilled by the non-resident to the resident in accordance with the schedule for the repayment of the principal debt of the financial loan;

the received financial loan (except for a bank loan) in the amount of the outstanding or partially unpaid principal debt within the terms established by the terms of the financial loan, the maturity of which exceeds twenty-four months, but does not exceed sixty months;

the received financial loan (except for a bank loan) in the amount of the principal debt, the maturity of which exceeds sixty months;

payments made by a resident for the purpose of repaying a financial loan (except for a bank loan) received by them and credited to an account in a foreign bank located outside the Republic of Kazakhstan;

payments made for the purpose of providing a financial loan (except for a bank loan) to a non-resident, under the terms of which such loan will be repaid to an account in a foreign bank located outside the Republic of Kazakhstan;

the amount calculated by multiplying the average market rate by the amount of the payment for the issuance of a financial loan (except for a bank loan) provided by a resident to a non-affiliated non-resident, under the terms of which no interest is provided for the use of the loan.

The concept of a financial loan is used in the meaning specified in the Law of the Republic of Kazakhstan "On Currency Regulation and Currency Control."

2. For the purposes of this section, payment of income shall mean the transfer of money in cash and/or non-cash forms, securities, shares, goods, property, performance of work, provision of services, write-off and/or offset of debt claims, including in settlement of debt to a non-resident for payment of income from sources in the Republic of Kazakhstan.

In the absence of actual payment of income, state registration of the acquired property shall be recognized as payment of income.

When taxing dividends arising from adjustments to taxable items in accordance with this Code and the legislation of the Republic of Kazakhstan on transfer pricing, the payment of income shall be understood to mean the determination of income in accordance with Article 13 of this Code. In this case, the date of payment of income shall be March 31 of the year following the reporting tax period.

Article 680. Amounts and payments that do not constitute non-resident income from sources in the Republic of Kazakhstan

1. The following shall not be recognized as income of a non-resident from sources in the Republic of Kazakhstan:

1) the amount of income tax calculated on the non-resident's income in accordance with the provisions of this Code and paid to the budget of the Republic of Kazakhstan by a tax agent from its own funds without withholding such income tax;

2) reimbursement of expenses to members of the management body (board of directors or other body) incurred in connection with the performance of management duties assigned to them by the resident, within the limits of:

actually incurred travel expenses to the place where management duties are performed and back, including payment of booking expenses, based on documents confirming such expenses (including an electronic ticket, an electronic travel document, if there is a document confirming payment of its cost, as well as a boarding pass or other document confirming the fact of travel and issued by the carrier);

actual expenses incurred for the rental of residential premises outside the Republic of Kazakhstan based on documents confirming such expenses, but not exceeding the maximum reimbursement limits for the rental of single standard hotel rooms for civil servants on business trips abroad;

actual expenses incurred for the rental of residential premises within the Republic of Kazakhstan based on documents confirming such expenses;

the amount of money not exceeding six times the monthly calculation index in effect on January 1 of the relevant financial year for each calendar day spent within the Republic of Kazakhstan for the performance of managerial duties during a period not exceeding forty calendar days;

the amount of money not exceeding eight times the monthly calculation index in effect on January 1 of the relevant financial year for each calendar day spent outside the Republic of Kazakhstan for the performance of managerial duties during a period not exceeding forty calendar days. In this case, the place of performing managerial duties must not coincide with the place of permanent residence;

3) the value of property received as a contribution to the authorized capital of a non-resident legal entity, as well as the value of property received by the non-resident issuer from the placement of its issued shares;

4) payments related to the supply of goods to the territory of the Republic of Kazakhstan as part of foreign trade activities, excluding services rendered or work performed in the territory of the Republic of Kazakhstan related to such supply.

If, under the terms of the agreement (contract) for the supply of goods, the transaction price includes the costs of providing services or performing work in the territory of the Republic of Kazakhstan without separately identifying the amounts for the purchased goods and/or such expenses in the agreement (contract), then the value of the purchased goods shall be determined based on the transaction price specified in the agreement (contract), taking into account such expenses.

If, under the terms of the agreement (contract) for the supply of goods, the transaction price includes the costs of providing services or performing work in the territory of the Republic of Kazakhstan, and the amount for the purchased goods is specified separately from such expenses, then the cost of the purchased goods shall be determined excluding the cost of such expenses.

5) payment by a state institution of expenses incurred by non-resident individuals for accommodation, meals, travel, staying in airport lounges, attending cultural events, visa processing and the cost of souvenirs, as provided for in the budget (cost estimate) within the framework of events (including receptions, presentations, meetings, conferences, and seminars), or their compensation to non-resident individuals on the basis of documents confirming such expenses.

Article 681. Non-resident incomes not taxable in the Republic of Kazakhstan

The following shall not be subject to taxation:

1) the accrued interest on debt securities paid upon their purchase by resident buyers;

2) income from the transfer of fixed assets to financial leasing under international financial leasing agreements;

3) payments related to the adjustment of the cost based on the quality of crude oil sold and transported via the single pipeline system outside the Republic of Kazakhstan;

4) income from the increase in the value of a non-resident individual upon the sale, through open bidding, on the stock exchange operating in the Republic of Kazakhstan, of securities listed on the official list of such stock exchange on the date of sale;

5) income from the performance of work or the provision of services outside the Republic of Kazakhstan, with the exception of income:

specified in subparagraphs 3), 4) and 5) of paragraph 1 of Article 679 of this Code;

related to the activities of a permanent establishment in the Republic of Kazakhstan;

6) material benefit actually generated by an official development assistance operator, in the form of payment (reimbursement) for accommodation expenses, medical insurance, and air travel from the place of residence outside the Republic of Kazakhstan to the place of business in the Republic of Kazakhstan and back, received by a non-resident individual:

who is an employee of an official development assistance operator;

who is engaged in business in the Republic of Kazakhstan performing work or providing services to an official development assistance operator;

7) interest and dividends on securities listed on the official list of stock exchanges operating in the Republic of Kazakhstan on the date of accrual of such remuneration and dividends.

The provisions of this subparagraph shall apply to the interest and dividends accrued on securities that were traded on the exchange during the calendar year in accordance with the criteria determined by the Government of the Republic of Kazakhstan.

8) income of a non-resident legal entity received from:

autonomous educational organizations, as defined in subparagraph 9) of paragraph 2 of Article 15 of this Code;

a non-profit organization applying the provisions of Article 329 of this Code, established by the person referred to in the second paragraph of this subparagraph;

autonomous educational organizations, as defined in subparagraph 9) of paragraph 2 of Article 15 of this Code, for the performance of work or provision of services in the types of activities specified in subparagraph 9) of paragraph 2 of Article 15 of this Code;

AIFC bodies or organizations of an AIFC body;

9) income from capital gains on the sale of debt securities issued by a resident legal entity, with the exception of income of a person resident in a tax-exempt state, provided that the following conditions are met:

on the date of sale of the debt securities, the taxpayer has owned the debt securities for more than three years;

the issuer legal entity is not a subsoil user;

the property of person (persons) who is (are) a subsoil user (subsoil users) does not exceed 50 percent of the value of the issuer's assets on the date of such sale.

For the purposes of this subparagraph, a subsoil user shall not be recognized as such solely on the basis of possessing the right to extract groundwater and/or common minerals for its own needs.

In this case, the share of the property of persons (person) who are (is) subsoil users (subsoil user) in the value of the assets of the legal entity - issuer shall be determined by the authorized body;

10) property transferred to non-residents by an official development assistance operator;

Note!

Subparagraph 11) is valid until 01.01.2029 in accordance with suparagraph 3) of paragraph 2 of Article 848 of this Code.

11) income, excluding income of an individual registered in a state with preferential taxation, from the provision of consulting, marketing, engineering, information security services, or work on the creation of data processing centers, paid by a legal entity that is a member of Astana Hub.

The provisions of this subparagraph shall apply provided that such work and services are acquired for the implementation of activities included in the list of priority activities in the information and communication technologies, approved by the information technology authority in coordination with the central authorized state planning body, the authorized body in the field of technical regulation, and the authorized body;

12) a material benefit actually generated by an autonomous educational organization specified in subparagraph 9) of paragraph 2 of Article 15 of this Code, in the form of payment (reimbursement) for expenses on accommodation, medical insurance, and air travel from the place of residence outside the Republic of Kazakhstan to the place of business in the Republic of Kazakhstan and back, received by a non-resident individual:

who is an employee of such autonomous educational organization;

who is carrying out activities in the Republic of Kazakhstan involving the performance of work or provision of services for such autonomous educational organization;

who is an employee of a non-resident legal entity performing work or providing services for such autonomous educational organization, and who is directly performing such work or providing such services;

13) income of a non-resident legal entity, with the exception of income of an entity registered in a state with preferential taxation, in the form of royalties paid by a legal entity that is a member of the Astana Hub.

The provisions of this subparagraph shall apply to income in the form of royalties paid for the purpose of carrying out activities included in the list of priority activities in the information and communication technologies, approved by the authorized IT body in agreement with the central authorized state planning body, the authorized body in the field of state support for industrial and innovative activities, and the authorized body;

14) remuneration on government securities, agency bonds, and income from capital gains upon their sale;

15) income from services related to opening and maintaining correspondent accounts with resident banks and conducting settlements on them, as well as settlements using international payment cards.

Article 682. Income tax rates at source

1. Non-resident income from sources in the Republic of Kazakhstan shall be subject to taxation at source at the following rates, unless otherwise provided for in paragraph 2 of this article:

1) income specified in Article 679 of this Code, except for income specified in subparagraphs 2) to 9) of this paragraph, – 20 percent;

2) insurance premiums under risk insurance contracts – 15 percent;

3) insurance premiums under risk reinsurance contracts – 5 percent;

4) income from the provision of international transportation services – 5 percent;

5) income from capital gains, dividends, remuneration, royalties, except for the income specified in subparagraphs 6) - 7) of this paragraph – 15 percent;

6) dividends paid to a person who directly or indirectly owns at least twenty-five percent of the capital of a resident legal entity paying dividends:

№	Taxable income amount	Rate
1	up to 230,000 times the monthly calculation index* (incl.)	5 percent
2	over 230 000 times the monthly calculation index *	tax amount on taxable income equal to 230,000 times the monthly calculation index* + 15 percent on the amount exceeding it

* for the purposes of subparagraphs 6) and 8) of this article, the monthly calculation index in effect as of January 1 of the relevant financial year shall apply.

7) interest on loans (credits) and debt securities – 10 percent;

8) income specified in paragraph 3 of Article 693 of this Code:

№	Taxable income amount	Rate
1	up to 8 500 times the monthly calculation index * (incl.)	10 percent
2	over 8 500 times the monthly calculation index *	tax amount on taxable income equal to 8 500 times the monthly calculation index* + 15 percent on the amount exceeding it

9) income from gambling and/or betting winnings – 10 percent.

The taxpayer has the right to apply the rates established by the international treaty as prescribed by this Code.

2. The income of an individual registered in a state with preferential taxation is subject to taxation at the payment source at 20 percent rate.

Note!

Part 1 of paragraph 3 is valid until 01.01.2029 in accordance with subparagraph 3) of paragraph 2 of Article 848 of this Code.

3. Income from capital gains on the sale of shares issued by legal entities specified in Article 17 of this Code, or participation interests in legal entities specified in Article 17 of this Code, as well as dividends received from legal entities specified in Article 17 of this Code, shall be subject to taxation at source at 5 percent rate.

The provisions of this article shall not apply to non-residents operating in the Republic of Kazakhstan through a permanent establishment.

Chapter 72. PROCEDURE FOR TAXING THE INCOME OF A NON-RESIDENT LEGAL ENTITY WHOSE ACTIVITIES DO NOT RESULT IN THE FORMATION OF A PERMANENT ESTABLISHMENT IN THE REPUBLIC OF KAZAKHSTAN

Article 683. Procedure for calculating and withholding corporate income tax at source

1. Income from sources in the Republic of Kazakhstan of a non-resident legal entity whose activities do not result in the formation of a permanent establishment in the Republic of Kazakhstan (hereinafter, for the purposes of this chapter, referred to as a "non-resident") is subject to corporate income tax at source without deductions.

In this case, the amount of corporate income tax withheld at source shall be calculated by the tax agent by applying the rates established by Article 682 of this Code to the amount of income specified in Article 679 of this Code, with the exception of income specified in Article 681 of this Code.

The calculation and withholding of corporate income tax on income taxable at source shall be performed by the tax agent:

1) no later than the day of income payment to a non-resident – on accrued and paid income;

2) no later than the due date established by paragraph 1 of Article 359 of this Code for filing an income tax return –on accrued and unpaid income that is subject to deductions.

2. Corporate income tax at source shall be withheld by the tax agent regardless of the form and location of income payment to a non-resident.

3. A non-resident's income shall be taxed at source regardless of the non-resident's disposal of its income for the benefit of third parties and/or its structural subdivisions in other countries.

4. Notwithstanding the provisions of this article, the calculation, withholding, and transfer of corporate income tax at payment to the budget on the capital gains income of a non-resident legal entity shall be carried out in accordance with the procedure specified in Article 687 of this Code.

5. When taxing a non-resident's income as royalties, the amounts of income from the provision of maintenance and technical support services are not subject to taxation as royalty income if they are reported separately from the amount of income that constitutes a royalty.

If such separation is not provided, the entire amount of the non-resident's income is subject to taxation as royalty.

6. When a tax agent pays the corporate income tax calculated on the non-resident's income in accordance with the provisions of this Code from its own funds without withholding, the tax agent's obligation to withhold and transfer corporate income tax at source shall be considered fulfilled.

7. The obligation and responsibility for calculating, withholding, and transferring corporate income tax to the budget at the source of payment shall be borne by the following persons paying income to a non-resident and recognized as tax agents:

1) a sole proprietor;

2) a non-resident legal entity operating in the Republic of Kazakhstan through a structural subdivision;

3) a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment without opening a structural subdivision;

4) a resident legal entity, including the issuer of the underlying asset of depositary receipts ;

5) a person paying capital gains income specified in the first part of Paragraph 1 of Article 687 of this Code.

In this case, an individual paying the income referred to in paragraph 1 of part one of Article 687 of this Code, for the purposes of implementing part one of this subparagraph, shall be recognized as a tax agent, with the exception of cases of transactions with securities on the stock exchange;

6) a resident legal entity that is a service company when a non-resident debtor pays the income referred to in subparagraph 10) of paragraph 1 of Article 679 of this Code, on assets whose rights of claim have been assigned (transferred) in accordance with the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities";

7) a sole proprietor or a resident legal entity that is a debtor on assets whose rights (claims) have been assigned (transferred) in accordance with the laws of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and "On microfinance activities", on the income specified in subparagraph 10) of paragraph 1 of Article 679 of this Code, in the absence of a trust management agreement between the non-resident and the service company referred to in subparagraph 6) of this paragraph.

8. If a contract with a non-resident contains provisions for the performance or rendering of various types of work or services within and outside the Republic of Kazakhstan, the procedure for calculating and withholding income tax at source established by this article

shall apply to each type of work or service separately. Each stage of work performed or services rendered by a non-resident within a single production and technological cycle shall be considered a separate type of work or service for the purposes of calculating and withholding income tax at source from the non-resident's income.

In this case the total amount of the non-resident's income under the above-mentioned contract must be reasonably distributed between income received from the performance of work or the provision of services within and outside the Republic of Kazakhstan.

For the purposes of applying the provisions of this paragraph, a non-resident shall be required to provide the recipient of services with copies of accounting documentation executed in accordance with the legislation of the Republic of Kazakhstan and/or a foreign state, confirming the distribution of the total amount of the non-resident's income into income received from the performance of work and the provision of services in the Republic of Kazakhstan and income received from the performance of work and provision of services outside its territory.

In the absence of such distribution or in the event of an unjustified distribution of the non-resident's income, resulting in an understatement of the amount of the non-resident's income taxable in the Republic of Kazakhstan in accordance with the provisions of this article , the total amount of the non-resident's income received under the above-mentioned contract from the performance of work and the provision of services both in the Republic of Kazakhstan and abroad shall be subject to taxation.

Article 684. Procedure and terms for transferring corporate income tax at source

1. Corporate income tax at source, withheld from the income of a non-resident, shall be transferred by the tax agent to the budget:

1) on accrued and paid income amounts, except as specified in subparagraph 3) of this paragraph, no later than twenty-five calendar days after the end of the month in which the income was paid, at the official currency exchange rate established on the date of payment of income;

2) on accrued but unpaid income amounts when they are deducted – no later than ten calendar days after the due date for filing the corporate income tax return, at the official exchange rate set on the last day of the tax period established in paragraph 1 of Article 358 of this Code, in the corporate income tax return for which the non-resident's income is deducted.

The provisions of this subparagraph shall not apply to interest on debt securities and deposits that mature more than ten calendar days after the deadline for filing the corporate income tax return. In such cases, the provisions of subparagraph 1) of paragraph 1 of this article shall apply;

3) in the event of an advance payment (prepayment) – no later than twenty-five calendar days after the end of the month in which the non-resident's income was accrued within the amount of the advance payment, at the official exchange rate established on the date of accrual of the income.

4) in the event of the supply of goods, provision of services, and performance of work by a resident – no later than twenty-five calendar days after the end of the month in which the non-resident's income was accrued within the amount of obligations for the completed supply of goods, provision of services, and performance of work, at the official exchange rate established on the date of accrual of the income.

In the event of full fulfillment by a non-resident of its obligations to a resident under the conditions specified in the second paragraph of subparagraph 5) and subparagraph 6) of paragraph 1 of Article 679 of this Code, the tax agent has the right to amend and supplement previously submitted tax reporting on income tax withheld at source from the non-resident's income, in accordance with Article 116 of this Code. In the event of an overpaid amount of corporate income tax, the tax agent has the right to offset and (or) refund such amount as prescribed by paragraph 1 of Chapter 10 of this Code;

2. Corporate income tax at source, withheld from the income of a non-resident specified in subparagraph 39) of paragraph 1 of Article 679 of this Code, shall be transferred by the tax agent to the budget:

1) on income specified in the first paragraph of subparagraph 39) of paragraph 1 of Article 679 of this Code - no later than twenty-five calendar days after the end of the month in which the repayment period of the financial loan expired;

2) on income specified in the fourth part of subparagraph 39) of paragraph 1 of Article 679 of this Code - no later than twenty-five calendar days after the end of the month in which the twenty-four-month repayment period of the financial loan from the date of its issue expired;

3) on income specified in the fifth part of subparagraph 39) of paragraph 1 of Article 679 of this Code – no later than twenty-five calendar days after the end of the month in which the financial loan was issued;

4) on income specified in the sixth part of subparagraph 39) of paragraph 1 of Article 679 of this Code – no later than twenty-five calendar days after the end of the month in which the payment to repay the financial loan was made;

5) on income specified in the seventh and eighth parts of subparagraph 39) of paragraph 1 of Article 679 of this Code – no later than twenty-five calendar days after the end of the month in which the payment to repay the financial loan was made.

Income tax shall be calculated, accrued, and withheld at the official exchange rate established on the date of the income payment.

3. In the event that a non-resident fully fulfills its obligations to a resident within the time frames established by the financial loan terms in the second and third parts of subparagraph 39) of paragraph 1 of Article 679 of this Code, the tax agent shall have the right to make changes and additions to the previously submitted tax reports on income tax withheld at source from the non-resident's income, in accordance with Article 116 of this Code. If there is an overpayment of corporate income tax, the tax agent has the right to offset and/or refund

such amount in accordance with the procedure established by paragraph 1 of Chapter 10 of this Code;

4. If the accrued amount of non-resident's income was deducted in the corporate income tax return for the tax period established by paragraph 1 of Article 358 of this Code, but the payment of such income to the non-resident was made after the end of such period, the income tax at source shall be transferred by the tax agent to the budget within the time limits established by subparagraph 2) of paragraph 1 of this article.

5. The transfer of the amount of income tax on the income of a non-resident at the source of payment to the budget shall be made by the tax agent at the location of the non-resident.

Article 685. Tax Reporting

A tax agent is required to submit to the tax authority at its location a calculation of corporate income tax withheld at source from a non-resident's income and any payment from sources in the Republic of Kazakhstan within the following deadlines:

1) for the first, second, and third quarters – no later than the 15th day of the second month following the quarter in which the income was paid to the non-resident;

2) for the fourth quarter – no later than March 31 of the year following the reporting tax period established by paragraph 1 of Article 358 of this Code, in which the income was paid to the non-resident and/or for which the accrued but unpaid income of the non-resident was deductible.

Article 686. Tax reporting specifics

A non-resident operating in the Republic of Kazakhstan through a structural subdivision that does not result in the formation of a permanent establishment in accordance with an international treaty or paragraph 2 of Article 226 of this Code shall submit a corporate income tax return to the tax authority at its location within the timeframe established by paragraph 1 of Article 359 of this Code.

Article 687. Calculation, withholding and transfer of tax on income from capital gains from the sale of property located in the Republic of Kazakhstan

1. This article applies to a non-resident's income from sources in the Republic of Kazakhstan from the increase in value upon the sale of:

1) property located in the Republic of Kazakhstan, the rights to which or transactions involving which are subject to state registration under the laws of the Republic of Kazakhstan ;

2) property located in the Republic of Kazakhstan subject to state registration under the laws of the Republic of Kazakhstan;

3) securities issued by a resident and an equity interest in the authorized capital of a resident legal entity or a consortium in which a resident legal entity, including a subsoil user(s), is (are) a participant(s);

4) shares by resident persons, including the issuing legal entity, when the value of the assets of such a legal entity whose shares are being sold consists of 50 percent or more of the property of a resident person, including a subsoil user, on the date of such sale.

The provisions of this subparagraph shall also apply to the sale of a share in a legal entity or consortium;

5) shares by non-resident persons, including the issuing legal entity, when the value of the assets of such a non-resident legal entity, whose shares are being sold, consists of 50 percent or more of the property of a resident person, including a subsoil user, located in the Republic of Kazakhstan, on the date of such sale. The provisions of this subparagraph shall also apply to the sale of an equity interest in a legal entity or consortium.

In this case, the increase in value is determined as follows:

1) upon the sale of property referred to in subparagraphs 1) and 2) of this paragraph – as the positive difference between the sale price of the property and its acquisition price;

2) upon the sale of shares and equity interests – in accordance with Articles 250, 251, and 252 of this Code.

For the purposes of this paragraph, a subsoil user shall not be recognized as such if it is such solely due to the right to extract groundwater and/or common minerals for its own needs.

2. The procedure for determining the share of property as a percentage of the value of the shares or equity interest being sold on the date of sale, as well as the share of property of persons (person) who are (is) subsoil users (a subsoil user), in the value of the assets of a resident legal entity, including the issuer legal entity, shall be determined by the authorized body.

3. The income of a non-resident referred to in paragraph 1 of this article, with the exception of the income referred to in subparagraphs 4) and 9) of Article 681 of this Code, is subject to income tax at source at the rate established by Article 682 of this Code.

4. Authorized state and local executive bodies, including those exercising state regulation in subsoil use under the legislation of the Republic of Kazakhstan on subsoil and subsoil use, are obligated to submit to the authorized body information on the sale and purchase transaction of the property specified in paragraph 1 of this article.

5. At the request of the tax authority, the person whose property secures the securities and equity interest being sold is obligated to provide information on the sale and purchase transaction of the securities and equity interests specified in paragraph 1 of this article, attaching notarized copies of supporting documents.

6. The authorized body, within thirty business days of receiving the information in accordance with paragraph 4 of this article, shall forward such information to the tax authority at the location of the legal entity whose property secures the securities and equity interest being sold.

7. The tax authority at the location of the legal entity whose property secures the securities and equity interests being sold shall, within five business days of receiving the information

specified in paragraph 4 of this Article, send to the legal entity whose property secures the securities and equity interests being sold the information regarding the purchaser of the shares (equity interests), as well as the acquisition price of such shares (equity interests). Information regarding other property specified in paragraph 1 of this Article shall be sent to the tax authority at the location of the resident legal entity selling such property.

8. The person selling property, including shares and equity interests, shall provide the tax agent-buyer with a copy of the document confirming the purchase price (contribution).

If a document confirming the purchase price (contribution) is not submitted to the tax agent, the sale price shall be subject to income tax at source.

9. The responsibility and liability for calculating, withholding, and transferring income tax at source to the budget shall be borne by the tax agent paying the income.

10. A non-resident legal entity that is a tax agent shall be required to register with the tax authority.

11. Income tax at source shall be withheld by the tax agent at the time of payment of income to a non-resident, regardless of the form and location of payment.

12. The tax agent shall transfer the income tax to the budget the within the timeframes established by Article 684 of this Code.

Tax reporting on income tax withheld at source from the income of non-residents shall be submitted by the tax agent – taxpayer – within the timeframes established by Articles 685 and 694 of this Code to the tax authority at the place of its registration in the Republic of Kazakhstan.

13. Income tax may be paid by a resident legal entity, including a subsoil user, using funds from a tax agent (taxpayer).

In this case, the income tax must be transferred to the budget by such a resident legal entity no later than twenty-five calendar days after the end of the month in which the income tax amount was received from the tax agent (taxpayer).

Tax reporting on income tax withheld at source from the income of a non-resident must be submitted by such a resident legal entity no later than the 15th day of the second month following the quarter in which the income tax amount was received from the tax agent (taxpayer) to the tax authority at the location of the resident legal entity in the Republic of Kazakhstan.

The amount of income tax transferred by a tax agent (taxpayer) to a resident legal entity on property, including shares, whose equity interest is being sold, shall not be recognized as income of such resident legal entity.

14. If the tax agent (taxpayer) fails to comply with the provisions of paragraphs 12 and 13 of this Article, the resident legal entity whose shares, equity interests are being sold may, at its own expense, pay income tax on capital gains for the non-resident.

In this case, income tax shall be paid no later than twenty-five calendar days after the end of the month in which the information specified in paragraph 6 of this Article was received.

When paying income tax in accordance with this paragraph, the resident legal entity whose shares, equity interests are being sold is required to submit income tax returns to the tax authority at its location no later than the 15th day of the second month following the quarter in which the information specified in paragraph 6 of this Article was received.

In this case, the amount of tax paid for a non-resident is not subject to deduction when determining the taxable income of a resident legal entity whose shares or equity interests are being sold.

15. In the event of failure by a tax agent or resident legal entity selling shares or equity interests to comply with the provisions of paragraphs 11, 12, 13, and 14 of this Article, the tax authority may assess taxes based on the information from authorized state and local executive bodies to the resident legal entity whose property secures the shares or equity interests being sold, in accordance with the procedure established by this Article, using the rates specified in Article 682 of this Code.

Fulfillment of this obligation is assigned to the resident legal entity whose property secures the shares or equity interests being sold, including those that are subsoil users, in accordance with the procedure specified in Article 95 and Chapter 17 of this Code.

For the purposes of this paragraph, the procedure and timeframe for tax assessment shall be determined by the authorized body.

Chapter 73. PROCEDURE FOR TAXING THE INCOME OF A NON-RESIDENT LEGAL ENTITY OPERATING IN THE REPUBLIC OF KAZAKHSTAN THROUGH A PERMANENT ESTABLISHMENT

Article 688. Determination of Taxable Income

1. Unless otherwise provided by this Article and Article 690 of this Code, determination of taxable income and the assessment and payment of corporate income tax on the income of a permanent establishment of a non-resident legal entity shall be made in accordance with the provisions of this Article and Chapters 24–32 and 34–38 of this Code.

2. The total annual income of a permanent establishment of a non-resident legal entity shall comprise the following incomes:

1) from sources in the Republic of Kazakhstan, as provided for in paragraph 1 of Article 679 of this Code;

2) specified in paragraph 1 of Article 237 of this Code, not included in subparagraph 1) of the first part of this paragraph;

3) from sources outside the Republic of Kazakhstan, including through employees or other hired personnel;

4) of a non-resident legal entity, including the income of its structural units in other states, received from activities in the Republic of Kazakhstan that are identical or similar to those carried out through a permanent establishment of this non-resident legal entity in the Republic of Kazakhstan.

For inclusion in the total annual income of a permanent establishment of a non-resident legal entity, the income specified in this paragraph must be related to its activities and received (receivable) from the date of commencement of activities in the Republic of Kazakhstan.

The total annual income of a permanent establishment of a non-resident legal entity does not include the excess of positive exchange rate differences over negative exchange rate differences arising in accordance with international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting, on liabilities to:

1) the non-resident legal entity that created such permanent establishment;

2) another structural unit of the said non-resident legal entity.

3. When a non-resident, together with its permanent establishment, carries out business activity in the Republic of Kazakhstan or abroad within the framework of one project or related projects, the income of such permanent establishment shall be considered to be the income that it could have received by carrying out the same activity under the same or similar conditions as a separate legal entity.

4. When selling goods produced by a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan, to another structural unit of a non-resident legal entity located outside the Republic of Kazakhstan that established such a permanent establishment, the income of the permanent establishment shall be recognized as the income that the said permanent establishment could have received from the sale of goods on the same or similar terms as a separate legal entity.

5. For the purposes of this article, the income of a permanent establishment of a non-resident legal entity shall be determined with regard to the provisions of the legislation of the Republic of Kazakhstan on transfer pricing.

6. Deductions shall include expenses directly related to the receipt of income from activities in the Republic of Kazakhstan through a permanent establishment, regardless of whether they were incurred in the Republic of Kazakhstan or outside its borders.

The provisions of this paragraph shall not apply to expenses that are not deductible under this Code.

7. A non-resident legal entity shall not have the right to deduct amounts presented to a permanent establishment in the form of:

1) royalties, fees, charges, and other payments for the use of, or the right to use the property or intellectual property of this non-resident legal entity;

2) income from services rendered by the non-resident legal entity to the permanent establishment;

3) interest on loans provided by this non-resident legal entity to the permanent establishment;

4) expenses unrelated to the receipt of income from the activities of the non-resident legal entity through a permanent establishment in the Republic of Kazakhstan;

5) expenses not supported by documents;

6) management and general administrative expenses of the non-resident legal entity, as defined in paragraph 2 of Article 708 of this Code, unrelated to the implementation of activities in the Republic of Kazakhstan through a permanent establishment.

8. The excess of the negative exchange rate difference over the positive exchange rate difference arising in accordance with international financial reporting standards and the legislation of the Republic of Kazakhstan on accounting and financial reporting on the liabilities of a permanent establishment of a non-resident legal entity shall not be deductible for a permanent establishment of a non-resident legal entity:

1) by the non-resident legal entity that created such permanent establishment;

2) by another structural unit of the said non-resident legal entity.

Article 689. Net income taxation procedure

1. The net income of a non-resident legal entity from activities in the Republic of Kazakhstan through a permanent establishment is subject to corporate income tax on net income at 15 percent rate.

Net income shall be determined as follows:

taxable income, reduced by the amount of income and expenses stipulated by Chapter 24 of this Code, also by the amount of losses carried forward in accordance with Chapter 35 of this Code,

minus

the amount of corporate income tax calculated by multiplying the rate established by Article 357 of this Code by taxable income, reduced by the amount of income and expenses stipulated by Chapter 24 of this Code, as well as by the amount of losses carried forward in accordance with Chapter 35 of this Code.

2. The calculated amount of corporate income tax shall be reflected in the corporate income tax return.

3. A non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall pay corporate income tax on net income to the budget at the location of the permanent establishment within ten calendar days after the due date for filing the corporate income tax return.

Article 690. Taxation procedure for income of a non-resident legal entity in the Republic of Kazakhstan in the presence of a permanent establishment registered in the Republic of Kazakhstan

1. The tax agent shall calculate, withhold, and transfer corporate income tax at 20 percent rate without deductions when paying the following income to a non-resident legal entity:

1) from the performance of work, provision of services in the territory of the Republic of Kazakhstan;

2) received by a non-resident legal entity, including income received by its structural divisions in other states when carrying out activities in the Republic of Kazakhstan that are identical or similar to those carried out through a permanent establishment of this non-resident legal entity in the Republic of Kazakhstan;

3) from conducting business in the Republic of Kazakhstan and outside its borders together with its permanent establishment in the Republic of Kazakhstan within the framework of a single project and/or related projects.

The provision of the first part of this paragraph shall apply if the following conditions are met simultaneously:

1) absence of a contract concluded with a structural subdivision of a non-resident legal entity or its permanent establishment without opening a branch or representative office;

2) absence of an invoice for goods, work, or services sold, issued by a branch or representative office of a non-resident legal entity or its permanent establishment without opening a branch or representative office.

2. A non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment shall:

1) retrospectively include in the total annual income of the permanent establishment in the Republic of Kazakhstan the income specified in paragraph 1 of this Article, if such income is related to the activities of the permanent establishment;

2) calculate corporate income tax in accordance with Articles 688 and 689 of this Code;

3) submit a corporate income tax return to the tax authority at the location of such permanent establishment, including the specified income;

4) reduce (offset) the amount of tax calculated by the permanent establishment by the amount of corporate income tax withheld at source from the income of such non-resident legal entity in accordance with this paragraph. The reduction of corporate income tax shall be made upon the presentation of documents confirming the withholding of tax by the tax agent.

The positive difference between the amount of corporate income tax withheld by the tax agent and the amount of corporate income tax calculated by the permanent establishment of a non-resident legal entity in the Republic of Kazakhstan shall be carried forward to subsequent tax periods within the limitation period.

3. If the income specified in paragraph 1 of this article is not related to the activities of the permanent establishment, the non-resident shall be entitled to apply the provisions of an international treaty regarding the refund of withheld corporate income tax from the budget in accordance with the procedure established by this Code.

Article 691. Taxation procedure for the income of a non-resident legal entity from activities resulting in the formation of a permanent establishment in the Republic of Kazakhstan that is not registered with the tax authority or is registered after the due date

1. Income of a non-resident legal entity received from activities in the Republic of Kazakhstan through a permanent establishment that has not registered with the tax authorities shall be subject to corporate income tax at source without deductions at a rate of 20 percent.

2. A non-resident legal entity operating through a permanent establishment that has registered with the tax authorities after the due date for such registration is required to retrospectively, from the date of commencement of business activities that led to the formation of the permanent establishment:

1) calculate the accrued tax liabilities on taxes from the date of commencement of the business activity, except for the tax liabilities of the tax agent;

2) reflect the taxable items and tax-related items in the initially submitted tax returns on the relevant types of taxes.

The amount of corporate income tax calculated by a permanent establishment of a non-resident legal entity in the Republic of Kazakhstan shall be reduced by the amount of corporate income tax withheld at source by the tax agent from the income of such non-resident legal entity for the specified period.

The reduction in corporate income tax shall be made upon presentation of documents confirming the withholding of tax by the tax agent.

Chapter 74. INCOME TAXATION PROCEDURE FOR NON-RESIDENT INDIVIDUALS

Article 692. Procedure for calculating, withholding, and transferring individual income tax on income taxable at source

1. Income of a non-resident individual from sources in the Republic of Kazakhstan, except for income specified in paragraph 1 of Article 693 and paragraph 4 of Article 738 of this Code, shall be subject to individual income tax at source at the rates specified in Article 682 of this Code, without tax deductions, unless otherwise provided by this Article.

2. Notwithstanding the provisions of this article, the calculation, withholding, and transfer of individual income tax at source to the budget from the income of a non-resident individual from capital gains shall be carried out in accordance with the procedure specified in Article 687 of this Code.

3. Calculation of individual income tax at source shall be performed by the tax agent without making tax deductions by applying the rate established by subparagraph 8) of paragraph 1 of Article 682 of this Code to the amount of the following income of a non-resident individual, including income specified in Article 372 of this Code, taking into account the provisions stipulated in paragraph 5 of Article 372 of this Code:

from activities in the Republic of Kazakhstan under an employment contract (agreement, contract) concluded with a resident or non-resident who is an employer;

from activities in the Republic of Kazakhstan in the form of a material benefit received from an employer;

executive fees and/or other payments to members of the management body (board of directors or other body) received by the said persons in connection with the performance of their assigned management duties in relation to a resident, regardless of the place where such duties are actually performed;

bonuses paid to him in connection with his residence in the Republic of Kazakhstan by a resident or non-resident employer;

insurance payments to non-resident individuals made under a pension annuity agreement;

pension payments made by a resident accumulative pension fund.

4. Taxation of the income of a non-resident individual at source shall be carried out regardless of the non-resident's disposal of their income for the benefit of third parties.

5. Calculation and withholding of individual income tax, with the exception of the case specified in paragraph 8 of this article, shall be performed by the tax agent on accrued and paid income taxable at source, no later than the day of payment of the income to the non-resident.

Individual income tax at source shall be withheld by the tax agent regardless of the form and location of the income payment to the non-resident individual.

6. The tax agent shall transfer the amount of individual income tax withheld at source to the location no later than the 25th day of the month following the month in which the tax is subject to withholding.

7. When paying income in foreign currency, the amount of income taxable at the source of payment shall be converted into tenge using the official exchange rate established on the date of income payment.

8. In international outstaffing provided by a non-resident whose activities do not create a permanent establishment in the Republic of Kazakhstan in accordance with the provisions of subparagraph 2) of paragraph 2 of Article 226 of this Code, the income of such staff from activities in the Republic of Kazakhstan shall be subject to individual income tax at source.

In this case, the individual income taxation item is the income of a non-resident individual , including other material benefits received by such an individual in connection with activities in the Republic of Kazakhstan.

If the income is paid to the staff provided by a non-resident, the tax base for calculating individual income tax shall be determined by the tax agent based on documents submitted by the non-resident in accordance with subparagraph 2) of paragraph 2 of Article 226 of this Code.

Individual income tax is withheld at the source of payment from the income of foreign personnel by the tax agent when paying income to a non-resident legal entity for services related to the foreign outstaffing.

The individual income tax withheld at source shall be calculated by the tax agent by applying the rate established in subparagraph 8) of paragraph 1 of Article 682 of this Code to

the amount of income of the foreign staff determined by this paragraph, taking into account the provisions of paragraph 5 of Article 372 of this Code, without making tax deductions.

The tax agent is obligated to transfer the individual income tax withheld at source to the location by the 25th day of the month following the month in which the tax is subject to withholding.

9. The obligation and responsibility for assessing, withholding, and transferring individual income tax at source to the budget shall be imposed on the following persons who pay income to non-residents and are recognized as tax agents:

1) sole proprietors;

2) non-resident legal entities operating in the Republic of Kazakhstan through a structural unit;

3) non-resident legal entities operating in the Republic of Kazakhstan through a permanent establishment without opening a structural subdivision;

4) resident legal entities, including issuers of underlying assets of depositary receipts.

For the purposes of this chapter, a resident legal entity may, by its decision, recognize its structural subdivision as a tax agent for individual income tax withheld at source on income subject to taxation at source that is paid (payable) by such structural subdivision in accordance with the procedure established by Article 439 of this Code;

5) a person paying income from capital gains specified in the first part of paragraph 1 of Article 687 of this Code.

At the same time, an individual paying the income specified in the first part of paragraph 1 of Article 687 of this Code shall be recognized as a tax agent for the purposes of implementing the first part of this subparagraph, except in cases of transactions with securities on a stock exchange.

10. When a tax agent pays the amount of individual income tax calculated on the income of a non-resident individual in accordance with the provisions of this Code, using own funds without withholding it, the tax agent's obligation to withhold and transfer individual income tax at the source of payment shall be deemed to have been fulfilled.

Article 693. The procedure for taxation of income of foreign nationals and stateless persons, sent to the Republic of Kazakhstan by a non-resident legal entity, not registered as a taxpayer of the Republic of Kazakhstan

1. The taxation procedure, established by this Article shall apply to the income of foreign nationals and stateless persons, sent to the Republic of Kazakhstan by a non-resident legal entity, not registered as a taxpayer of the Republic of Kazakhstan, including the income, defined in Article 372 of this Code, received (to be received):

from activities in the Republic of Kazakhstan under an employment contract (agreement, contract) concluded with such a non-resident legal entity that is an employer;

from activities in the Republic of Kazakhstan under a civil law contract (agreement) concluded with such a non-resident legal entity;

from activities in the Republic of Kazakhstan in the form of material benefits received from a person who is not an employer;

allowances paid in connection with residence in the Republic of Kazakhstan by such a non-resident legal entity.

For the purposes of this article, a non-resident legal entity that is not registered as a taxpayer in the Republic of Kazakhstan is also recognized as a non-resident legal entity registered as a taxpayer of the Republic of Kazakhstan in connection with the opening of a current account with resident banks and (or) in connection with the emergence of obligations in accordance with Article 687 of this Code.

The provisions of this article shall apply to the incomes of a foreign national or a stateless person, sent to the Republic of Kazakhstan, referred to in this Article, unless otherwise specified in paragraph 8 of Article 692 of this Code, subject to the following conditions:

1) a foreign national or stateless person is an employee and (or) contractor (subcontractor) of a non-resident legal entity, not registered as a taxpayer in the Republic of Kazakhstan, or an employee of a contractor (subcontractor) of the said non-resident legal entity;

2) a foreign citizen or stateless person is recognized as permanently residing in the Republic of Kazakhstan in accordance with subparagraph 1) of paragraph 2 of Article 222 of this Code.

If a foreign national or stateless person is not recognized as permanently residing in the Republic of Kazakhstan in accordance with paragraph 2 of Article 222 of this Code, then income from activities in the Republic of Kazakhstan in the form of a material benefit, received from a person, who is not the employer, shall be subject to taxation at the rate, established by Article 682 of this Code.

2. The obligation and responsibility to calculate, withhold and remit individual income tax at the source of payment to the budget from the income of a foreign national or stateless person, referred to in paragraph 1 of this article shall be imposed on the person (including a nonresident, conducting business through a permanent establishment) for whose benefit work is performed or services are rendered by a non-resident legal entity. Such a person shall be recognized as a tax agent.

3. The tax agent shall calculate the individual income tax on the income of a foreign national or stateless person, indicated in the document, submitted by the nonresident in accordance with this paragraph, without applying any tax deductions at the rate, established by subparagraph 8) of paragraph 1 of Article 682 of this Code. In this case, the non-resident legal entity is obligated to provide the tax agent with:

notarized copies of the individual employment agreement (contract) and (or) civil law contract, concluded with the foreign national or stateless person, sent to the Republic of Kazakhstan;

other document containing information on the individual's income received from employment under the employment contract and/or civil law agreement concluded with such non-resident.

In the event of failure to submit the documents, specified in this paragraph to the tax agent , individual income tax shall be levied at the source of payment on income in the amount of 80 percent of the income payable to the non-resident legal entity for work performed or services rendered, which shall be distributed equally among all foreign nationals and stateless persons.

At the same time, the income specified in this paragraph shall be reduced by the amount of:

income specified in the documents referred to in this paragraph, if submitted;

income from activities in the Republic of Kazakhstan in the form of material benefits received from a person who is not an employer, if such income is provided for by the terms of the contract (agreement).

4. Individual income tax at source shall be calculated and withheld by the tax agent no later than the date of payment of income to a non-resident legal entity, regardless of the form and place of payment of income.

5. The tax agent at its place of business shall remit the individual income tax on the income of a foreign national or stateless person to the budget by the 25th day of the month, following the month, in which the tax is subject to withholding in accordance with paragraph 4 of this article.

6. When paying income in foreign currency, the amount of income taxable at the source of payment shall be converted into tenge using the official exchange rate established on the date of payment of income.

Article 694. Submission of individual income tax and social tax returns

Individual income tax and social tax returns shall be submitted by the tax agent to the tax authority at the place of tax payment on a quarterly basis no later than the 15th day of the second month following the quarter in which the reporting tax periods are included.

Article 695. Procedure for calculating and paying individual income tax on the income of a non-resident individual received from sources in the Republic of Kazakhstan from a person who is not a tax agent

1. The provisions of this article shall apply to the income of a non-resident individual received from sources in the Republic of Kazakhstan from a person who is not a tax agent under this Code provisions.

2. Individual income tax shall be calculated on the income of a non-resident individual received from sources in the Republic of Kazakhstan from a person who is not a tax agent under this Code provisions by applying the rate established by Article 682 of this Code to the accrued amount of income without making tax deductions.

3. Individual income tax shall be paid by the non-resident individual independently no later than ten calendar days after the due date established for filing the individual's income and property declaration for the tax period.

Article 696. Procedure for calculating and paying individual income tax on the income of a non-resident labor migrant

1. The income of a non-resident labor migrant who has entered into an employment contract in accordance with the labor legislation of the Republic of Kazakhstan based on a labor migrant permit to perform work or provide services shall comprise the following incomes:

1) the minimum taxable income equal to 40 times the monthly calculation index in effect as of January 1 of the relevant financial year, for each month of performance of work or provision of services during the relevant term, indicated by the non-resident labor migrant in the application for obtaining (extension) of a non-resident labor migrant permit;

2) the excess of income receivable under the employment contract for the relevant term indicated by the non-resident labor migrant in the application for obtaining (extension) of a non-resident labor migrant permit over the minimum taxable income for the same period, if there is an excess.

2. The taxable income amount of a non-resident labor immigrant in excess shall be determined as:

income received from performing work or rendering services for each month of work or rendering services during the corresponding period indicated in the labor migrant's permit:

minus

the minimum taxable income for the same period

minus

an amount equal to 14 times the monthly calculation indicator in effect as of January 1 of the corresponding financial year, for each month of work performed (services rendered) during the same period.

3. Payment of individual income tax calculated by a non-resident migrant worker on the minimum taxable income shall be made prior to obtaining (extending) a permit for a migrant worker at the place of non-resident migrant worker’s stay.

4. Payment of individual income tax calculated on the taxable amount of a non-resident migrant worker’s income in excess for the tax period shall be made by the non-resident migrant worker no later than ten calendar days after the due date for filing the income and property declaration at the place of stay.

5. If the individual income tax amount paid during the tax period, calculated from the amount of minimum taxable income, exceeds the individual income tax amount calculated for the reporting tax period from the non-resident labor migrant’s income, then such excess shall not be an amount of overpaid individual income tax and shall not be subject to refund or offset.

Article 697. Submission of a declaration of income and property of an individual

1. Unless otherwise provided by this article, a non-resident individual receiving income from sources in the Republic of Kazakhstan, subject to independent taxation in accordance with this Code, shall submit an income and property declaration to the tax authority at the taxpayer's place of residence (stay) no later than July 1 of the year following the reporting calendar year.

If the non-resident individual leaves the Republic of Kazakhstan during the current tax period without subsequently re-entering the Republic of Kazakhstan before July 1 of the year following the reporting calendar year, the non-resident individual has the right to submit an income and property declaration and pay individual income tax during the current tax period. In this case, the income and property declaration shall be submitted for the period from the beginning of the current tax period until the date of such individual's departure from the Republic of Kazakhstan.

2. A declaration of income and property of an individual shall be submitted by a non-resident labor migrant who has received the income referred to in subparagraph 24) of paragraph 1 of Article 679 of this Code if the individual income tax amount calculated for the reporting tax period exceeds the individual income tax amount paid on the minimum taxable income.

A declaration of income and property of an individual for the income specified in this paragraph shall be submitted by a non-resident labor migrant to the tax authority at the place of stay no later than July 1 of the year following the reporting tax period.

Furthermore, if a non-resident labor immigrant who has received the income referred to in subparagraph 24) of paragraph 1 of Article 679 departs from the Republic of Kazakhstan during the tax period, the declaration(s) of income and property of the individual shall be submitted before the date of such person's departure from the Republic of Kazakhstan.

Chapter 75. SPECIAL PROVISIONS UNDER INTERNATIONAL TREATIES REGULATING AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF TAX EVASION Paragraph 1 . General provisions

Article 698. Conditions and procedure for applying the international treaty

1. An international treaty governing the avoidance of double taxation and the prevention of tax evasion to which the Republic of Kazakhstan is a party (hereinafter referred to as an " international treaty") shall apply to persons who are residents of one or both states that have concluded such treaty.

The provisions of this article shall not apply to a resident of a state with which the international treaty has been concluded if that resident applies the provisions of that international treaty for the benefit of another person who is not a resident of the state with which the international treaty has been concluded.

2. The provisions of an international treaty shall be applied in accordance with the procedure established by this Code and the relevant international treaty.

If amendments were made to an international treaty by a multilateral international Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (hereinafter referred to as a multilateral international treaty), such an international treaty shall be applied with regard to the amendments made.

3. When a tax agent pays the income tax amount calculated from a non-resident's income in accordance with the provisions of this Code, from its own funds without withholding it from the income of the non-resident, the provisions of the international treaty shall not apply.

Article 699. Procedure for submitting an application by a non-resident for refund of paid income tax from the budget on the basis of an international treaty

1. When applying the provisions of an international treaty, a non-resident shall have the right to a refund of income tax as determined by this article and Articles 700 and 701 of this Code, in the following cases:

1) withholding and transferring to the budget by the tax agent, in accordance with the provisions of this Code, of income tax on the income of a non-resident received from sources in the Republic of Kazakhstan;

2) calculation and payment by a non-resident of income tax on income from implementing activities in the Republic of Kazakhstan through a structural unit that does not form a permanent establishment in accordance with an international treaty;

3) payment by a non-resident to the budget of income tax on the income received from sources in the Republic of Kazakhstan in accordance with the provisions of this Code.

In this case, the non-resident is obliged to submit to the tax authority a tax application for the refund of the paid income tax from the budget (hereinafter, for the purposes of this article and Articles 700 and 701 of this Code, referred to as the "application") with the documents specified in paragraphs 3 and 4 of this article attached.

2. The application shall be submitted by the non-resident in the form approved by the authorized body, in two copies, to the tax authority superior to the tax authority at the location (residence, stay) of the tax agent.

The date of application to the tax authority shall be the date of its receipt by the tax authority.

3. The following documents must be attached to the application:

1) copies of contracts (agreements) for the performance of work, provision of services, or for other purposes;

2) a document confirming the non-resident's residency;

3) copies of accounting or other documents confirming the amounts of income received and taxes withheld and paid;

4) copies of documents confirming the provision of services or the performance of work;

5) in the case of work performed or services rendered by a non-resident in the Republic of Kazakhstan through employees or other personnel hired by the non-resident for such purposes , copies of identity documents of such individuals and documents confirming the duration of their stay in the Republic of Kazakhstan;

6) additionally, if the application is submitted by a legal entity,

notarized copies of the constituent documents or

extract from the commercial register (shareholder register) or other similar document required by the legislation of the state in which the non-resident is registered, indicating the founders (participants) and majority shareholders of the non-resident legal entity.

If a non-resident, as required by the legislation of a foreign state, does not have constituent documents or an obligation to register in the commercial register (shareholder register) or another similar document required by the legislation of the state in which the non-resident is registered, such non-resident shall submit to the tax agent:

a document (act) serving as the basis for the non-resident's incorporation, the legal force of which has been confirmed by the relevant authority of the foreign state in which such non-resident is registered,

or another document indicating the organizational structure of the consolidated group in which the non-resident is a member, indicating the names of all its members and their geographic location (names of the states (territories) where the members of the consolidated group were founded (established), and the state and tax registration numbers of all members of the consolidated group).

Additionally, if the application is submitted by an individual, a copy of an identity document.

The provisions of this paragraph shall not apply if the application is submitted in accordance with paragraph 4 of this article.

4. When a non-resident applies for a refund of income tax on income received on shares that are the underlying asset of depositary receipts, the following documents must be attached to the application:

1) a statement of account received from the central depository, containing:

the name or last name, first name, and patronymic of the non-resident;

information on the number and type of depositary receipts;

the name and details of the non-resident's identity document (for an individual), the tax registration number in the non-resident's country of incorporation or its equivalent (if available), and the number and date of the non-resident's state registration (for a legal entity);

2) a decision of the general meeting of shareholders of the issuer of the shares that are the underlying asset of the depositary receipts on the payment of dividends for a specified period, indicating the dividend amount per share and the date of compiling the list of shareholders entitled to receive dividends;

3) statements from the foreign currency account showing the dividend amounts received;

4) a document confirming the residency of the non-resident who is the final (actual) recipient (holder) of the income from the shares that are the underlying asset of the depositary receipts.

5. When a non-resident applies for a refund of income tax on capital gains, the following copies of documents must be attached to the application:

1) those specified in subparagraphs 1)–3), 5) and 6) of paragraph 3 of this article;

2) documents confirming the purchase and sale of shares, equity interests, and other property, indicating the purchase and sale prices.

6. If the documents specified in paragraphs 3, 4, and 5 of this article are drawn up in a foreign language, the non-resident must attach a notarized translation into Kazakh or Russian.

7. An application for a refund of income tax withheld from income from the work performed or services rendered shall be submitted by the non-resident upon completion of the work or services rendered in the Republic of Kazakhstan.

For long-term contracts, the non-resident has the right to submit an application to the tax authority as each stage of the work or services is completed.

For the purposes of this section, a long-term contract is a contract (agreement) for the performance of work or the provision of services that is not completed within twelve months from the date of its conclusion.

8. The application shall be submitted by the non-resident to the tax authority before expiry of the statute of limitations, unless otherwise provided by an international treaty.

9. The tax authority shall deny the application in the following cases:

1) the application is submitted by a non-resident after the due date established by paragraph 7 of this Article.

In this case, the non-resident shall not have the right to re-submit the application;

2) the document confirming residency does not meet the requirements established by Article 702 of this Code;

3) the non-resident fails to submit the documents specified in paragraphs 3, 4, and 5 of this Article;

4) the non-resident does not comply with the provisions of paragraph 2 of this Article;

5) upon re-submission of an application for a previously reviewed (audited) period, on the results of which the tax authority issued a decision to deny a refund of income tax from the budget on one of the following grounds:

recognition of a non-resident as a permanent establishment (permanent place of business) in the Republic of Kazakhstan in accordance with Article 226 of this Code;

withholding and transfer to the budget by a tax agent of income tax on a non-resident's income received from sources in the Republic of Kazakhstan, using its own funds;

6) non-occurrence of the cases specified in paragraph 1 of this article.

In this case, the tax authority's decision to deny the application shall be delivered to the non-resident against signature or sent by registered mail with return receipt requested, along

with the application and submitted documents, within ten business days of their receipt by the tax authority, stating the reasons for the refusal.

If the tax authority refuses to consider the application on the grounds specified in subparagraphs 2), 3), and 4) of this paragraph, the non-resident has the right to resubmit the application within the time established by paragraph 8 of this article, provided they have corrected the violations.

Article 700. Procedure for reviewing a non-resident's application and making a decision pursuant to the reviewing results

1. The tax authority shall review a non-resident's application submitted in accordance with Article 699 of this Code within twenty business days from the date of its submission by the non-resident.

The application review time stipulated by the first part of this paragraph shall be suspended for the period of:

1) the thematic audit specified in paragraph 3 of this Article;

2) from the date the tax authority sends the request specified in paragraphs 2 and 5 of this Article until the date of receipt of a response to such request.

2. During the examination of a non-resident's application, the tax authority has the right to send requests to other tax authorities, authorized government agencies, competent authorities of foreign states, banks and organizations carrying out certain types of banking operations, and other organizations operating in the Republic of Kazakhstan for the necessary information, as well as to the non-resident on issues related to tax refunds.

3. When reviewing a non-resident's application, the tax authority shall conduct, in accordance with the procedure in Chapter 15 of this Code, a thematic audit on the issue of refunding the paid income tax from the budget based on the non-resident's application, except for the cases specified in paragraphs 5 and 6 of this Article.

4. If the non-resident has a structural unit in the Republic of Kazakhstan, the tax authority reviewing the application shall submit a request to the tax authority at the location of such structural unit to conduct a comprehensive tax audit of the non-resident for the period of the statute of limitations regarding the fulfillment of tax obligations and the presence or absence of a permanent establishment in the Republic of Kazakhstan.

5. In the event of liquidation (termination of operations) or bankruptcy of a tax agent, the tax authority shall have the right to send a request to the competent authority of the non-resident's country of residence, whose application is being processed, for information on the relationship between the tax agent and the non-resident.

In this case, the decision referred to in paragraph 7 of this article shall be made basing on the information received from the competent authority of the non-resident's country of residence in response to the tax authority's request and/or on tax reporting data on income tax withheld at source, submitted by the liquidated (discontinued) or bankrupt tax agent.

In the event of a written refusal by the competent authority of a foreign state to provide information in response to a request submitted on the grounds stipulated in part one of this paragraph, or failure to respond within more than two years from the date of the request, the tax authority shall dismiss the application. In this case, the taxpayer has the right to initiate a mutual agreement procedure as required by the provisions of Article 232 of this Code.

6. In the event that a non-resident individual pays income tax to the budget on income received from persons who are not tax agents, the decision referred to in paragraph 7 of this Article shall be made on the basis of the documents attached to the income tax refund application, as specified in paragraph 3 of Article 686 of this Code, and the income tax reporting data submitted by the non-resident.

7. Pursuant to reviewing of the non-resident's application, the tax authority shall make one of the following decisions:

1) to refund income tax in full or in part;

2) to refuse to refund income tax.

The tax authority's decision shall be made in writing and signed by the chief executive or his deputy.

When the tax authority decides to refund income tax in full or in part, the amount of income tax subject to refund in accordance with the provisions of the international treaty shall be indicated in the submitted application, and the application shall be signed by the head or deputy of the tax authority and sealed.

The tax authority's decision following the review of the application must indicate:

1) the date of the adopted decision;

2) the name of the tax authority that made the decision;

3) the full name of the non-resident submitting the application;

4) the tax registration number in the non-resident's country of incorporation or its equivalent (if any);

5) if a decision is made to refund – the amount of income tax subject to refund to the non-resident from the budget;

6) if a decision is made to deny a full or partial income tax refund – a justification with reference to the provisions of the legislation of the Republic of Kazakhstan, taking into account the results of the thematic tax audit conducted in accordance with Chapter 15 of this Code and/or an international treaty and/or indicating the information received based on the tax authority's request from the competent authority of a foreign state, which the tax authority relied on when making such a decision.

8. If income tax is paid to the budget and the tax authority decides to refund the income tax in full or in part, copies of the decision and the non-resident's application shall be sent by such tax authority to the tax authority where the tax agent (taxpayer) who paid the income tax is registered at the location (residence, stay).

The tax authority where the tax agent (taxpayer) is registered at the location (residence, stay) shall refund the income tax amount to the non-resident from the budget as prescribed by paragraph 1 of Chapter 11 of this Code, within thirty business days of the date of such decision.

9. The tax authority's decision, along with one copy of the non-resident's application, shall be delivered to the non-resident against signature or sent by registered mail with acknowledgment of receipt.

The date of receipt of the tax authority's decision by the non-resident shall be the date of delivery or the date of the non-resident's mark on the notification from the postal or other communications organization.

Article 701. Procedure for appealing a decision on a non-resident's application and making a decision upon the complaint reviewing results

1. If a non-resident disagrees with the tax authority's decision specified in paragraph 7 of Article 700 of this Code, the non-resident shall have the right to appeal it with the authorized body.

The appeal must be filed in writing within ninety calendar days of the day following the receipt of the tax authority's decision.

A copy of the appeal must be sent by the non-resident to the tax authority whose decision is being appealed.

The date of filing the appeal with the authorized body shall be the date of receipt of the appeal by the authorized body.

2. The appeal must include:

1) the date the complaint is signed by the non-resident;

2) last name, first name, and patronymic, or full name of the person filing the complaint, as well as their place of residence (location);

3) the tax registration number in the non-resident's country of incorporation, or its equivalent (if available);

4) the name of the tax authority whose decision is being appealed by the non-resident;

5) the circumstances on which the non-resident filing the complaint substantiates his claims, and evidence supporting these circumstances;

6) the list of attached documents.

The complaint is signed by the non-resident or his representative.

3. The following shall be attached to the complaint:

1) copies of the application and the tax authority's decision;

2) documents established by paragraphs 3 or 4 of Article 699 of this Code, with the exception of the application;

3) documents confirming the circumstances on which the non-resident bases its claims;

4) other documents relevant to the case.

4. The authorized body shall dismiss a non-resident's complaint in the following cases:

1) the non-resident files a complaint after the deadline established by part two of paragraph 1 of this Article;

2) the content of the complaint does not comply with the requirements established by paragraph 2 of this Article;

3) the document confirming residency does not comply with the requirements established by Article 702 of this Code;

4) the non-resident fails to submit the documents established by paragraphs 3 or 4 of Article 699 of this Code;

5) the non-resident files a complaint (application) with the court against the decision of the tax authority specified in paragraph 7 of Article 700 of this Code.

The decision on dismissing the complaint shall be sent to the non-resident in writing within ten business days of the date the complaint was filed with the authorized body.

If the authorized body declines the complaint on the grounds specified in subparagraphs 2), 3), and 4) of the first part of this paragraph, the non-resident has the right to resubmit the complaint within ninety calendar days of receiving the decision on dismissing it, provided the violations have been corrected.

5. The authorized body shall process a non-resident's complaint within thirty business days from the date the complaint is filed with the authorized body.

The complaint reviewing period shall be suspended if the authorized body sends requests to the competent authority of a foreign state or other government agencies of the Republic of Kazakhstan, banks and organizations performing certain types of banking operations, or other organizations operating in the Republic of Kazakhstan for the necessary information, or to the non-resident regarding issues related to their application, pending the receipt of such information.

6. Upon the review of a non-resident's complaint, the authorized body shall issue one of the following decisions:

1) to refund the income tax in full or in part;

2) to deny the income tax refund.

The authorized body's decision shall be delivered to the non-resident against signature or sent to them by registered mail with acknowledgment of receipt.

The date of receipt of the authorized body's decision by the non-resident shall be the date of delivery or the date of the non-resident's mark on the notification by a postal or other communications organization.

The authorized body's decision following the complaint review must include the following:

1) date of the adopted decision;

2) full name of the non-resident submitting the application;

3) tax registration number in the non-resident's country of incorporation or its equivalent (if available);

4) if a decision is made to grant a refund, the amount of income tax to be refunded to the non-resident from the state budget;

5) if a decision is made to deny the income tax refund, a substantiation citing the provisions of the legislation of the Republic of Kazakhstan and/or an international treaty and/ or indicating the information received based on a request from the competent authority of a foreign state by the authorized body, which the tax authority relied on when making such a decision.

7. A copy of the authorized body's decision shall be sent to the tax authority whose decision was appealed by the non-resident.

If the authorized body decides to refund income tax, the tax authority whose decision was appealed by the non-resident shall indicate on the application previously submitted by the non-resident to such tax authority the income tax amount subject to refund in accordance with the provisions of the international treaty. The date of certification of the application shall be the date the tax authority receives a copy of the authorized body's decision. The application is certified by the signature of the head or deputy head and the seal of such tax authority and is delivered to the non-resident against signature or sent by registered mail with acknowledgment of receipt.

The tax authority whose decision was appealed by the non-resident shall send copies of the said decision and the non-resident's certified application to the tax authority where the tax agent (taxpayer) who paid the income tax is registered at the place of residence (stay).

Article 702. Requirements for documents confirming non-resident status

1. For the purposes of applying this section provisions, a document confirming the residency of a non-resident is an official document certifying that the non-resident recipient of income is a resident of a state with which the Republic of Kazakhstan has concluded an international treaty, presented in one of the following forms:

1) an original certified by the competent authority of the foreign state of which the non-resident is a resident. The signature of the official and the seal of the competent authority confirming the non-resident's residency must be legalized as prescribed by the legislation of the Republic of Kazakhstan, or a document legalizing the signature of the official, and the seal of the competent authority must be posted on:

the website of the government agency performing the legalization;

the website of another government organization or public notary chamber responsible for the collection (storage) of electronic apostilles of the foreign state;

2) a notarized copy of the original document that meets the requirements of subparagraph 1) of this paragraph. The signature and seal of the foreign notary must be legalized in accordance with the procedure established by the legislation of the Republic of Kazakhstan, or the document legalizing the signature, and seal of the foreign notary must be posted on:

the website of the government agency performing the legalization;

the website of another government organization or public notarial chamber responsible for the collection (storage) of electronic apostilles of the foreign state;

3) a paper copy of an electronic document confirming the non-resident's residency, posted on the website of the competent authority of the foreign state.

If an abridged (not complete) version of the paper copy of the electronic document is posted on the website of the competent authority of the foreign state, but it confirms that the non-resident is a resident of the foreign state, such a document shall be recognized as confirming the residency of this person for the specified period.

2. Legalization in the manner prescribed by the legislation of the Republic of Kazakhstan is not required if:

the document confirming the non-resident's residency is posted on the website of the competent authority of a foreign state;

another procedure for certifying the authenticity of the signature and seal of the person(s) referred to in paragraph 1 of this article is established:

by an international treaty of the Republic of Kazakhstan;

between the authorized body and the competent authority of the foreign state as part of the mutual agreement procedure conducted in accordance with Article 232 of this Code;

by the decision of an EAEU body.

3. A non-resident shall be recognized as a resident of a state with which the Republic of Kazakhstan has concluded an international treaty if:

a period of time is indicated in the document confirming the non-resident's residency – during the specified period;

residency is confirmed on a specific date –throughout the time from the beginning of the calendar year to the date on which the non-resident's residency is confirmed;

if no period of time is specified in the document confirming the non-resident's residency – during the calendar year in which such document is issued (posted on the website of the competent authority of the foreign state).

Article 703. Statement of the amounts of income received from sources in the Republic of Kazakhstan and taxes withheld and paid

1. A non-resident shall have the right to obtain from the tax authority a statement on the amount of income received from sources in the Republic of Kazakhstan and the taxes withheld and paid (hereinafter, for the purposes of this article, a statement) if such tax is payable to the budget of the Republic of Kazakhstan, including under an international treaty, and is not refundable in accordance with Articles 699, 700, and 701 of this Code.

A tax agent also has the right to obtain a statement from the tax authority on the amount of income accrued and/or paid by such tax agent to the non-resident and the taxes withheld (paid) on such income. A power of attorney is not required in accordance with Article 38 of this Code.

2. To obtain a statement, a non-resident (tax agent) must file a tax application to the following tax authority:

1) for the income of a non-resident legal entity operating in the Republic of Kazakhstan without forming a permanent establishment – at the location of the tax agent;

2) for a permanent establishment of a non-resident – at the location of such permanent establishment;

3) a foreign national or stateless person, who pays taxes on income from sources in the Republic of Kazakhstan independently—at the place of stay (residence) in the Republic of Kazakhstan;

4) for income of a foreign national or stateless person, not indicated in subparagraph 3) of this paragraph—at the location of the tax agent.

3. The tax authority shall refuse to issue a statement to a non-resident (tax agent) if:

the data in the non-resident's (tax agent's) tax return is found to be inconsistent with the data indicated in the taxpayer's and/or tax agent's tax reporting forms;

the tax has not been paid;

the taxpayer and/or tax agent has outstanding tax arrears on the non-resident's income tax as of the date of filing the tax return;

4. The statement shall be issued no later than ten calendar days from the latest of the following dates of:

filing of the tax return;

submission by the non-resident taxpayer and/or tax agent of the appropriate tax reporting form reflecting the amounts of the non-resident's accrued income and taxes payable.

Article 704. Assistance in tax collection

1. In accordance with the provisions of an international treaty the authorized body has the right to request assistance from the competent authority of a foreign state by sending a tax claim for the purpose of enforcing an unfulfilled tax obligation.

A tax claim shall be sent to the competent authority of a foreign state in the event of non-fulfillment or improper fulfillment of tax obligations by a non-resident on income from sources in the Republic of Kazakhstan, as well as income of a non-resident's permanent establishment from sources outside the Republic of Kazakhstan, exclusively after all possible enforcement measures have been applied.

2. Upon receipt of a request for assistance from the competent authority of a foreign state, the authorized body has the right to ensure the fulfillment of the resident's tax obligation arising in the foreign state.

In this case, the authorized body shall consider the legality of paying taxes on the resident's income from sources in the foreign state in accordance with the provisions of the international treaty and shall issue a conclusion.

3. In the event of a positive conclusion on the request of the competent authority of a foreign state, the authorized body, in accordance with the provisions of the international

treaty, shall ensure the fulfillment of tax obligations by the resident in the manner prescribed by this Code.

The tax amount shall be transferred by the resident taxpayer, at the request of the authorized body, to the account of the competent authority of the foreign state indicated in the request for assistance in tax collection submitted in accordance with the provisions of the international treaty.

4. The authorized body shall consider requests from the competent authority of the foreign state on the basis of reciprocity.

5. The provisions of this article shall apply until the expiry of the statute of limitations, unless otherwise provided by the international treaty.

Paragraph 2. Procedure for applying an international treaty by a tax agent independently

Article 705. Procedure for applying an international treaty regarding full exemption from taxation of non-resident income received from sources in the Republic of Kazakhstan

1. The procedure for applying the provisions of an international treaty established by this Article shall apply to the income of a non-resident provided for in Article 679 of this Code, with the exception of income:

1) for which a different procedure for applying the provisions of an international treaty is provided under Articles 706, 707, 712, 713, and 714 of this Code;

2) established in Article 687 of this Code, for which a different procedure for applying the provisions of an international treaty is provided under Articles 699, 700, and 701 of this Code ;

3) from the provision of services and/or the performance of work in the presence of a registered structural subdivision of the non-resident and/or a permanent establishment without opening a branch or representative office, for which a different procedure for applying the provisions of an international treaty is provided under Articles 699, 700, and 701of this Code;

4) from the provision of services and/or performance of work within a single project and/ or related projects resulting in the establishment of a permanent establishment in the Republic of Kazakhstan.

The tax agent shall determine the relatedness of the projects independently in accordance with Article 228 of this Code.

2. The tax agent shall have the right to independently apply a tax exemption when paying income to a non-resident or to deduct accrued but unpaid income of a non-resident, provided the following conditions are met:

1) an international treaty has been concluded and ratified with the non-resident's state of residence;

2) a document confirming the non-resident's residency is submitted within the time frame established by paragraph 3 of this article.

The document confirming the non-resident's residency must meet the requirements established by Article 702 of this Code.

3. A document confirming residency shall be submitted by a non-resident to the tax agent no later than one of the following dates, whichever comes first:

1) March 31 of the year following the corporate income tax period in which the income was paid to the non-resident or the non-resident's unpaid income was deducted;

2) no later than five business days prior to the completion of the tax audit regarding the fulfillment of the tax liability for income tax withheld at source over the tax period.

4. If a non-resident legal entity provides services and/or performs work in the Republic of Kazakhstan for a period that does not result in the formation of a permanent establishment in the Republic of Kazakhstan, such non-resident, along with a document confirming its residency, shall submit to the tax agent one of the following documents:

1) notarized copies of the constituent documents;

2) an extract from the commercial register (shareholder register) or other similar document required by the legislation of the state in which the non-resident is registered, indicating the founders (participants) and majority shareholders of the non-resident legal entity.

If a non-resident does not have the documents specified in this paragraph, such non-resident shall submit to the tax agent one of the following documents:

1) a document (act) that served as the basis for the creation of the non-resident in which such non-resident is registered;

2) a document indicating the organizational structure of the consolidated group in which the non-resident is a member, reflecting the names of all its members and their geographic location (names of the states (territories) where the members of the consolidated group were created (established), and the state and tax registration numbers of all members of the consolidated group.

6. If the provision of services and/or performance of work in the Republic of Kazakhstan for a period that does not result in the formation of a permanent establishment in the Republic of Kazakhstan is carried out under a joint activity agreement, then the non-resident legal entity that is a party to such agreement, in addition to the documents specified in paragraphs 4 and 5 of this article, shall submit one of the following documents:

1) a notarized copy of the joint activity agreement;

2) another document confirming its share in the joint activity.

If the non-resident does not form a permanent establishment as a result of the provision of services or the performance of work under such an agreement (contract) and related projects, the tax agent shall have the right to apply the provisions of the international agreement to the income of the non-resident legal entity in proportion to its share in the joint activity, as specified in the document confirming its share in the joint activity.

7. No later than five calendar days from the due date for filing the tax return for the fourth quarter, the tax agent must submit a copy of the document confirming the non-resident's residency to the local tax authority.

The tax return submitted by the tax agent shall include the following amounts:

1) accrued (paid) income to the non-resident and withheld income exempt from tax withholding;

2) income not subject to taxation in the Republic of Kazakhstan;

3) any payments to the non-resident from sources in the Republic of Kazakhstan in accordance with the provisions of international treaties;

4) income tax rates and the names of international treaties.

8. If the tax agent fails to apply the provisions of an international treaty, the tax agent is obligated to withhold and transfer income tax at the source of payment.

9. In the event of unlawful application of the provisions of an international treaty resulting in non-transfer or incomplete transfer of withheld tax amounts payable to the budget, the tax agent shall be liable under the laws of the Republic of Kazakhstan.

Article 706. Procedure for applying international treaties with respect to non-resident income in the form of dividends, remuneration, and/or royalties received from sources in the Republic of Kazakhstan

1. Unless otherwise provided by an international treaty, when paying income to a non-resident in the form of dividends, interest, and/or royalties, or when deducting unpaid income of a non-resident in the form of interest and/or royalties, the tax agent has the right to independently apply the provisions of an international treaty, subject to the following conditions:

1) the international treaty has been concluded and ratified with the non-resident's state of residence;

2) the document confirming the non-resident's residency is submitted within the time limit established by paragraph 3 of Article 705 of this Code.

A document confirming the non-resident's residency must meet the requirements established by Article 702 of this Code;

3) the income paid is unrelated to the activities of a permanent establishment of the non-resident in the Republic of Kazakhstan;

4) the non-resident is the ultimate recipient of the income.

For the purposes of this section, the ultimate recipient of income shall be understood to be the person (actual owner) who has the right to possess, use, and dispose of income and is not an intermediary in relation to such income, including an agent or nominee holder.

2. When paying income in the form of interest to the ultimate recipient of income through an intermediary, the tax agent has the right to apply an exemption or reduced income tax rate provided for in an international treaty with the state of which such final recipient is a resident, provided that the following conditions are simultaneously met:

1) the agreement (contract) under which the remuneration is paid shall reflect:

the name of the intermediary, the amounts of payments and interest to the intermediary, and the amounts of remuneration for each ultimate recipient of remuneration through the intermediary;

the details of the intermediary and such person (last name, first name, and patronymic of an individual or the name of a legal entity);

the tax registration number in the country of incorporation or its equivalent (if any);

the state registration number in the country of incorporation (or its equivalent);

2) a document confirming the residency of the final recipient shall be submitted within the time established by paragraph 3 of Article 705 of this Code.

The document confirming the residency of the ultimate recipient must comply with the requirements established by Article 702 of this Code.

3. No later than five calendar days from the due date for filing the tax return for the fourth quarter the tax agent is required to submit a copy of the document confirming the residency of the ultimate recipient to the local tax authority.

4. If the tax agent does not apply the provisions of the international treaty, the tax agent is required to withhold and transfer income tax at the source of payment in the manner and within the timeframes stipulated by Articles 683 and 684 of this Code.

5. In accordance with the provisions of an international treaty, a non-resident ultimate recipient of income is entitled to a refund of excess income tax withheld at source in the event that the tax agent transfers to the budget the income tax withheld at source from such a non-resident.

The tax agent shall refund the excess of withheld income tax to the non-resident.

In this case, the non-resident ultimate recipient of income is obliged to provide the tax agent with the following:

1) a notarized copy of the agreement (contract) concluded with the intermediary, which reflects:

the amount of the non-resident's remuneration, indicating the person's details (last name, first name, and patronymic of an individual or name of a legal entity);

the tax registration number in the country of incorporation (or its equivalent), if available;

the state registration number in the country of incorporation (or its equivalent);

2) a document confirming the non-resident's residency for the period for which such non-resident accrued income in the form of remuneration.

The documents specified in the second part of this paragraph must be submitted by the non-resident before expiry of the statute of limitations from the date of the last transfer of income tax withheld at source to the budget, unless other deadlines are established by an international treaty.

6. In the event of a refund of withheld income tax to a non-resident in accordance with paragraph 5 of this article, the tax agent shall be entitled to submit to the tax authority at its

location an additional calculation of income tax withheld at source, in the amount of the reduction when applying a reduced tax rate or tax exemption for the tax period in which the income tax was withheld and transferred from the income of the final recipient of the income—a non-resident—in the form of remuneration.

In this case, the overpaid amount of income tax withheld at source shall be offset to the tax agent in the manner prescribed by this Code.

Article 707. Procedure for applying an international treaty regarding partial tax exemption for non-resident income in the form of dividends on shares that are the underlying asset of depositary receipts

1. When paying income in the form of dividends on shares that are the underlying asset of depositary receipts to the ultimate recipient of the income—a non-resident—through a nominee holder of depositary receipts, the tax agent shall have the right to apply a reduced income tax rate stipulated by the relevant international treaty with the state of residence of the ultimate recipient of such income, provided the following conditions are simultaneously met:

1) availability of a list of depositary receipt holders containing:

last names, first names, and patronymics of individuals or legal entities that hold depository receipts whose underlying assets are shares issued by a resident of the Republic of Kazakhstan;

information on the number and type of depository receipts;

the names and details of the identity documents of individuals, or the numbers and dates of state registration of legal entities.

The list of depository receipt holders shall be compiled by the following entities:

the central depository – if the agreement for the recording and confirmation of ownership of depository receipts is concluded between the resident issuer of the shares that are the underlying asset of the depository receipts, and the central depository;

another organization authorized to carry out depository activities in the securities market of a foreign state – if the agreement for the recording and confirmation of ownership of depository receipts is concluded between the resident issuer of the shares that are the underlying asset of the depository receipts, and such organization;

2) availability of a document confirming the residency of the non-resident who is the ultimate recipient of dividends on shares that are the underlying asset of the depositary receipts.

The document confirming residency must be submitted to the tax agent within the time established by paragraph 3 of Article 705 of this Code.

2. When submitting tax returns for the fourth quarter, the tax agent must submit a copy of the document confirming the residency of the non-resident taxpayer to the local tax authority.

The tax return shall include:

1) the amounts of accrued (paid) income and withheld or exempt from withholding taxes in accordance with the provisions of international treaties;

2) income tax rates;

3) the names of the international treaties.

3. If the provisions of an international treaty do not apply, the tax agent shall withhold and transfer income tax at source in accordance with the procedure and within the timeframes stipulated in Articles 683 and 684 of this Code.

4. The ultimate income recipient who is a non-resident has the right to a refund of excess income tax withheld at source in accordance with the provisions of an international treaty if the tax agent transfers income tax withheld from the non-resident's income to the budget.

The non-resident is obligated to provide the tax agent with the following:

1) a notarized copy of a document confirming ownership of depositary receipts whose underlying asset is the shares of the resident issuer;

2) a document confirming their residency for the period for which income in the form of dividends was accrued to such non-resident.

The documents specified in part two of this paragraph must be submitted by the non-resident before expiry of the statute of limitations from the date of the last transfer of income tax withheld at source to the budget, unless other deadlines are established by an international treaty.

The refund of over-withheld income tax to a non-resident is made by a tax agent.

5. A tax agent shall have the right to submit to the tax authority at its location an additional calculation of income tax withheld at source for the amount of the income tax reduction when applying the reduced rate for the tax period in which the income tax was withheld and transferred from the non-resident's income in the form of dividends on shares that are the underlying assets of depositary receipts.

In this case, the overpaid amount of income tax withheld at source shall be credited to the tax agent in accordance with the procedure established by this Code.

Paragraph 3. Procedure for applying an international treaty by a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment

Article 708. Procedure for deducting management and general administrative expenses of a non-resident legal entity for the purposes of taxation of income from sources in the Republic of Kazakhstan

1. If the provisions of an international treaty allow for the deduction of management and general administrative expenses of a non-resident legal entity when determining the taxable income of a non-resident legal entity from activities in the Republic of Kazakhstan through a permanent establishment (hereinafter referred to as the distributable expenses of the non-resident legal entity), the amount of such expenses shall be determined by such non-resident legal entity at its discretion using one of the following methods:

1) proportional distribution of expenses;

2) direct (straightforward) distribution of expenses to deductions.

For the purposes of this article and Articles 709, 710, and 711 of this Code, the distributable expenses of a non-resident legal entity shall be recognized as the management and general administrative expenses of a non-resident legal entity related to the implementation of activities in the Republic of Kazakhstan through a permanent establishment, actually incurred both in the Republic of Kazakhstan and outside its borders.

However, the following shall not be included in the distributable expenses of a non-resident legal entity:

management and general administrative expenses incurred directly by a structural subdivision of a non-resident legal entity whose activities led to the formation of a permanent establishment in the Republic of Kazakhstan, or by a permanent establishment of a non-resident legal entity without opening a structural subdivision in the Republic of Kazakhstan, deductible in accordance with Chapter 26 of this Code;

management and general administrative expenses incurred directly by structural subdivisions or permanent establishments of a non-resident legal entity in other countries, not related to the activities of a permanent establishment registered as a taxpayer in the Republic of Kazakhstan;

management and general administrative expenses of a non-resident legal entity not related to the activities of a permanent establishment registered in the Republic of Kazakhstan.

2. Management and general administrative expenses of a non-resident legal entity are expenses related to the management of the organization and the salaries of management personnel not involved in the production process.

3. During the reporting tax period, a non-resident legal entity may, at its discretion, apply only one of the methods for allocating the non-resident legal entity's distributable expenses to deductions to its permanent establishment.

The method used for allocating the non-resident legal entity's allocable expenses to deductions is specified in the appendix to the corporate income tax return containing information on the non-resident legal entity's deductible management and general administrative expenses.

4. The allocable expenses of a non-resident legal entity shall be deducted by a permanent establishment in the Republic of Kazakhstan if:

1) the terms of an international agreement are complied with;

2) the documents specified in paragraph 3 of Article 709 or paragraph 3 of Article 711 of this Code are available;

3) a document confirming the residency of the non-resident legal entity is available.

5. If the documents specified in subparagraph 2) of paragraph 4 of this article are drawn up in a foreign language, a translation of such documents into Kazakh or Russian, certified by a notary in accordance with the procedure established by the legislation of the Republic of Kazakhstan, is required.

6. A document confirming residency shall be submitted by a non-resident legal entity to the relevant tax authority within the deadlines established for filing a corporate income tax return.

Article 709. Method of proportional distribution of expenses

1. When using the proportional distribution method, the amount of allocable expenses of a non-resident legal entity attributable to deductions by a permanent establishment in the Republic of Kazakhstan is defined as the product of the amount of allocable expenses of the non-resident legal entity and the calculation index.

2. The calculation index shall be calculated using one of the following methods at the discretion of the non-resident legal entity:

1) the ratio of the total annual income received by the non-resident legal entity from activities in the Republic of Kazakhstan through a permanent establishment, determined in accordance with paragraph 2 of Article 688 of this Code, for the reporting tax period to the total amount of annual income of the non-resident legal entity determined in accordance with the tax legislation of the foreign state for the specified tax period;

2) determination of the average value (AV) based on three indicators:

the ratio of the total annual income received by a non-resident legal entity from activities in the Republic of Kazakhstan through a permanent establishment, determined in accordance with paragraph 2 of Article 688 of this Code, for the reporting tax period to the total amount of annual income of the non-resident legal entity determined in accordance with the tax legislation of the foreign state for the specified tax period (I);

the ratio of the initial (current) value of fixed assets recorded in the financial statements of a permanent establishment in the Republic of Kazakhstan as of the end of the reporting tax period to the total initial (current) value of fixed assets of a non-resident legal entity for the same tax period (FA);

the ratio of the amount of expenses for remuneration of staff working in a permanent establishment in the Republic of Kazakhstan, as of the end of the reporting tax period, to the total amount of expenses for remuneration of staff of a non-resident legal entity for the same tax period (RP).

The average value is determined by the formula:

$AV = (I + FA + RP)/3$

3. When using the proportional distribution method, the amount of allocable expenses of a non-resident legal entity is deductible by a permanent establishment in the Republic of Kazakhstan only if the terms of the international treaty are met and the permanent establishment has the following supporting documents:

1) copies of the financial statements of the non-resident permanent establishment in the Republic of Kazakhstan;

2) copies of the tax returns of the non-resident legal entity, prepared in accordance with the requirements of the legislation of the foreign state, indicating the total income for the tax period, certified by the competent authority of the foreign state;

3) copies of the financial statements of the non-resident legal entity, prepared in accordance with the requirements of the legislation of the state in which such legal entity was created and/or is a resident, certified by a seal containing the name of the non-resident legal entity (if any), as well as the signature of the director.

In this case, the financial statements or tax reports referred to in subparagraphs 1), 2), and 3) of the first part of this paragraph must include a separate line for:

the amount of management and general administrative expenses;

the amount of total annual income;

the amount of personnel compensation expenses;

the initial (current) and book value of fixed assets.

4) a breakdown of the amount of management and general administrative expenses specified in the financial statements provided for in subparagraph 3) of part one of this paragraph, with the following items highlighted:

allocable expenses of a non-resident legal entity by type of expense;

management and general administrative expenses of a permanent establishment in the Republic of Kazakhstan;

5) a copy of the audit report on the audit of the financial statements of the non-resident legal entity (if such financial statements are audited).

If a foreign country uses a method of accounting for income and expenses that differs from that provided for by the legislation of the Republic of Kazakhstan, only the direct method of allocating administrative and general administrative expenses shall be used.

Article 710. Procedure for adjusting financial statements of a non-resident legal entity when applying the method of proportional distribution of expenses in individual cases

1. A non-resident legal entity is required to adjust the financial statement data used to calculate the amount of management and general administrative expenses of a permanent establishment in the Republic of Kazakhstan that are deductible for the permanent establishment in the following cases:

discrepancies between the duration of tax periods in the Republic of Kazakhstan and the non-resident's country of residence;

discrepancies between the start and end dates of tax periods in the Republic of Kazakhstan and the non-resident's country of residence, given equal durations of the specified tax periods.

To adjust the financial statement data of a non-resident, an adjustment factor (F) is applied, which reconciles the tax period in the non-resident's country of residence with that in the Republic of Kazakhstan.

2. The factor (F) is defined as the ratio of the number of months of the tax period in the country of residence of such a non-resident that fall within the tax period in the Republic of

Kazakhstan to the number of months of the tax period in the country of residence of the non-resident.

If the tax period in the Republic of Kazakhstan includes, in whole or in part, two tax periods in the country of residence of such a non-resident, two factors (F1, F2) shall be applied.

3. The financial statements data of a non-resident legal entity shall be adjusted as follows:

F1xFS(CR)1 + F2xFS(CR)2,

where F1 = TP(CR)1/TP(CR)3; F2 = TP(CR)2/TP(CR)3,

wherein:

TP(CR)1 - the number of months of one taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan;

TP(CR)2 - the number of months of the other taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan;

TP(CR)3 - the total number of months of a taxable period in the country of residence of a non-resident;

FS(CR)1 - financial statements of a non-resident in the country of residence for one taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan;

FS(CR)2 - financial statements of a non-resident in the country of residence for another taxable period in the country of residence of a non-resident, included in a taxable period in the Republic of Kazakhstan.

Article 711. Direct method of recognizing expenses as deductibles

1. The direct method of recognizing allocable expenses of a non-resident legal entity as deductibles is used in cases where a non-resident legal entity maintains separate accounting of income and expenses (including management and general administrative expenses of a permanent establishment in the Republic of Kazakhstan) of the head office and permanent establishments in the Republic of Kazakhstan and other countries.

2. The allocable expenses of a non-resident legal entity shall be deducted by a permanent establishment in the Republic of Kazakhstan in accordance with this article if they are identified on the basis of supporting documents and are directly incurred for the purpose of obtaining income from activities in the Republic of Kazakhstan through a permanent establishment.

3. The supporting documents shall be:

1) accounting source documents confirming the allocable expenses of a non-resident legal entity incurred within the territory of the Republic of Kazakhstan for the purpose of receiving income from activities in the Republic of Kazakhstan through a permanent establishment;

2) copies of accounting source documents confirming the allocable expenses of a non-resident legal entity incurred outside the Republic of Kazakhstan for the purpose of

receiving income from activities in the Republic of Kazakhstan through a permanent establishment;

3) tax registers accounting for allocable expenses of a non-resident legal entity incurred both in the Republic of Kazakhstan and outside the Republic of Kazakhstan for the purpose of obtaining income from activities in the Republic of Kazakhstan through a permanent establishment, compiled on the basis of) accounting source documents confirming these expenses.

The form of the tax register and the procedure for filling it out are approved in the tax accounting policy of the non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment;

4) a copy of the financial statements of the non-resident legal entity, drawn in accordance with the requirements of the legislation of the state in which such legal entity is established and/or is a resident, and certified by the signature of the chief executive and seal (if any) of such non-resident legal entity.

At the same time, the financial statements referred to in this subparagraph shall be indicated in a separate line item showing the total amount of management and general administrative expenses of the non-resident legal entity;

5) a copy of the audit report on the audit of the financial statements of the non-resident legal entity (if such financial statements are audited).

Article 712. Procedure for applying an international treaty regarding exemption from taxation of non-resident income from the provision of international transportation services through a permanent establishment

1. A non-resident shall have the right to apply for exemption from taxation of income from the provision of international transportation services in accordance with the rules of an international treaty, if such non-resident is an ultimate income recipient and a resident of the state with which the international treaty has been concluded.

The international treaty regarding tax exemption applies if the non-resident has a document confirming its residency on the date of filing the corporate income tax return.

The document confirming residency shall be submitted by the non-resident to the tax authority at the location of the permanent establishment when filing the corporate income tax return.

2. A non-resident shall be required to keep separate records of income from the provision of international transportation services and other income from sources in the Republic of Kazakhstan for the tax period.

3. The amount of expenses associated with the provision of international transportation services shall be determined by a non-resident using a direct or proportional method.

The chosen method for determining expenses may be changed only with the consent of the tax authority superior to the tax authority at the location of the non-resident's permanent establishment (except for the authorized body), prior to the start of the tax period.

No more than one method for determining expenses may be used during a single tax period.

4. When applying the direct method for determining expenses, a non-resident maintains separate records of expenses related to the provision of international transportation services and other expenses.

5. When applying the proportional method, the amount of expenses is determined as the product of the share and the total amount of the non-resident's expenses related to operations in the Republic of Kazakhstan for the tax period.

The share is determined as the ratio of the amount of income from the provision of international transportation services to the total amount of income related to operations in the Republic of Kazakhstan for the tax period.

6. In the absence of a document confirming the non-resident's residency on the date of filing the corporate income tax return, the non-resident is not entitled to apply the provisions of the international treaty.

In the case of calculating and paying corporate income tax to the budget, the non-resident has the right to apply the provisions of the international treaty before the expiration of the statute of limitations, unless other periods are established by the international treaty, provided that an additional corporate income tax return and the document confirming the non-resident's residency are submitted to the tax authority.

Article 713. Procedure for applying an international treaty regarding partial exemption from taxation of net income from the activities of a non-resident in the Republic of Kazakhstan through a permanent establishment

1. A non-resident shall have the right to apply a reduced tax rate on net income from activities in the Republic of Kazakhstan through a permanent establishment, as provided for by an international treaty, if he is a resident of a state with which the international treaty has been concluded, and such international treaty provides for a procedure for taxing the non-resident's net income that differs from the procedure established by Article 689 of this Code.

The reduced tax rate applies if the non-resident has a document confirming his residency on the date of filing the corporate income tax return.

The document confirming residency is submitted by the non-resident to the tax authority at the location of the permanent establishment when filing the corporate income tax return.

2. In the absence of a document confirming a non-resident's residency on the date of filing a corporate income tax return, the non-resident is not entitled to apply the provisions of the international treaty.

At the same time in the case of calculating and paying corporate income tax to the budget, the non-resident has the right to apply the provisions of the international treaty within the

limitation period, unless otherwise specified by the international treaty, provided that an additional corporate income tax return and a document confirming the non-resident's residency are submitted to the tax authority.

Paragraph 4. Procedure for applying an international treaty by a non-resident individual independently

Article 714. Procedure for applying an international treaty regarding the exemption from taxation of income of a non-resident individual received from persons who are not tax agents

1. A non-resident individual has the right to apply, in accordance with the provisions of an international treaty, an exemption from taxation on income received from persons who are not tax agents if such non-resident individual is the ultimate recipient of the income and a resident of the state with which the international treaty has been concluded.

The international treaty's provisions for tax exemption shall apply if the non-resident has a document confirming his residency on the date of filing the individual's income and property declaration.

The document confirming residency shall be submitted by the non-resident individual to the tax authority at their place of stay (residence) when filing the individual's income and property declaration.

2. In the absence of a document confirming residency a non-resident individual is obligated to pay personal income tax to the budget on the date of filing the individual's income and property declaration in the manner and within the timeframes established by Article 695 of this Code.

At the same time, a non-resident individual has the right to a refund from the budget of the income tax paid in accordance with the procedure set forth in Articles 699, 700, and 701 of this Code.

SECTION 16. SPECIAL TAX REGIMES Chapter 76. GENERAL PROVISIONS

Article 715. General provisions

1. Unless otherwise provided by paragraph 2 of this article, a taxpayer has the right to choose one of the following special tax regimes, subject to the provisions of this paragraph and this section:

№	Types of special tax regimes	Subjects	Maximum income amount (monthly calculation index as of 1 January of financial year)	Rate, % of income	Types of activity/ availability of land
A	1	2	3	4	5
1		individuals – citizens of the Republic of	300 per month	individual income tax – 0	list of activities, for which application of

	Special tax regime for self-employed	Kazakhstan, kandases		social payments – 4*	special tax regime is permitted
2	Special tax regime based on simplified declaration	sole proprietors and legal entities – residents of the Republic of Kazakhstan	600 000 over a year	individual income tax / corporate income tax at 4 % rate (with the right to reduce/ increase the rate to 50% by local representative bodies) and social payments in established amounts *	list of activities, for which application of special tax regime is not permitted
3	Special tax regime for peasant or farm households	peasant or farm households	-	individual income tax – 0,5	in the presence on the territory of the Republic of Kazakhstan of land plots on the rights of private ownership and (or) land use (including the right of secondary land use) within the established maximum areas

* The amounts of social payments are established in the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Medical Insurance."

2. Peasant or farm households that apply a special tax regime for peasant or farm households, when receiving income from activities that are not covered by this special tax regime, shall calculate, pay the relevant taxes, and submit tax reports on them under the following taxation regimes:

1) under the special tax regime based on a simplified declaration, if the conditions for its application are met;

2) in accordance with the generally established procedure.

Article 716. Procedure for selection, conditions for transition and termination of application of the special tax regime

1. The choice of a special tax regime, subject to the conditions for its application established for each such regime by this section, shall be made:

1) by an individual upon registration as a sole proprietor – in the notification of the commencement of activity as a sole proprietor, submitted in accordance with Article 97 of this Code;

2) by a newly established legal entity – in the notification of the applicable tax regime, submitted to the tax authority no later than five business days after state registration with the registration authority;

3) in other cases, by a sole proprietor and a legal entity – in the notification of the applicable tax regime.

The choice of a special tax regime for self-employed individuals by an individual is recognized in:

the month in which receipts for the dedicated mobile application for the specified regime are generated;

the period specified in payment documents – in areas without a public telecommunications network.

2. If a newly established taxpayer has not selected a special tax regime in accordance with the procedure specified in paragraph 1 of this article, such taxpayer shall be deemed to have chosen the general taxation regime.

3. A taxpayer applying the special tax regime for peasant or farming enterprises, in order to apply a second special tax regime—a special tax regime based on a simplified tax return—must indicate both these special tax regimes in the notification of the applicable tax regime.

4. The following entities are entitled to switch to the relevant special tax regime, provided they meet the conditions for its application:

1) legal entities applying the general taxation system – to a special tax regime based on a simplified tax return;

2) sole proprietors applying the general taxation system –to a special tax regime based on a simplified tax return and/or a special tax regime for peasant or farming households;

3) sole proprietors applying the special tax regime based on a simplified tax return may apply for a special tax regime for peasant or farming households;

4) sole proprietors applying the special tax regime for peasant or farming households – to a special tax regime based on a simplified tax return.

5. Peasant or farming households applying special tax regime for peasant or farming households, when receiving income from activities not covered by this special tax regime, shall calculate, pay the relevant taxes, and submit tax reports on them:

1) under the special tax regime, based on a simplified tax return, subject to compliance with the conditions for its application.

However, for purposes of applying the maximum income limit when applying the special tax regime based on a simplified tax return, income from activities covered by the special tax regime for peasant or farming households shall not be included in the income amount;

2) in accordance with the generally established procedure.

6. The selected special tax regime for peasant or farming households may not be changed during the calendar year, except in cases of non-compliance with the conditions for applying the special tax regime established by this section for such tax regime.

7. After switching (transferring) from the special tax regime based on a simplified tax return to the general taxation procedure (including by decision of the tax authority), the subsequent transition to the special tax regime based on a simplified tax return is carried out subject to the simultaneous fulfillment of the following conditions:

no earlier than after one calendar year of applying the general taxation procedure;

the total annual income when applying the general taxation procedure for the last calendar year does not exceed the income limit established for applying the special tax regime based on a simplified tax return.

8. Taxpayers shall submit a notification of the applicable tax regime to the tax authority at their location in hard copy or electronically, including via the e-government web portal or a special mobile application.

9. The commencement date of the selected special tax regime shall be:

1) for individuals who have indicated the selected special tax regime in their notification of commencement of business as an sole proprietor – the date of registration as an sole proprietor with the tax authorities;

2) for newly formed legal entities that have submitted a notification of the applicable tax regime – the date of state registration with the registering authority;

3) for individuals who have selected the special tax regime for self-employed individuals:

the date of the first receipt generated in a dedicated mobile application, in the month in which the receipt is generated;

the period specified in payment documents – in areas without a public telecommunications network;

4) in other cases – the date of filing a notification of the applicable tax regime.

10. The date of termination of the application of a special tax regime or a generally established taxation procedure, from which the transition to another special tax regime or a generally established taxation procedure is carried out, is the date preceding the date on which the relevant notification of the applied taxation regime is submitted.

11. If conditions arise preventing the application of a special tax regime, the taxpayer must submit a notification of commencement of business as an sole proprietor within five business days of the date on which such conditions arise in order to transition to the general taxation system or another special tax regime:

for the application of a special tax regime for the self-employed;

for the application of a special tax regime based on a simplified tax return or a special tax regime for peasant or farming enterprises - a notification of the applicable tax regime.

The commencement date of applying another special tax regime or the general taxation system shall be the date on which such conditions arose.

In the event of a transaction in which the income exceeds the income limit for the special tax regime, the taxpayer must submit the corresponding notification before receiving income from such transaction.

12. If the tax authority establishes during an in-house audit that the taxpayer does not comply with the conditions established for the application of the relevant special tax regime, the tax authority shall send the taxpayer a notice of the discrepancies identified in the in-house audit, within the timeframe and in the manner established by Articles 82 and 137 of this Code.

If the taxpayer fails to submit to the tax authority a notification of transition to another special tax regime, the tax authority shall transfer such taxpayer to the general taxation regime or shall terminate the application of the special tax regime for the self-employed if the self-employed person fails to submit a notification of commencement of activity as an sole proprietor in the case and in the manner stipulated by paragraph 11 of this Article.

In this case, for:

a special tax regime based on a simplified tax return or a special tax regime for peasant or farming households, the commencement date for applying the general taxation procedure shall be the date on which the discrepancy in the application of the special tax regime arose.

The end date for a special tax regime based on a simplified tax return or a special tax regime for peasant or farming households shall be the date preceding the date on which the discrepancy in the application of the special tax regime arose;

for a special tax regime for the self-employed, the end date for applying such a special tax regime shall be the date on which the discrepancy in the application of this special tax regime arose.

13. If individuals applying the special tax regime for self-employed persons have no income during the calendar month for which individual income tax and social security contributions are calculated and paid, such persons shall be removed from the tax authority's register as taxpayers applying this regime.

14. Information on the date of commencement and/or termination of the taxpayer's application of the special tax regime based on a simplified declaration shall be posted on the website of the authorized body no later than three working days before the respective date of commencement and/or termination of the application of such special tax regime.

Article 717. Dedicated mobile application

1. Dedicated mobile application – is a tax mobile application for the purposes of:

applying the procedure for fulfilling tax obligations and social security obligations by individuals applying a special tax regime for self-employed persons;

fulfilling tax obligations for calculating individual income tax and social payments, paying them, and submitting declarations by sole proprietor s who use special tax regimes based on simplified declarations;

registration as an sole proprietor (removal from such registration) on the basis of an electronic document certified by the taxpayer's electronic digital signature;

generation of a receipt using a dedicated mobile application.

The procedure for using a dedicated mobile application for the purposes of fulfilling tax obligations and social security obligations when applying a special tax regime, as well as the content of a receipt generated by a dedicated mobile application, shall be established by the authorized body.

In a dedicated mobile application, the document confirming the fact of settlements between taxpayers applying a special tax regime for self-employed persons or based on a simplified declaration and the buyer (recipient) of goods, works, services is a receipt from a dedicated mobile application, which is generated in this application.

3. A dedicated mobile application receipt is issued by the taxpayer at the time of payment in cash and (or) using a system (device) for accepting non-cash payments to the buyer (recipient) of goods, works, services, including to the email address indicated by them.

4. The dedicated mobile application generates a register of income based on receipts from the dedicated mobile application and other information about income received from other sources.

5. Taxpayers using a special tax regime for self-employed persons or based on a simplified declaration shall have the right to authorize banking organizations and internet platform operators to generate receipts for a dedicated mobile application when using their mobile application.

In this article, an internet platform operator is understood to be an operator of information systems, hosted on the Internet, intended for the provision of intermediary services and the performance of work in electronic format.

6. The interaction procedure between authorized banking organizations, Internet platform operators, and tax authorities for the purpose of transferring information on transactions to a dedicated mobile application shall be determined by the authorized body in agreement with the National Bank.

Chapter 77. SPECIAL TAX REGIME FOR SELF-EMPLOYED

Article 718. General provisions

1. The special tax regime for the self-employed may be applied by self-employed individuals subject to the procedure and conditions for applying the special tax regime.

2. For the purposes of this Code, self-employed individuals shall mean individuals (who are not sole proprietors) – citizens of the Republic of Kazakhstan, kandases, who meet the following conditions:

1) engaged in one or more types of activities for which the special tax regime for the self-employed is permitted.

The list of activities for which the special tax regime for the self-employed is permitted shall be approved by the Government of the Republic of Kazakhstan;

2) not employing workers;

3) whose income for a calendar month does not exceed 300 times the monthly calculation index in effect as of January 1 of the relevant financial year.

Article 719. Procedure and conditions for applying special tax regime

1. The special tax regime for self-employed persons establishes a simplified procedure for calculating and paying individual income tax, with the exception of tax withheld at source (hereinafter referred to as individual income tax for the purposes of this chapter) and social security contributions.

2. The taxable item of the special tax regime for the self-employed is income received during the tax period in connection with the performance of activities in the list of activities for which the special tax regime is permitted.

The date of income recognition is the date of settlement for goods sold, work performed, or services rendered, including the date of receipt or payment of cash or its equivalent.

The income of individuals applying the special tax regime for the self-employed (with the exception of individuals operating in areas without a public telecommunications network) shall be recorded in an income register generated in a dedicated mobile application based on receipts from the dedicated mobile application and other information on income received from other sources.

The income of individuals operating in areas without a public telecommunications network under the special tax regime for the self-employed shall be recorded in a simple form developed independently by the individual, indicating the date, transaction name, amounts received from each transaction, and the total amount for each day and month.

3. The tax period for applying the special tax regime for self-employed persons is a calendar month.

4. Self-employed persons apply the special tax regime with the mandatory use of a dedicated mobile application or by independently calculating and paying individual income tax and social payments when carrying out activities in places without public telecommunications network.

5. When carrying out activities using an Internet platform, the special tax regime shall be applied with regard to the provisions of Article 721 of this Code.

Article 720. Procedure for calculating and paying individual income tax and social contributions under a special tax regime

1. Individual income tax shall be calculated by applying zero percent rate to the taxable amount, taking into account the reduction envisaged by paragraph 2 of this article.

Social payments shall be calculated and paid in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan “On Compulsory Social

Medical Insurance," taking into account the reduction envisaged by paragraph 2 of this article .

2. The amount of individual income tax and social payments under the special tax regime shall be calculated by self-employed persons using a dedicated mobile application, except when the activities are carried out in places without public telecommunications network.

In this case, the dedicated mobile application shall reflect the amount of all income received by the self-employed person for the tax period and the amounts of individual income tax and social payments calculated.

If a tax agent withholds and transfers individual income tax and social payments when carrying out activities using an internet platform, the taxable base of the self-employed person is reduced by the amount of income for which the obligation to calculate, withhold and pay the amount of individual income tax and social payments is subject to fulfillment by such a tax agent.

3. The amount of individual income tax and social contributions under the special tax regime for income from activities in areas without a public telecommunications network for the tax period shall be calculated by the self-employed individual independently.

In this case, the amount of individual income tax and social contributions paid under the special tax regime for the periods specified in the payment documents is recognized as the amount of the calculated individual income tax and social contributions under the special tax regime.

4. Individual income tax shall be paid to the budget no later than the 25th day of the month following the reporting month. Social payments under the special tax regime shall be made within the time limits provided for by the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Medical Insurance".

Article 721. Specifics of applying a special tax regime by self-employed persons operating via an internet platform

1. The provisions of this article shall apply when a self-employed person carries out activities on the list of permitted types of activities using an Internet platform.

2. Key concepts used in this section:

1) Internet platform – an electronic internet platform that facilitates interaction between the internet platform operator, the customer of the service, and the person registered on the internet platform who provides services to customers of services using the internet platform;

2) Internet platform operator – a sole proprietor or legal entity that provides technical, organizational, informational, and other capabilities using information technologies and systems to establish contacts for the provision of services (including services involving third parties for the provision of services) between the person registered on the internet platform and providing services using the Internet platform to service customers;

3) integrator partner – a sole proprietor or legal entity that is the owner of an information product that facilitates the integration of internet platforms with state information systems in

accordance with the requirements established for such integration by the legislation of the Republic of Kazakhstan;

4) customer – an individual or legal entity registered on the internet platform who places an order for the provision of services or the performance of work on it.

3. The operator of an internet platform is a tax agent in accordance with subparagraph 13) of Article 3 of this Code, which withholds and transfers individual income tax and social payments envisaged by the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Medical Insurance" for individuals who apply a special tax regime for self-employed persons and carry out activities using an Internet platform, also those who are performers in accordance with the Social Code of the Republic of Kazakhstan.

4. The tax agent shall withhold social security contributions in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Medical Insurance."

The tax agent shall transfer the amounts of individual income tax withheld to the budget no later than the 15th day of the month following the reporting month.

The tax agent shall pay the amounts of social payments withheld within the time limits provided for by the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Medical Insurance".

Chapter 78. SPECIAL TAX REGIME BASED ON A SIMPLIFIED DECLARATION

Article 722. General Provisions

1. The special tax regime based on a simplified tax return establishes a simplified procedure for calculating and paying corporate or individual income tax for taxpayers applying this regime, with the exception of taxes withheld at the source of payment.

The calculation, payment, and submission of tax reports on taxes and payments to the budget not specified in the first part of this paragraph shall be made in accordance with the generally established procedure.

2. A taxpayer applying the special tax regime based on a simplified tax return shall fulfill the obligation of a tax agent with respect to individual income tax on income subject to taxation at source, calculating, withholding, and transferring this tax in accordance with the procedure and within the timeframes established by Chapter 43 of this Code.

3. The tax and reporting period for applying the special tax regime based on a simplified tax return is six months.

4. Taxpayers applying a special tax regime based on a simplified declaration shall not be:

1) social tax payers;

2) value added tax payers (except for value added tax on imported goods and value added tax for a non-resident).

Article 723. Conditions for applying a special tax regime based on a simplified declaration

1. The special tax regime based on a simplified tax return may be applied by sole proprietors and legal entities – residents of the Republic of Kazakhstan (except for those referred to in paragraph 2 of this article) who meet the following conditions:

1) whose maximum income for a calendar year does not exceed 600,000 times the monthly calculation index in effect as of January 1 of the relevant financial year;

2) who engage in activities not included in the list of activities on which the application of the special tax regime based on a simplified tax return is prohibited, established by the Government of the Republic of Kazakhstan.

For the purposes of determining the maximum income:

the size of the taxable item, determined under Article 724 of this Code, is taken into account;

income from activities under the special tax regime for peasant or farming enterprises is not taken into account.

2. The following entities shall not be entitled to apply the special tax regime based on the simplified tax return:

1) legal entities in which the shareholding of other legal entities exceeds 25 percent;

2) legal entities in which the founder or participant is also the founder or participant of another legal entity applying the special tax regime;

3) legal entities in which the founder or participant applies the special tax regime;

4) taxpayers (individuals, sole proprietors) who are founders or participants of a legal entity applying the special tax regime;

5) non-profit organizations;

6) participants in special economic and industrial zones, Astana Hub;

7) taxpayers for activities carried out under joint activity agreements.

3. Sole proprietors and legal entities applying a special tax regime based on a simplified declaration shall organize and maintain tax accounting in accordance with Chapter 20 of this Code.

Article 724. Procedure for determining income when applying a special tax regime based on a simplified declaration

1. The taxable item for a taxpayer applying a special tax regime based on a simplified declaration is income (excluding expenses) receivable (received) for the tax period using the accrual method.

When calculating corporate or individual income tax (except for taxes withheld at source), the taxable income referred to in the first clause of this paragraph shall be reduced by the amount of expenses of such taxpayer-employer on the income of its employees, starting from the month in which such taxable item, determined on a cumulative basis from the beginning of the calendar year, exceeded 24,000 times the monthly calculation index in effect on January 1 of the relevant financial year.

2. The income determined for the purposes of paragraph 1 of this article shall comprise the following types of income received (receivable) in the Republic of Kazakhstan and abroad (subject to adjustments made in accordance with paragraph 7 of this article):

1) income from the sale of goods, performance of work, provision of services, including royalties, income from the lease (rental) of property;

2) income from the write-off of liabilities;

3) income from the assignment of a claim;

4) fines, penalties, and other types of sanctions awarded or recognized by the debtor (except for unjustified fines returned from the budget, if these amounts were paid during the period of application of a special tax regime that does not provide for their deduction, and also if these fines were not previously deductible during the period when the taxpayer made settlements with the budget in accordance with the generally established procedure);

5) amounts received from the state budget to cover expenses;

6) surplus material assets identified during inventory;

7) income in the form of property received gratuitously (except for charitable and humanitarian aid) intended for use in business purposes;

8) reimbursement by the lessee of the expenses of the sole proprietor -lessor for the maintenance and repair of the leased property;

9) the lessee's expenses for the maintenance and repair of property leased from a sole proprietor , which are offset against the rent under the lease agreement.

If the income referred to in this paragraph is received (receivable) from activities carried out under joint activity agreements, such income shall not be included in the income determined for the purposes of paragraph 1 of this article and shall be taxed in the generally established manner.

3. For the purposes of applying the special tax regime based on the simplified declaration, the income of a person carrying out activities under commission and (or) agency agreements shall include the cost of goods sold, work performed, and services rendered, taking into account the remuneration of such person under the agreement.

4. The income amount specified in paragraph 2 of this Article, when applying the special tax regime based on a simplified declaration, shall be determined:

1) by a legal entity - in the generally established manner in accordance with Section 5 of this Code and paragraphs 5, 6, 7 and 8 of this Article;

2) by a sole proprietor who does not maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" - in accordance with Chapter 21 of this Code, paragraphs 5, 6, 7 and 8 of this Article and Article 725 of this Code;

3) by a sole proprietor who maintains accounting records and prepares financial statements - in the generally established manner, which is similar to the procedure for

determining the amount of income for the purposes of calculating corporate income tax in accordance with Section 5 of this Code and paragraphs 5, 6, 7 and 8 of this Article.

5. When receiving income not specified in paragraph 2 of this article, taxpayers applying the special tax regime on the basis of a simplified declaration shall calculate, pay the relevant taxes and submit tax reports on them in the generally established manner in accordance with this Code.

6. For tax purposes, the following shall not be considered as income of a taxpayer applying a special tax regime based on a simplified declaration:

1) the value of property transferred gratuitously – for the taxpayer transferring such property;

2) the value of goods received gratuitously by a sole proprietor, transferred to him for advertising purposes (including in the form of a gift), if the value of a unit of such goods does not exceed 5 times the monthly calculation index in effect on the date of such transfer;

3) the following expenses incurred by an individual who is a tenant and is not a sole proprietor when renting (leasing) housing, if such expenses are not included in the rent:

maintenance of the common property of a condominium in accordance with the housing legislation of the Republic of Kazakhstan;

payment for utilities provided for by the Law of the Republic of Kazakhstan "On Housing Relations";

repair of housing;

4) the amount of penalties and fines written off in accordance with the tax legislation of the Republic of Kazakhstan.

7. For the purposes of this chapter, an adjustment shall be recognized as an increase in the amount of income for the reporting tax period or a decrease in the amount of income for the reporting tax period within the amount of previously recognized income.

The income specified in paragraph 2 of this article shall be adjusted in the following cases :

1) full or partial return of goods;

2) change in the terms of the transaction;

3) change in price, compensation for goods sold or purchased, work performed, services rendered;

4) discounts on prices, sales discounts;

5) changes in the amount payable in national currency for goods sold or purchased, work performed, services rendered, based on the terms of the contract;

6) write-off of claims from a legal entity, sole proprietor, a non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, in accordance with claims relating to the activities of such a permanent establishment, also from a branch or

representative office of a non-resident legal entity operating in the Republic of Kazakhstan through a branch or representative office that did not result in the formation of a permanent establishment.

The income adjustment provided for in the first part of this subparagraph shall be made downward in the following cases:

non-claim by the creditor taxpayer of a claim upon liquidation of the debtor taxpayer on the day of approval of its liquidation balance sheet;

write off by the taxpayer of the claim pursuant to a final and binding court order.

The adjustment provided for in this subparagraph shall be made within the amount of the written-off claim and previously recognized income on such claim, provided that primary documents confirming the occurrence of the claim are available.

The adjustment provided for in subparagraphs 1) – 5) of the second part of this paragraph shall be made provided that primary documents confirming the occurrence of the circumstances requiring such adjustment are available.

The income adjustment shall be made in the tax period in which the circumstances specified in this article occurred. In the absence of income or if its amount is insufficient to make an adjustment downward in the period in which the cases specified in this article occurred, the adjustment shall be made in the tax period in which the income subject to adjustment was previously recognized.

8. If the same income can be reflected in several income items, such income shall be included in income once.

The date of recognition of income for taxation purposes shall be determined in accordance with the provisions of this chapter.

9. Unless otherwise provided in paragraph 6 of this article, a sole proprietor applying a special tax regime based on a simplified declaration shall determine the amount of:

1) property income – in accordance with paragraph 3 of section 6 of this Code;

2) other income of an individual not indicated in paragraph 2 of this article, in accordance with Section 6 of this Code.

In this case, the relevant taxes shall be calculated and paid and tax reports on them shall be the submitted in accordance with Section 6 of this Code.

Article 725. Income recognition in tax accounting by sole proprietors who do not maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting"

1. The provisions of this article shall apply to sole proprietors who do not maintain accounting records and prepare financial statements in accordance with the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting.”

2. Unless otherwise provided by this article, income shall be measured at the value of the consideration received or receivable, taking into account the amount of any trade and wholesale discounts granted by the sole proprietor. The amount of income arising from a

transaction shall be determined, inter alia, on the basis of the contract performed between the sole proprietor and the buyer or user of the asset.

3. Income from the sale of goods is recognized when all of the following conditions are met:

1) the sole proprietor has transferred to the buyer the significant risks and rewards associated with ownership of the goods;

2) the sole proprietor no longer has management involvement to the extent normally associated with ownership and no longer controls the goods sold;

3) the amount of income can be measured reliably;

4) it is probable that the economic benefits associated with the transaction will flow to the sole proprietor;

5) the costs incurred or expected to be incurred in respect of the transaction can be measured reliably.

4. Income from the performance of work or the provision of services shall be recognized on the basis of a certificate of completion of work or provision of services or other document confirming the fact of performance of work or provision of services. Income from the performance of work or the provision of services shall be recognized in the same period in which the certificate of completion of work or provision of services or other document, confirming the fact of performance of work or provision of services is signed.

5. Income from the write-off of liabilities includes:

1) the write-off of liabilities from a taxpayer by its creditor;

2) liabilities not claimed by the creditor at the time of the termination of the sole proprietor's activities;

3) the write-off of liabilities due to the expiration of the statute of limitations established by the laws of the Republic of Kazakhstan;

4) the write-off of liabilities under a final and binding court order.

The amount of income from the write-off of liabilities is equal to the amount of liabilities (excluding value added tax) payable in accordance with the sole proprietor's primary documents on the date of:

1) submission to the tax authority of a tax application for termination of activities in the case specified in subparagraph 2) of the first part of this paragraph;

2) write-off in other cases.

Income from the write-off of liabilities is recognized in the reporting tax period:

1) in which the liability is written off by the creditor in the case specified in subparagraph 1) of the first part of this paragraph;

2) for which liquidation tax reports are submitted to the tax authority in the case specified in subparagraph 2) of the first part of this paragraph;

3) in which the statute of limitations expired in the case specified in subparagraph 3) of the first part of this paragraph;

4) in which the court ruling came into legal force in the case specified in subparagraph 4) of the first part of this paragraph.

6. Income in the form of surplus material assets identified during inventory is recognized in the tax period in which the inventory was completed and an inventory report was drawn up reflecting the existence of such surpluses. The value of the surplus is determined by the sole proprietor independently, based on the prices and tariffs in effect in the Republic of Kazakhstan.

7. Income in the form of fines, penalties, forfeits, and other types of sanctions is recognized in the tax period in which the court issues a decision on their collection or they are recognized by the debtor.

8. When the sole proprietor carries out transactions in which the goods, works, or services of the sole proprietor are exchanged for the goods, works, or services of another person, a certificate of acceptance and transfer of goods, works, or services must be drawn up. The acceptance certificate must reflect the value of the goods transferred and received, the work performed, or the services rendered. Income from such a transaction is determined as the positive difference between the value of the goods received, work performed, or services rendered, which must be reflected in the acceptance certificate, and the cost of the goods transferred, work performed, or services rendered.

9. Income under a long-term contract for the reporting tax period is recognized as income receivable (received) for the tax period.

10. Income from the assignment of a claim is:

1) for a sole proprietor acquiring the claim – the positive difference between the amount receivable from the debtor on the principal debt, including the amount in excess of the principal debt on the date of assignment of the claim, and the cost of acquiring the claim. Such income from the assignment of a claim is income for the tax period in which the acquired claim is repaid by the debtor;

2) for a sole proprietor who has assigned the claim – the positive difference between the value of the claim at which the assignment was made and the value of the claim receivable from the debtor on the date of assignment of the claim, according to the taxpayer's primary documents. Such income from the assignment of the claim is income for the tax period in which the assignment was made.

11. Income in the form of gratuitously received property (except for charitable donations) intended for business purposes is the value of property received gratuitously into the ownership of a sole proprietor, if such property is used by the sole proprietor for business purposes in the tax period in which such property is received.

Income in the form of gratuitously received property (except for charitable donations) intended for business purposes is recognized in the tax period in which such property is received, with the exception of real estate and vehicles subject to state registration.

Income in the form of gratuitously received real estate (except for charitable donations) intended for business purposes is recognized in the tax period in which ownership of such property is registered.

Income in the form of a vehicle received gratuitously and subject to state registration (except for charitable donations) intended for business use is recognized in the tax period in which the vehicle is registered.

The value of property received gratuitously by a sole proprietor is the market value of the property on the date the right of ownership to the property arose, as determined in the appraisal report conducted under an agreement between the appraiser and the sole proprietor in accordance with the legislation of the Republic of Kazakhstan on appraisal activities.

12. Income in the form of reimbursement by the lessee of the sole proprietor's expenses for the maintenance and repair of the leased property shall be recognized in the tax period in which such reimbursement is received.

Income of the sole proprietor's expenses incurred by the lessee for the maintenance and repair of the leased property, offset against the lease payment, is recognized in the tax period in which such offset is made.

Article 726. Calculation of taxes under a special tax regime based on a simplified declaration

Corporate or individual income tax, with the exception of taxes withheld at source, is calculated by the taxpayer under the special tax regime based on a simplified declaration by applying a 4 percent rate to the taxable item for the reporting tax period.

Local representative bodies shall have the right to lower or raise the rate established in the first part of this Article by no more than 50 percent, depending on the type of activity and location of the taxable item.

However, individual rate reductions or increases for individual taxpayers are prohibited.

Such a decision to lower or raise the rate must be made by the local representative body no later than December 1 of the year preceding the year of its introduction, and shall take effect on January 1 of the year following the year of its adoption, and shall be subject to official publication.

A taxpayer applying a special tax regime based on a simplified declaration, in the event of applying different rates, must maintain separate tax records for income taxed at such rates.

Article 727. Due dates for filing tax returns and paying taxes

1. A simplified tax return must be submitted to the tax authority at the taxpayer's location no later than the 15th day of the second month following the reporting tax period.

2. Taxes specified in the simplified tax return must be paid to the budget no later than the 25th day of the second month following the reporting tax period, as individual (corporate) income tax.

Chapter 79. SPECIAL TAX REGIME FOR PEASANT OR FARMING HOUSEHOLDS

Article 728. General provisions

1. Peasant or farming households are entitled to apply a special tax regime if they own land plots in the Republic of Kazakhstan on the basis of private ownership and/or land use rights (including secondary land use rights).

2. For the purposes of applying the special tax regime for peasant or farming households, the total area of agricultural land plots owned privately and/or for land use (including the right of secondary land use) shall not exceed the maximum land plot area established for:

1) territorial zone – 5,000 hectares;

2) territorial zone – 3,500 hectares;

3) territorial zone – 1,500 hectares;

4) territorial zone – 500 hectares.

For the purposes of this paragraph, the following zoning of land plots shall apply:

Territorial zone 1: pastures located on the lands of the desert, semi-desert, and foothill-desert-steppe soil and climatic zones of the Almaty, Aktobe, Atyrau, Zhambyl, Kyzylorda, Mangistau, Turkestan, and Zhetisu oblasts, and the cities of Almaty and Shymkent;

Territorial zone 2: lands of the Akmola, East Kazakhstan, West Kazakhstan, Karaganda, Kostanay, Pavlodar, and North Kazakhstan oblasts, the Ulytau and Abay regions, the city of Astana, and Aktobe oblast, with the exception of lands of territorial zone 1;

Territorial zone 3: lands, including irrigated lands, of the Atyrau and Mangistau oblasts, with the exception of lands of territorial zone 1;

Territorial zone 4: lands, including irrigated lands, in the Almaty, Zhambyl, Kyzylorda, and Turkestan oblasts, Zhetisu region, and the cities of Almaty and Shymkent, with the exception of lands in territorial zone 1.

If a peasant or farming household owns agricultural land plots located in different territorial zones, for the purposes of this paragraph, the total area of such plots must not exceed the maximum land plot area established for such territorial zones.

In this case, the area of agricultural land plots located in each territorial zone must not exceed the maximum land plot area established for such territorial zones.

3. The special tax regime for peasant or farming households provides for a special procedure for calculating individual income tax (except for taxes withheld at source) on income from the activities of a peasant or farming household and applies to the activities of peasant or farming households involving the production and sale of agricultural products, the processing of their own agricultural products, and the sale of such processed products, with the exception of the production, processing, and sale of excisable goods.

4. The tax and reporting period for applying the special tax regime is a calendar year.

5. When choosing the special tax regime for peasant or farming households, such tax regime shall be applied by taxpayers for a period of at least one calendar year, subject to compliance with the conditions for its application.

6. Taxpayers applying the special tax regime for peasant or farm households when receiving income from activities not covered by this special tax regime, are required to keep separate records of income and expenses, assets and liabilities, also calculate and pay the corresponding taxes and payments to the budget depending on the applicable tax regime:

1) special tax regime based on a simplified declaration;

2) the generally established taxation procedure.

In this case, taxpayers must keep separate accounts as provided for in this paragraph in accordance with the provisions of their approved tax accounting policy.

7. If an obligation arises to register as a value-added tax payer for activities that aren't covered by the special tax regime for peasant or farm households, the taxpayer has to switch to the general taxation procedure.

Article 729. Taxable item

1. The taxable item for a taxpayer applying the special tax regime for peasant or farming households is the income received during the tax period from the sale of agricultural products (including income in the form of amounts received from the state budget to cover costs (expenses) associated with activities covered by this special tax regime), and processed agricultural products of own production, with the exception of activities related to the production, processing, and sale of excisable goods.

2. Income determined for the purposes of paragraph 1 of this article consists of income received (receivable) in the Republic of Kazakhstan and abroad (subject to adjustments made in accordance with paragraph 5 of this article).

3. Income determined for the purposes of paragraph 1 of this article includes:

1) income from the write-off of liabilities;

2) income in the form of property received gratuitously (except for charitable assistance) intended for use in the activities specified in paragraph 1 of this article.

The amount of income specified in paragraph 2 of this article, when applying the special tax regime for peasant or farm households, shall be determined in accordance with Articles 237–256 of this Code and paragraphs 4, 5, and 6 of this article.

4. For tax purposes, the value of property transferred gratuitously shall not be considered as income of a taxpayer applying the special tax regime for peasant or farm households for the taxpayer transferring such property.

5. For the purposes of this chapter, an adjustment is defined as an increase in the amount of income for the reporting tax period or a decrease in the amount of income for the reporting tax period within the amount of previously recognized income.

The income specified in paragraph 2 of this article is subject to adjustment in the following cases:

1) full or partial return of goods;

2) changes in the terms of the transaction;

3) changes in the price or compensation for sold or purchased goods, performed work, or rendered services;

4) price discounts or sales discounts;

5) changes in the amount payable in national currency for sold or purchased goods, performed work, or rendered services based on the terms of the contract;

6) writing off a claim from a legal entity, sole proprietor, non-resident legal entity operating in the Republic of Kazakhstan through a permanent establishment, for claims related to the activities of such a permanent establishment, as well as from a branch, representative office of a non-resident legal entity operating in the Republic of Kazakhstan through a branch, representative office, which did not lead to the formation of a permanent establishment.

The income adjustment provided for in the first part of this paragraph shall be made downward in the following cases:

non-claiming by the creditor taxpayer of the claim upon liquidation of the debtor taxpayer on the date of approval of its liquidation balance sheet;

writing off the claim by the taxpayer pursuant to a final and binding court decision.

The adjustment provided for in the third paragraph of the second part of this subparagraph shall be made within the amount of the written-off claim and previously recognized income on such claim, in the presence of primary documents confirming the occurrence of the claim.

The adjustment provided for in subparagraphs 1) – 5) of the second part of this paragraph shall be made in the presence of primary documents confirming the occurrence of the circumstances requiring such adjustment.

The income adjustment shall be made in the tax period in which the circumstances specified in this article occurred. In the absence of income or if its amount is insufficient to make a downward adjustment in the period in which the circumstances referred to in this article arose, the adjustment shall be made in the tax period in which the income subject to adjustment was previously recognized.

6. If the same income can be reflected in several income items, such income shall be included in income only once.

The date of recognition of income for taxation purposes shall be determined in accordance with the provisions of this chapter.

Article 730. Tax calculation procedure

The taxpayer calculates individual income tax, with the exception of taxes withheld at source, by applying a 0.5 percent rate to the taxable item for the reporting tax period.

Article 731. Specifics of applying a special tax regime for peasant or farm households

1. Taxpayers applying the special tax regime for peasant or farming households are not subject to the following taxes and payments to the budget:

1) land tax and/or land use fees - for land plots used in activities covered by this special tax regime, with the exception of land plots used in violation of the legislation of the Republic of Kazakhstan;

2) vehicle tax - for the taxable items specified in subparagraph 2) of paragraph 3 of Article 563 of this Code;

3) property tax - for the taxable items specified in subparagraph 1) of paragraph 3 of Article 588 of this Code;

4) social tax - for the activities of a peasant or farming households covered by this special tax regime;

5) fees for the negative impact on the environment - for the activities of a peasant or farming households covered by this special tax regime.

6) value-added tax (except for value-added tax on imported goods and value-added tax for non-residents).

2. Calculation, payment of taxes and payments to the budget not specified in Article 730 of this Code and paragraph 1 of this article, submission of tax reports on such taxes and payments to the budget, as well as payment (transfer) of social payments shall be carried out in accordance with the generally established procedure or in accordance with the procedure provided for in Chapter 94 of this Code.

Article 732. Due dates for paying certain types of taxes and payments to the budget

1. Payment of individual income tax, except for taxes withheld at source, fees for the use of surface water resources, shall be made in the following order:

1) amounts calculated from January 1 to October 1 of the tax period – no later than November 10 of the current tax period;

2) amounts calculated from October 1 to December 31 of the tax period – no later than April 10 of the tax period following the reporting tax period.

2. Individual income tax shall be paid to the budget at the location of the land plot.

Article 733. Due dates for filing tax returns for taxpayers applying a special tax regime for peasant or farm households

1. The tax return for taxpayers applying the special tax regime for peasant or farm households is intended to reflect the amounts of individual income tax calculated (except for tax withheld at source) and fees for the use of surface water resources.

2. The declaration for taxpayers applying the special tax regime for peasant or farm households shall be submitted no later than March 31 of the tax period following the reporting tax period to the relevant tax authorities at the location of the land plot.

SECTION 17. TAX PREFERENCES AND BENEFITS BASED ON AGREEMENTS (CONTRACTS) Chapter 80. TAXATION OF PERSONS PURSUING ACTIVITIES IN SPECIAL ECONOMIC ZONES, MANAGING COMPANIES OF SPECIAL ECONOMIC AND INDUSTRIAL ZONES

Article 734. Participants in special economic zones applying tax preferences

1. For the purposes of applying this Code and tax preferences, an organization operating in a special economic zone is a legal entity that meets all of the following requirements:

1) it is a participant in a special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones;

2) it is registered as a taxpayer at its location with the tax authority in the territory of the special economic zone or with the territorial division of the tax authority in charge of the special economic zone territory;

3) if the special economic zone has the necessary infrastructure and facilities for carrying out priority activities, the legal entity may not have branches and other separate structural divisions outside the territory of the special economic zone, with the exception of representative offices;

4) carries out a priority activity in the territory of the special economic zone that corresponds to the objectives of the creation of the special economic zone.

Priority activities are defined in accordance with the general classifier of economic activities approved by the technical regulation authority.

The provisions of this paragraph shall not apply to the persons referred to in paragraph 2 of this article.

2. For the purposes of applying this Code and tax preferences, an organization or sole proprietor operating in a special economic zone is defined as a person who simultaneously meets the following requirements:

1) is a participant in a special economic zone whose boundaries fully or partially coincide with sections of the EAEU customs border, in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones;

2) is registered as a taxpayer at the location with the tax authority in the special economic zone whose boundaries fully or partially coincide with sections of the EAEU customs border, or with the territorial division of the tax authority with jurisdiction over the territory of the special economic zone whose boundaries fully or partially coincide with sections of the EAEU customs border;

3) does not have branches or other separate structural divisions, with the exception of representative offices;

4) carries out a priority type of activity in the territory of the special economic zone that is consistent with the purposes of creating a special economic zone whose boundaries fully or partially coincide with sections of the EAEU customs border.

3. The following are not considered organizations and sole proprietors operating in special economic zones:

1) subsoil users;

2) organizations producing excisable goods, with the exception of organizations engaged in the production, assembly (completion) of excisable goods specified in subparagraph 6) of Article 536 of this Code;

3) taxpayers and sole proprietors applying special tax regimes;

4) organizations implementing (that implemented) a strategic investment project in accordance with the legislation of the Republic of Kazakhstan on investments, having concluded an investment agreement, an agreement on investment obligations, or an agreement on the processing of solid minerals;

5) organizations engaged in gambling business;

6) Astana Hub participants;

7) AIFC participants.

At the same time, with regard to the special economic zone, the boundaries of which fully or partially coincide with the customs border areas of the EAEU, foreign individuals and legal entities are not eligible to apply either.

Article 735. Taxation features in special economic zones

1. An organization or sole proprietor operating within a special economic zone, when determining the amount of land tax, property tax, and land use fees payable to the budget for taxable items (taxable objects) located within the special economic zone and used for priority activities, shall reduce the calculated tax and/or fee amounts by 100 percent in the following order:

for land tax and land use fees, by applying a zero-rate coefficient to the relevant tax rates;

for property tax, by applying a zero-rate to the tax base.

For the purposes of this chapter, the reduction provided for in the first part of this paragraph shall constitute a tax and fee preference.

Tax and fee preferences shall apply:

for land tax – from the first day of the month in which the agreement on operating as a participant in a special economic zone is concluded;

for property tax – from the date of emergence of the taxable item, but not earlier than the date of the conclusion of the agreement on operating as a participant in the special economic zone;

for land use fees – from the first day of the month in which the agreement on operating as a participant in the special economic zone is concluded until the expiry of the temporary paid land use (lease) agreement, but not longer than the term of the special economic zone.

2. In the event of using taxable items (taxable objects) located on the territory of a special economic zone, both in the implementation of priority types of activities and in the implementation of other types of activities, the amount of tax or fee to which the provisions of the first part of paragraph 1 of this article apply shall be determined in proportion to the share of income from priority activities in the total annual income.

3. If the management company of the special economic zone terminates the agreement on operating as a participant in the special economic zone, in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones, tax and fee preferences shall be cancelled from the start date of the tax period in which the violation that constitutes the basis for termination occurred.

The management company of the special economic zone, no later than thirty calendar days from the date of the agreement termination, shall submit information on the special economic zone participants with whom the agreements were terminated, indicating the date of the violation that constituted the basis for termination, to the tax authorities at the location of such participants.

Furthermore, the taxpayer is obligated, no later than thirty calendar days from the date of agreement termination, to submit additional tax reporting for the tax period in which the violation that constituted the basis for agreement termination occurred.

4. An organization operating within the territory of a special economic zone, when determining the amount of corporate income tax payable to the budget, shall reduce the amount of corporate income tax calculated in accordance with Article 345 of this Code by 100 percent for the income received from the sale of goods, works, and services resulting from the implementation of priority types of activities, unless otherwise provided for in this paragraph.

Furthermore, the provisions of the first part of this paragraph and Paragraph 5 of this Article shall not apply to income from the sale of the following construction projects, except in cases where such sales are included in the list of priority types of activities within the territory of a special economic zone whose boundaries fully or partially coincide with sections of the customs border of the EAEU:

hospitals, clinics, schools, kindergartens, museums, theaters, higher and secondary educational institutions, libraries, schoolchildren's palaces, sports complexes in accordance with the design and estimate documentation;

infrastructure, administrative and residential complexes in accordance with the design and estimate documentation.

5. A sole proprietor operating under generally established procedures within a special economic zone whose boundaries coincide fully or in part with sections of the EAEU customs border, when determining the amount of individual income tax payable to the budget, shall reduce the amount of calculated individual income tax by 100 percent on income received from the sale of goods, works, and services resulting from the implementation of priority activities.

6. An organization or sole proprietor operating within a special economic zone shall maintain separate tax records of taxable items and/or tax-related items for the purpose of calculating tax liabilities for the relevant priority activity and other activities.

7. The income of an organization or sole proprietor operating within a special economic zone from other activities not related to priority activities shall be subject to corporate income tax or individual income tax in accordance with the generally established procedure.

8. An organization operating within a special economic zone shall not have the right to apply other provisions of this Code that provide for a 100 percent reduction in corporate income tax calculated in accordance with Article 345 of this Code.

9. When determining the amount of land tax, property tax and land use fees payable to the budget for taxable items (taxable objects) used (planned for use) to service special economic and industrial zones, management companies of special economic and industrial zones shall reduce the calculated tax and fee amounts by 100 percent in the following order:

for land tax and land use fees, by applying a zero coefficient to the relevant tax rates;

for property tax, by applying a zero rate to the tax base.

10. The period for applying the 100 percent reduction in tax and/or fee amounts stipulated in paragraphs 1, 4, and 5 of this article shall depend on the categories established by the legislation of the Republic of Kazakhstan on special economic and industrial zones, but shall not exceed the term of the agreement on the implementation of activities and the period of operation of the special economic zone:

Category A – for 7 years;

Category B – for 15 years;

Category C – for 25 years.

The provisions of the first part of this paragraph shall be applied by organizations and sole proprietors operating in the territory of a special economic zone when concluding an agreement on the implementation of activities after January 1, 2024, in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones.

11. Organizations and sole proprietors operating in special economic zones shall apply the VAT taxation procedure established by Section 7 of this Code, taking into account the provisions of Chapter 48 of this Code for determining non-taxable turnover and non-taxable imports for participants in special economic zones.

VAT assessment on goods sold in special economic zones, as well as the procedure for refunding excess VAT on turnover taxed at the zero rate, shall be made as required by the procedure established by this Code, taking into account the provisions of this Section and Articles 470 and 471 of this Code.

An organization operating within the territory of a special economic zone under a special investment contract concluded with the authorized body in the field of state stimulation of industry shall be exempt from VAT on the import of:

raw materials and/or materials included in vehicles and/or agricultural machinery, as well as their components, placed under the customs procedure of a free customs zone, subject to the conditions established by subparagraph 9) of paragraph 1 of Article 479 and subparagraph 3) of paragraph 2 of Article 525 of this Code;

goods included in finished products manufactured within the territory of a special economic zone, subject to the conditions stipulated by paragraph 2 of Article 479 and paragraph 5 of Article 525 of this Code.

12. In the event of amendments and additions to the tax legislation of the Republic of Kazakhstan after the date of conclusion of the agreement on operating as a participant in a special economic zone, such organization or sole proprietor shall apply the provisions of this chapter in effect on the date of conclusion of such agreement, if such amendments and additions provide for the exclusion and/or change in the amounts of reduction applied in calculating corporate income tax, individual income tax, land tax, property tax and land use fees.

The provisions of part one of this paragraph shall apply during the term of the agreement on operating as a participant in a special economic zone, concluded in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones, but for no more than ten years from the date of entry into force of the first such amendment and/or addition.

The provisions of part one of this paragraph shall not apply in the event of unilateral termination of the agreement on operating as a participant in a special economic zone by the governing body of the special economic zone in accordance with the legislation of the Republic of Kazakhstan on special economic and industrial zones.

Chapter 81. TAX PREFERENCES FOR INVESTMENT AGREEMENTS

Article 736. Taxation of persons who have entered into an investment agreement

1. For the purposes of this Code, a party entering into an investment agreement is a legal entity that simultaneously meets the following conditions:

1) has entered into an investment agreement in accordance with the Entrepreneur Code of the Republic of Kazakhstan, which provides for tax preferences;

2) implements an investment project in the priority activity stipulated in the investment agreement.

2. An investment contract, subject to the conditions set forth in paragraph 1 of this article, may provide for the following preferences:

1) a 100 percent reduction in corporate income tax calculated in accordance with Article 345 of this Code on income from the implementation of an investment project in the priority activity specified in the investment agreement, obtained through the operation of fixed assets that were introduced as new production facilities, expanded or upgraded under the investment agreement;

2) application of a zero coefficient when calculating land tax on land plots used for the implementation of an investment project in priority activities specified in the investment agreement;

3) application of a zero percent rate to the tax base when calculating property tax on objects used to implement an investment project in priority activities defined by the investment agreement;

4) stability of the coefficient, rates, and tax reductions amount provided for in this article for the period from the date of conclusion of the agreement to the expiry date of tax preferences under the investment project.

The provisions of subparagraphs 2) and 3) of part one of this paragraph shall not apply in cases of transfer of taxable items for use, trust management, or lease.

3. The maximum period for applying the tax preferences provided for in paragraph 2 of this article:

1) for corporate income tax - shall be determined depending on the terms of the agreement in accordance with the procedure established in paragraph 4 of this article;

2) for land tax - shall commence on the first day of the month in which the agreement was concluded and shall end no later than ten consecutive years, calculated from January 1 of the year following the year in which such agreement was concluded;

3) for property tax - shall commence on the first day of the month in which the first asset is recorded as a fixed assets in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, and (or) shall end no later than eight consecutive years, calculated from January 1 of the year following the year in which the first asset is recorded as a fixed assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. The maximum period for applying corporate income tax preferences shall be determined as follows:

1) under an investment agreement on establishing new production facilities – commences on January 1 of the year in which such agreement is concluded and ends no later than ten consecutive years, which are calculated starting from January 1 of the year following the year in which the agreement was concluded;

2) under an investment agreement on expanding and/or upgrading the existing production facilities –commences on January 1 of the year following the year in which the last fixed asset producing output for the types of activity specified in the investment agreement was commissioned and ends no later than three consecutive years, which are calculated starting from January 1 of the year following the year in which the last fixed asset producing output was commissioned;

3) under an investment agreement on expanding and/or upgrading existing production facilities with the phased commissioning of fixed assets producing products in the activities defined by the investment agreement —

begins on January 1 of the year following the year in which the fixed asset producing the product is commissioned;

and

ends no later than three consecutive years, calculated starting on January 1 of the year following the year in which the fixed asset producing the product was commissioned.

The time limit applies to each fixed asset producing output by type of activities defined by the investment agreement and stipulated by the investment contract for the expansion and/or renovation of existing production facilities.

5. The term of applying investment preferences on taxes specified in paragraph 2 of this article shall be established depending on the cost of the project and the type of activity carried out by investment category, but not exceeding 10 years in accordance with the procedure determined by the investment authority in coordination with the authorized bodies in the field of state stimulation of industry, tax policy, and the authorized body in the field of ensuring receipt of tax revenues and payments to the budget.

6. A person who has entered into the investment agreement shall maintain separate tax records on taxable items and/or items related to taxation for the purpose of calculating tax liabilities for priority activities specified in the investment agreement.

7. A person who has entered into the investment agreement shall not be entitled to apply other provisions of this Code providing for a reduction in corporate income tax, the application of reduced rates and coefficients when calculating property tax and land tax.

8. If amendments and (or) additions to the tax legislation of the Republic of Kazakhstan provide for an increase in the coefficients and (or) rates applied in calculating land tax and (or) property tax, or a change in the amount of the reduction in calculating corporate income tax, the person who has entered into an investment agreement shall determine tax liabilities for activities within the framework of the investment project using the coefficients and (or) rates, and shall also apply the amount of the reduction in calculating corporate income tax, which were in effect on the date of the conclusion of the investment agreement.

9. In the event of early termination of an investment agreement, tax preferences and the guarantee of stability of the tax legislation of the Republic of Kazakhstan shall be revoked from the date of its conclusion.

In the case specified in the first part of this paragraph, the taxpayer shall be obliged to submit additional tax reports for the tax periods from the date of conclusion of the investment agreement to the date of its termination inclusive, no later than thirty calendar days from the date of termination of the investment agreement.

Article 737. Taxation of persons who have entered into an investment commitment agreement

1. For the purposes of this Code, a party that has entered into an investment commitment agreement is a legal entity that simultaneously meets the following requirements:

1) has entered into an investment commitment agreement with the Government of the Republic of Kazakhstan in accordance with the Entrepreneur Code of the Republic of Kazakhstan;

2) is a commodity producer, with the exception of subsoil users extracting hydrocarbon minerals and producers of petroleum products. For the purposes of this chapter, a commodity producer is defined as a legal entity whose total annual income for the year preceding the year of filing an application for an investment commitment agreement consists of at least seventy percent of its income from the sale of its own goods or from the sale of minerals extracted by such party and/or products obtained as a result of the processing of minerals by such party;

3) is a large or medium-sized business entity in accordance with the Entrepreneur Code of the Republic of Kazakhstan;

4) does not engage in the production of excisable goods;

5) does not apply special tax regimes.

2. Unless otherwise provided by paragraph 3 of this article, the calculation of taxes and payments to the budget by taxpayers who have concluded an investment commitment agreement in accordance with the Entrepreneur Code of the Republic of Kazakhstan shall be carried out in accordance with the tax regime in effect at the time of conclusion of the said agreement, for a period of ten years starting from January 1 of the year in which such agreement was concluded (guarantee of stability of the tax legislation of the Republic of Kazakhstan).

3. A taxpayer (tax agent) who has entered into an investment commitment agreement in accordance with the Entrepreneur Code of the Republic of Kazakhstan shall calculate the tax liability in accordance with the tax regime in effect at the time of the emergence of such liability for the following taxes and payments to the budget:

value added tax;

excise tax;

environmental impact tax;

individual income tax;

corporate income tax withheld at source.

4. In the event of early termination of the investment commitment agreement, the guarantee of stability of the tax legislation of the Republic of Kazakhstan, stipulated by paragraph 2 of this article, shall be cancelled from the date of its conclusion, except for the case stipulated by part three of this paragraph.

In the case specified in part one of this paragraph, the taxpayer shall be obligated, no later than thirty calendar days from the date of termination of the investment commitment agreement, to submit additional tax reporting for tax periods starting from the date of conclusion of this agreement to the date of its termination inclusive.

If, at the time of termination of the investment commitment agreement, at least ninety percent of the amount stipulated by the Entrepreneur Code of the Republic of Kazakhstan for such agreements has been financed, the guarantee of stability of the tax legislation of the Republic of Kazakhstan stipulated by paragraph 2 of this article shall be cancelled from January 1 of the year in which the investment commitment agreement is terminated.

5. In the event of the cancellation of certain types of taxes and payments to the budget that were in effect at the time of the conclusion of the investment commitment agreement, the taxpayer shall continue to pay them to the budget in the manner and amounts stipulated by the tax legislation of the Republic of Kazakhstan that was in effect at the time of the conclusion of such agreement.

Note!

Chapter 82 is in effect until 01.01.2029 in accordance with subparagraph 3) of paragraph 2 of Article 848 of this Code.

Chapter 82. TAX PREFERENCES FOR ASTANA HUB PARTICIPANTS

Article 738. Taxation of Astana Hub participants

1. Astana Hub participants that meet the requirements set forth in Article 17 of this Code shall apply the following tax preferences:

1) a 100 percent reduction in the calculated amount of corporate income tax in accordance with the procedure established by paragraph 1 of this chapter;

2) exemption from VAT on turnover from the sale of goods produced and sold by Astana Hub participants, in accordance with subparagraph 33) of Article 474 of this Code;

3) exemption from VAT on turnover from the sale of works and services performed by Astana Hub participants, in accordance with subparagraph 34) of Article 474 of this Code;

4) exemption from VAT on the import of imported goods in accordance with subparagraph 11) of paragraph 1 of Article 479 of this Code;

5) exclusion from the object of taxation of social tax of income of employees – participants of the Astana-Hub in accordance with subparagraph 3) of paragraph 2 of Article 556 of this Code.

2. The specifics of calculating and withholding corporate income tax and individual income tax on non-residents' income from sources in the Republic of Kazakhstan, for which the obligations to calculate, withhold, and pay arise for Astana Hub participants, are provided for in Section 15 of this Code.

3. Work performed or services rendered by a non-resident for a fee, the place of sale of which is the Republic of Kazakhstan, acquired by an Astana Hub participant who is a VAT payer, shall not be considered turnover from the acquisition of works or services from a non-resident in accordance with the conditions stipulated in subparagraph 3) of paragraph 3 of Article 454 of this Code.

4. When calculating individual income tax on employee income subject to taxation at the source of payment, a reduction shall be applied in accordance with subparagraph 3) of Article 429 of this Code to the income of employees who are Astana Hub participants.

Paragraph 1. Procedure for reducing corporate income tax for Astana Hub participants

Article 739. General Provisions

1. When determining the amount of corporate income tax payable to the budget, Astana Hub participants shall reduce the amount of corporate income tax calculated in accordance with Article 345 of this Code by 100 percent on:

1) income from intellectual property – in accordance with the procedure established by Article 740 of this Code;

2) income from the provision of IT services – in accordance with the procedure established by Article 741 of this Code;

3) income not specified in subparagraphs 1) and 2) of this paragraph – in the amount of the calculated corporate income tax.

2. For the purposes of this chapter, intellectual property shall mean software protected by the Law of the Republic of Kazakhstan On Copyright and Related Rights, as well as inventions, utility models, or industrial designs in information technology in accordance with the Patent Law of the Republic of Kazakhstan, which are the result of the implementation of priority activities provided for Astana Hub participants.

3. The procedure for accounting for losses on intellectual property when implementing priority activities by Astana Hub participants is established by Article 343 of this Code.

4. In the event of a taxpayer's non-compliance with the conditions established for Astana Hub participants by Article 17 of this Code, such taxpayer shall apply the generally established taxation procedure from the start date of the tax period in which the violation occurred.

5. An Astana Hub participant shall not have the right to apply other provisions of this Code that provide for a 100 percent reduction in corporate income tax calculated in accordance with Article 345 of this Code.

Article 740. Reduction of corporate income tax on income from intellectual property

1. Income from intellectual property items by Astana Hub participants is determined in the existence of exclusive property rights of the copyright holder to intellectual property objects and consists of the following income:

1) income from the sale of intellectual property;

2) income from the sale of goods incorporating intellectual property;

3) royalties on intellectual property;

4) compensation awarded for infringement of the rights of the copyright holder and patent holder to intellectual property;

5) other income from intellectual property related to its use, including income from advertising placement and from additional services integrated into the intellectual property.

For international business transactions and transactions concluded within the Republic of Kazakhstan that are directly related to international business transactions, income from intellectual property is determined in accordance with the Law of the Republic of Kazakhstan On Transfer Pricing.

2. The amount of the corporate income tax reduction for income from intellectual property shall be determined as the product of the amount of income from intellectual property specified in paragraph 1 of this article and the correlation coefficient established in paragraph 3 of this article.

3. The correlation coefficient shall be determined using the following formula:

$$C = \frac{(Pex + Ex\ outsourcing\ 1) * 1{,}3}{Pex + Ex\ outsourcing\ 1 + Ex\ outsourcing\ 2 + Acex}$$

where:

C –is a correlation coefficient;

Pex – expenses of Astana Hub participant related to intellectual property, excluding expenses specified in Acex indicator;

Ex outsourcing 1 – outsourcing expenses with parties that are unrelated parties.

For the purposes of this chapter, outsourcing shall mean the transfer to third parties of certain functions necessary for the intellectual property creation;

Ex outsourcing 2 – outsourcing expenses with related parties located outside the Republic of Kazakhstan;

Acex -acquisition expenses for the acquisition of intellectual property.

When determining the amount of corporate income tax reduction on income from intellectual property, if the interrelatedness coefficient is more than 1, a coefficient of 1 is used for the calculation.

Article 741. Reduction of corporate income tax on income from IT services

1. Income from the provision of IT services includes income received by Astana Hub participants as a result of the following priority activities:

1) services related to research, analysis, design, adaptation, and configuration of software;

2) technical support services;

3) software testing services;

4) software user training services.

2. A 100 percent corporate income tax reduction on income from the provision of IT services is applied by an Astana Hub participant if the following requirements are met:

1) the agreement (contract) for the provision of IT services does not conflict with the requirements of the legislation of the Republic of Kazakhstan;

2) employment contracts with employees are concluded in accordance with the Labor Code of the Republic of Kazakhstan;

3) the number of employees of the Astana Hub participant allows for the provision of IT services, the income from the sale of which is eligible for the corporate income tax reduction;

4) the employees of the Astana Hub participant have the necessary qualifications and/or work experience, and/or experience to provide IT services, the income from the sale of which is eligible for the corporate income tax reduction;

5) the volume of expenses incurred by the Astana Hub participant corresponds to the actual volume of expenses required to provide the IT service, the income from the sale of which is eligible for the corporate income tax reduction.

Compliance with the conditions specified in subparagraphs 3), 4) and 5) of part one of this paragraph shall be established in the manner determined by the information technology authority in agreement with the central authorized state planning body and the authorized body.

Chapter 83. TAXATION SPECIFICS OF SUBSOIL USERS UNDER COMPLEX PROJECTS

Article 742. Taxation specifics of subsoil users under contracts for exploration and production or production of hydrocarbons under complex projects (except for onshore gas projects)

1. Subsoil users who have entered into a contract for exploration and production or production of hydrocarbons under complex projects (except for onshore gas projects) shall apply the tax calculation procedures applicable to subsoil users under contracts for the exploration and production or the production of hydrocarbons under complex projects (except for onshore gas projects), with regard to the provisions established by Article 756 of this Code.

2. For subsoil users under contracts for exploration and production or hydrocarbon production under complex projects (except for onshore gas projects), the following special provisions are provided for when calculating corporate income tax:

1) recognition of total annual income;

2) determination of the amounts of deductions for expenses on geological survey, exploration, and preparatory work for the extraction of natural resources, including increased depreciation rates and application of conditional coefficients to expenses;

3) accounting for fixed assets, including the procedure of accounting for acquired and disposed fixed assets and depreciation rates for fixed assets;

4) recognition by the property tax payer within the framework of contractual activities.

Article 743. Taxation specifics of subsoil users under complex onshore gas projects

1. Subsoil users developing onshore gas projects under the legislation of the Republic of Kazakhstan on subsoil and subsoil use, when determining the amount of corporate income tax payable to the budget under such a contract, shall reduce the amount of corporate income tax calculated in accordance with Article 345 of this Code by 100 percent.

2. The reduction of the amount of corporate income tax calculated under the contract by 100 percent shall be made taking into account the provisions stipulated in paragraph 4 of Article 756 of this Code.

Chapter 84. TAXATION OF PERSONS WHO HAVE CONCLUDED AN AGREEMENT ON SOLID MINERALS PROCESSING

Article 744. General provisions

1. For the purposes of this Code, a person who has entered into an agreement on the solid minerals processing is a legal entity that meets all of the following requirements:

1) in accordance with the Code of the Republic of Kazakhstan On Subsoil and Subsoil Use has entered into an agreement on the processing of solid minerals with a state body authorized by the Government of the Republic of Kazakhstan to enter into such an agreement, providing for tax preferences;

2) does not produce excisable goods;

3) does not apply special tax regimes.

2. In the event of early termination of the agreement on the solid minerals processing, tax preferences shall be revoked from the date of its conclusion, except in the case provided for in part three of this paragraph.

In the case specified in the first part of this paragraph, the taxpayer shall be obliged to submit additional tax reports for the tax periods from the date of conclusion of the agreement on the solid minerals processing to the date of its termination inclusive, no later than thirty calendar days from the date of termination of the agreement.

If, at the time of the investment agreement termination at least ninety percent of the amount, provided for in the Code of the Republic of Kazakhstan On Subsoil and Subsoil Use for such agreements has been financed, the tax preferences provided for in Article 745 of this Code shall be cancelled from January 1 of the year in which the agreement on the processing of solid minerals is terminated.

Article 745. Taxation of persons who have entered into an agreement on solid minerals processing

1. An agreement on solid minerals processing, subject to the conditions stipulated by Article 744 of this Code, may provide for the following preferences:

1) a 100 percent reduction in corporate income tax calculated in accordance with Article 345 of this Code on income from the activities defined by the agreement on the processing of solid minerals, obtained through the operation of fixed assets that were introduced as new production facilities under the agreement on solid minerals processing;

2) application of a zero coefficient when calculating land tax on land plots used for the implementation of the agreement on the processing of solid minerals;

3) application of a zero percent rate to the taxable base when calculating property tax on objects used for the implementation of the agreement on the processing of solid minerals;

4) exemption from VAT on the import of technological equipment, components and spare parts for it, used exclusively in the implementation of activities under the agreement on solid minerals processing according to the list of technological equipment, components and spare parts for it.

2. The maximum period for applying subparagraph 1) of paragraph 1 of this article under the agreement on solid minerals processing shall commence on January 1 of the year in which

such an agreement was concluded and shall end no later than ten consecutive years, calculated from January 1 of the year following the year in which the agreement was concluded.

3. The time limit for applying subparagraph 2) of paragraph 1 of this article under an agreement on solid minerals processing shall commence on the first day of the month in which the agreement was concluded and shall end no later than ten consecutive years, calculated from January 1 of the year following the year in which such agreement was concluded.

4. The time limit for applying subparagraph 3) of paragraph 1 of this Article under the agreement on solid minerals processing shall commence on the 1st day of the month in which the first asset was recorded as fixed assets in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, and (or) end no later than eight consecutive years, which are calculated starting from January 1 of the year following the year in which the first asset was recorded as fixed assets in accordance with international financial reporting standards and (or) the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

5. A person who has entered into an agreement on solid minerals processing shall maintain separate tax records of taxable items and (or) tax-related items for the purpose of calculating tax liabilities.

SECTION 18. RENT TAX ON EXPORT Chapter 85. RENT TAX ON EXPORT

Article 746. Payers

Payers of the rent tax on export are individuals and legal entities selling crude oil and crude petroleum products for export, with the exception of export volumes of crude oil and gas condensate extracted by:

subsoil users under contracts specified in paragraph 1 of Article 755 of this Code;

Note!

The effect of the third paragraph of the first part of Article 746 is suspended until 01.01.2027, by this Code of the Republic of Kazakhstan and during the suspension this paragraph shall apply as amended by Article 835.

subsoil users who are payers of the mineral extraction tax on hydrocarbons or the alternative subsoil use tax.

For the purposes of this section, crude oil and crude petroleum products are goods classified under subheading 2709.00 of the Unified Commodity Nomenclature of Foreign Economic Activity of the EAEU.

Article 747. Taxable item

The object of taxation by the rent tax on export is the volume of crude oil and crude petroleum products sold for export, with the exception of volumes of minerals sold for export,

that are transferred by a subsoil user in kind to fulfill a tax obligation and sold by the recipient on behalf of the state or by a person authorized by the recipient on behalf of the state for such sale. For the purposes of this section and Section 19 of this Code, export shall mean:

1) exportation of goods from the territory of the Republic of Kazakhstan, carried out under the customs procedure for export in accordance with the customs legislation of the EAEU and/or the customs legislation of the Republic of Kazakhstan;

2) exportation of goods from the territory of the Republic of Kazakhstan to the territory of another EAEU member state;

3) the sale in the territory of another EAEU member state of processed raw materials previously exported from the territory of the Republic of Kazakhstan to the territory of an EAEU member state for processing.

To calculate the rent tax on export, the volume of crude oil and crude petroleum products is determined as follows:

export sales of crude oil and crude petroleum products outside the customs territory of the EAEU – as the volume of crude oil and crude petroleum products indicated in column 35 of the complete goods declaration used to calculate customs duties, other payments levied by customs authorities, or other customs purposes in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan;

the sale for export of crude oil and crude petroleum products to the territory of another EAEU member state – as the volume of crude oil and crude petroleum products indicated in the acceptance certificate of goods to the transport organization on the territory of the Republic of Kazakhstan at the beginning of the export route for the delivery of such crude oil and crude petroleum products for export.

Article 748. Calculation Procedure

1. The tax base for calculating the export rent tax on crude oil and crude petroleum products shall be the value of the exported crude oil and crude petroleum products, calculated on the basis of the actual volume of crude oil and crude petroleum products sold for export and the world price, calculated in accordance with the procedure specified in paragraph 3 of Article 776 of this Code. For crude oil and crude petroleum products, the world price is determined based on the world price of crude oil.

To determine the world price of crude oil for calculating the rent tax on export, the units of measurement are converted from a barrel to a metric ton on the basis of a weighted average ton-to-barrel conversion factor using the following formula:

C av.barr. = (V1 x C barr.1 + V2 x C barr.2... + Vn x C barr.n)/V tot.sale,

where:

C av. bar. –is weighted average ton-to-barrel conversion factor calculated to four decimal places;

V1, V2, ... Vn - the volumes of each batch of crude oil and crude oil products sold for export for a taxable period;

C barr.1, C barr.2 ... + Cbarr.n – ton-to-barrel conversion factors specified in the quality certificate of each relevant batch, registered using the readings of the meter of a delivery and acceptance point of crude oil and crude oil products of a transport organization, at the beginning of the export route in the territory of the Republic of Kazakhstan. In this case, ton-to-barrel conversion factors shall be set with account of actual density and temperature of exported crude oil and crude oil products, adjusted to standard measurement conditions in accordance with the national standard approved by the authorized agency for standardization;

n - the number of batches of crude oil and crude oil products sold for export in a taxable period;

V tot.sale - total volume of crude oil and crude oil products sold for export for a taxable period.

2. The cash payment of the rent tax on crude oil and gas condensate exports may be replaced by a payment in kind by a decision of the Government of the Republic of Kazakhstan, in accordance with the procedure determined by a supplementary agreement concluded between the authorized state body and the taxpayer.

The procedure for paying the rent tax on crude oil and gas condensate exports in kind is established by Article 819 of this Code.

Article 749. Rental tax rates on export

When exporting crude oil and crude oil products, the rental tax on export is calculated at the following rates:

№ n/n	World price	Rate, %
1	2	3
1.	Up to 20 USD per barrel icl.	0
2.	Up to 30 USD per barrel icl.	0
3.	Up to 40 USD per barrel icl.	0
4.	Up to 50 USD per barrel icl.	7
5.	Up to 60 USD per barrel icl.	11
6.	Up to 70 USD per barrel icl.	14
7.	Up to 80 USD per barrel icl.	16
8.	Up to 90 USD per barrel icl.	17
9.	Up to 100 USD per barrel icl.	19
10.	Up to 110 USD per barrel icl.	21
11.	Up to 120 USD per barrel icl.	22
12.	Up to 130 USD per barrel icl.	23
13.	Up to 140 USD per barrel icl.	25
14.	Up to 150 USD per barrel icl.	26
15.	Up to 160 USD per barrel icl.	27
16.	Up to 170 USD per barrel icl.	29
17.	Up to 180 USD per barrel icl.	30
18.	Up to 190 USD per barrel icl.	32

19.	Up to 200 USD per barrel and more	32

Article 750. Taxable period

A taxable period for the rent tax on export is a calendar quarter.

If the dates for issuing temporary and full customs declarations of goods fall on different taxable periods, the obligations to pay the rent tax on export arises in the taxable period, which includes the time period indicated in the temporary and complete declarations of goods , during which crude oil and crude oil products are delivered under the customs export procedure in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan.

Article 751. Due dates for payment

The taxpayer is required to pay the assessed tax amount to the budget no later than the 25th day of the second month following the taxable period.

Article 752. Tax declaration

The export rent tax declaration shall be submitted to the tax authority at the taxpayer's location no later than the 15th day of the second month following the tax period.

SECTION 19. TAXATION OF SUBSOIL USERS Chapter 86. GENERAL PROVISIONS

Article 753. Relations regulated by this section

1. When conducting subsoil use operations under subsoil use contracts concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan, subsoil users shall pay all taxes and payments to the budget established by this Code.

2. This section establishes the procedure for fulfilling tax obligations for special payments and taxes of subsoil users, as well as the specifics of fulfilling tax obligations on activities carried out under a production sharing agreement (contract).

3. Special payments and taxes for subsoil users include:

1) signature bonus;

2) payment to recover historical costs;

3) alternative subsoil use tax;

4) royalties;

5) share of the Republic of Kazakhstan in production sharing;

6) mineral extraction tax;

7) excess profit tax.

4. The procedure for classifying hydrocarbon deposits (groups of deposits, parts of deposits) as low-profit, their list, and taxation procedure in terms of mineral extraction tax shall be determined by the Government of the Republic of Kazakhstan.

The criteria for classifying a deposit (group of deposits under a single subsoil use contract , part of a deposit) of solid minerals as low-profit, as well as the procedure for determining the level of profitability and the internal rate of return, shall be determined by the Government of the Republic of Kazakhstan.

5. Fulfillment of tax obligations under contracts for the extraction or exploration and extraction of hydrocarbons in a subsoil plot(s) located entirely in Kazakhstan sector of the Caspian Sea, and/or subsoil plots with a depth of the upper point of hydrocarbon deposits, specified in the mining allotment or contract for the extraction or exploration and extraction of hydrocarbons in the absence of a mining allotment, of no more than 4,500 meters and a depth of the lower point of hydrocarbon deposits, specified in the mining allotment or contract for the extraction or exploration and extraction of hydrocarbons in the absence of a mining allotment, of 5,000 meters and below may be carried out by calculating and paying an alternative subsoil use tax instead of a payment for the recovery of historical costs, mineral extraction tax and excess profit tax.

Article 754. Specifics of tax obligations fulfillment by subsoil users

1. Tax liabilities on taxes and payments to the budget for activities under a subsoil use contract shall be calculated in accordance with the tax legislation of the Republic of Kazakhstan in effect at the time of the emergence of the obligations to pay them, except for the cases specified in paragraph 1 of Article 755 and Article 756 of this Code.

2. A non-resident subsoil user carrying out activities under a subsoil use contract shall be subject to additional taxation in accordance with Articles 688–691 of this Code.

3. The fulfillment of tax obligations for activities under a subsoil use contract does not exempt the subsoil user from fulfilling tax obligations for activities outside the scope of the subsoil use contract, in accordance with the tax legislation of the Republic of Kazakhstan in effect on the date of the tax obligation emergence.

4. Individuals with the subsoil use right shall fulfill tax obligations on activities carried out under such right, on special payments and taxes of subsoil users and maintaining separate tax accounting in the manner prescribed for subsoil users that are legal entities.

Article 755. Specifics of tax obligations fulfillment by certain subsoil users

1. The tax regime defined in a production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or a competent authority and a subsoil user before January 1, 2009 and which has undergone mandatory tax review, also in a subsoil use contract approved by the President of the Republic of Kazakhstan, shall be retained for taxes and payments to the budget for which, in accordance with the provisions of such an agreement (contract), the stability of the tax regime is expressly provided for, shall apply exclusively to the parties to such an agreement (contract), as well as to operators during the entire established period of its validity, shall not apply to persons who are not parties to such an agreement (contract) or operators, and may be changed by mutual agreement of the parties.

Tax obligation on taxes subject to withholding at the source of payment, in relation to which the subsoil user acts as a tax agent, shall be fulfilled in accordance with the tax legislation of the Republic of Kazakhstan in effect at the time the obligation to pay them arises, regardless of the presence in the production sharing agreement (contract) concluded

between the Government of the Republic of Kazakhstan or the competent authority and the subsoil user before January 1, 2009 and which has undergone mandatory tax expertise, and the subsoil use contract approved by the President of the Republic of Kazakhstan, the provisions regulating the procedure for taxation of taxes withheld at the source of payment.

In the event of cancellation of certain types of taxes and payments to the budget provided for by the tax regime of the production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or the competent authority and the subsoil user before January 1, 2009 and which has undergone mandatory tax examination, as well as the tax regime of the subsoil use contract approved by the President of the Republic of Kazakhstan, the subsoil user shall continue to pay them to the budget in the manner and amounts established by the production sharing agreement (contract) and (or) the subsoil use contract, until the expiration of their term or the introduction of appropriate amendments and additions in the manner determined by the legislation of the Republic of Kazakhstan.

2. If the definition of an operator is provided for by the production sharing agreement (contract) concluded between the Government of the Republic of Kazakhstan or a competent authority and a subsoil user before January 1, 2009 and which has undergone mandatory tax expertise, and the tax obligation under this agreement (contract) is fulfilled by the operator, then such operator shall fulfill the tax obligation under the said agreement (contract) in accordance with the tax regime in effect with respect to the parties to this agreement (contract) in accordance with paragraph 1 of this article.

3. The tax liability of the parties to a simple partnership (consortium) under a production sharing agreement (contract) may be fulfilled in one of the following ways:

1) the tax liability of a party to a simple partnership (consortium) shall be fulfilled independently or by the operator on behalf of and at the direction of such party only for the portion of the liability attributable to the said party. In this case, the details of the party to the simple partnership (consortium) shall be indicated in tax forms as the taxpayer, and the details of the operator as the authorized representative;

2) the tax liability of the parties to a simple partnership (consortium) is fulfilled by the operator in a consolidated form for the activities carried out under the production sharing agreement (contract), if stipulated by the provisions of the production sharing agreement (contract). In this case, the operator shall prepare and submit tax forms in accordance with the procedure set forth in Chapter 9 of this Code, indicating the operator's details as the taxpayer's details.

4. If, in the course of subsoil use operations, the operator incurs tax obligations as a taxpayer (tax agent) in accordance with the requirements of the tax legislation of the Republic of Kazakhstan, such tax obligations shall be fulfilled by the operator independently.

Article 756. Fulfillment of tax obligations on contracts for exploration and production or production of hydrocarbons under complex projects

1. On contracts for exploration and production or extraction of hydrocarbons under complex projects, the provisions of paragraph 5 of Article 305, paragraph 5 of Article 277, paragraph 5 of Article 280, subparagraph 5) of the first part of paragraph 3 of Article 588, Article 743, the second part of paragraph 2 of Article 813, and the second part of Article 814 of this Code shall apply in accordance with the tax legislation of the Republic of Kazakhstan effective on the date of signing the relevant subsoil use contract.

2. In the event of cancellation of taxes and payments to the budget on which the tax obligations are fulfilled in accordance with paragraph 1 of this article, subsoil users under contracts for exploration and production or production of hydrocarbons under complex projects (with the exception of onshore gas projects) shall continue to fulfill tax obligations for the relevant taxes and payments in accordance with the tax legislation of the Republic of Kazakhstan in effect on the date of signing the relevant contract, until the expiration of such contract or introduction of appropriate amendments and additions thereto by consent of the parties.

3. In the event of termination (including early termination) of a contract for exploration and production or production of hydrocarbons under complex projects (except for onshore gas projects), the consequences established by the relevant contract shall apply. In this case, the subsoil user under such contracts shall not pay amounts of taxes or payments not paid to the budget due to exemptions, benefits, or other exemptions provided under the contract. Following the termination (including early termination) of a contract for exploration and production or production of hydrocarbons under complex projects, tax obligations shall be fulfilled in accordance with the tax legislation of the Republic of Kazakhstan in effect on the date the tax obligation arose, beginning with the tax period following the date of termination of such contract.

4. The provisions of paragraph 5 of Article 277, paragraph 5 of Article 280, paragraph 5 5 of Article 305, subparagraph 1) of paragraph 1 of Article 306, subparagraph 5) of the first part of paragraph 3 of Article 588, Article 743, the second part of paragraph 2 of Article 813 and the second part of Article 814 of this Code shall be applied by the subsoil user from the date of registration of the contract for exploration and production or production of hydrocarbons under complex projects, and for subsoil use contracts concluded before December 31, 2022 - from the date of registration of the supplement to the contract for exploration and production or production of hydrocarbons, envisaging restatement of such contract in a new version in accordance with the standard contract for exploration and production or production of hydrocarbons under complex projects, until the expiration of twenty calendar years from the date of the start of the export of minerals extracted under the relevant subsoil use contract.

Article 757. Features of separate tax accounting on subsoil use operations

1. A subsoil user is required to maintain separate tax accounting records to calculate tax liabilities for activities under each subsoil use contract, also for the development of low-profit

, high-viscosity, water-flooded, low-yield, or depleted fields (groups of fields, parts of fields, provided that activities are carried out on such a group of fields, parts of fields under a single contract) in the case of calculating taxes and payments to the budget for such a deposit (group of deposits, part of a deposit, provided that activities are carried out on such a group of deposits, part of a deposit under a single contract) in accordance with procedures and at rates that differ from those established by this Code.

2. The provisions of this article on maintaining separate tax records shall not apply to contracts for the exploration and (or) extraction of common minerals, non-metallic solid minerals indicated in line 13 of the table provided in subparagraph 1) of paragraph 1 of Article 781 of this Code, groundwater, therapeutic mud, also to the construction and (or) operation of underground structures unrelated to exploration and (or) extraction, with the exception of the requirements for maintaining separate tax records for the calculation and fulfillment of the tax liability for mineral extraction tax under these contracts.

Operations under subsoil use contracts referred to in the first part of this paragraph, which are part of activities under contracts for the exploration and/or production of hydrocarbons or solid minerals, are subject to tax accounting under the relevant contract for the exploration and/or production of hydrocarbons or solid minerals, taking into account the subsoil user's separate tax accounting. In this case the subsoil user is obligated to reflect in its tax accounting policy the procedure for allocating expenses for such operations to the relevant contracts and/or non-contractual activities.

3. Separate tax accounting for taxable items and/or items related to taxation shall be maintained by the subsoil user on the basis of accounting documentation in accordance with the approved tax accounting policy and taking into account the provisions established by this article.

The procedure for separate tax accounting shall be developed by the subsoil user independently and approved in the tax accounting policy (accounting policy section).

In the absence of a separate tax accounting procedure in the tax accounting policy and/or if such a procedure does not comply with the taxation principles, the tax authorities shall determine the taxpayer's tax liabilities in accordance with subparagraph 1) of paragraph 12 of this article during the course of tax control.

The provisions of this paragraph shall also apply to the authorized representative of the parties to a simple partnership (consortium) responsible for maintaining consolidated tax accounting in accordance with paragraph 2 of Article 216 of this Code.

4. On contract activities separate tax accounting shall be maintained for the following taxes and payments to the budget:

1) corporate income tax;

2) subscription bonus;

3) payment to recover historical costs;

4) mineral extraction tax;

5) excess profit tax;

6) alternative subsoil use tax;

7) other taxes and payments to the budget calculated in a manner different from that established by this Code, based on the tax regime for subsoil use contracts specified in paragraph 1 of Article 755 and Article 756 of this Code.

5. When maintaining separate tax records for calculating tax liabilities, the subsoil user shall:

1) reflect in the tax records of taxable items and/or tax-related items for the calculation of taxes and payments to the budget specified in paragraph 4 of this Article, for each subsoil use contract separately from non-contractual activities;

2) calculate taxes and payments to the budget not specified in paragraph 4 of this Article, as well as corporate income tax for all activities of the subsoil user in general;

3) file tax reports on taxes and payments to the budget specified in paragraph 4 of this Article, with the exception of tax reports on corporate income tax, for each subsoil use contract;

4) file a single declaration on corporate income tax for the entire activities of the subsoil user and the relevant attachments thereto, for each subsoil use contract;

5) file tax reports on taxes and payments to the budget not specified in paragraph 4 of this article – in general for all activities of the subsoil user.

6. When calculating corporate income tax for the subsoil user's overall activities, losses incurred under a specific subsoil use contract are not taken into account. The subsoil user has the right to offset these losses only against income received from activities under such specific subsoil use contract in subsequent tax periods, subject to the provisions of Article 339 of this Code.

However, losses incurred by a subsoil user under a license for geological exploration of subsoil may be offset against income received from the sale of geological information for five consecutive years from the date of its transfer to the authorized body for subsoil study (confidentiality period) in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

7. For the purposes of maintaining separate tax accounting, income from contractual activities shall include income from the write-off by a strategic partner of the obligation of a national subsoil use company or a legal entity, shares (participatory interests) of which are directly or indirectly owned by such a national subsoil use company, for investment financing (including remuneration) in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

8. The taxpayer's income and expenses for the processing of man-made mineral formations shall be accounted for in tax accounting on non-contractual activities.

9. For the purposes of this section, the following terms shall have the following meanings:

1) total income and expenses – the income and expenses of the subsoil user for the reporting tax period, including income and expenses related to general fixed assets that are associated with the performance of contractual and non-contractual activities and do not have a direct causal link to a specific subsoil use contract and/or non-contractual activity, and require distribution between them according to the relevant share;

2) general fixed assets – fixed assets that are related to the contractual and non-contractual activities and, due to the specifics of their use, do not have a direct causal relationship with a specific contract for subsurface use and (or) non-contractual activities;

3) indirect income and expenses – income and expenses of a subsurface user of the reporting tax period, including income and expenses on fixed assets that have a direct causal relationship with several subsurface use contracts and are subject to distribution only among such subsurface use contracts according to the corresponding share;

4) indirect fixed assets are fixed assets that, due to the specifics of their use, have a direct causal relationship only with subsurface use contracts;

5) production cost of extraction, primary processing (enrichment) of mineral raw materials, preparation of hydrocarbons – production costs determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, directly related to the extraction, primary processing (enrichment) of mineral raw materials, preparation of hydrocarbons, with the exception of:

costs of storage, transportation, and sale of minerals;

other expenses not directly related to the extraction, primary processing (enrichment) of mineral raw materials, and preparation of hydrocarbons;

administrative expenses that are not included in the cost of inventories in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

borrowing costs;

6) direct income and expenses – income and expenses of a subsurface user of the reporting tax period, including income and expenses on fixed assets that have a direct causal relationship with a specific subsurface use contract or non-contractual activities.

10. For the purpose of maintaining separate tax accounting of taxable objects and (or) objects related to taxation, all income and expenses of a subsurface user are divided into direct, indirect and general.

The classification of income and expenses into direct, indirect and general is carried out by the subsurface user independently based on the specifics of the activity.

Direct income and expenses should be attributed in full only to those contractual or non-contractual activities with which they have a direct causal relationship.

Total income and expenses are subject to distribution between contractual and non-contractual activities and, in an appropriate proportion, relate to the income and expenses of the contract and non-contractual activities with which they have a causal relationship.

Indirect income and expenses are subject to distribution only between subsurface use contracts and, in an appropriate proportion, relate to the income and expenses of the contract with which they have a causal relationship.

The distribution of general and indirect income and expenses shall be carried out in accordance with the methods established by paragraph 12 of this article and subject to the provisions of paragraph 11 of this article.

11. For general and indirect fixed assets, expenses incurred by the subsurface user on these fixed assets, including depreciation and subsequent expenses, are subject to distribution between the subsurface use contract(s) and non-contractual activities.

The total amount of deduction for such remuneration, determined in accordance with Article 263 of this Code, is subject to distribution for general and indirect remuneration expenses.

If the exchange rate difference cannot be attributed by direct causation to the contractual and (or) non-contractual activities of the subsurface user, the final (net) result obtained for the tax period in the form of an excess of the amount of the positive exchange rate difference over the amount of the negative exchange rate difference or an excess of the amount of the negative exchange rate difference over the amount of the positive exchange rate difference is subject to the exchange rate difference.

Taxes subject to deduction for general and indirect taxable objects and (or) tax-related objects shall be distributed in accordance with the methods established by paragraph 12 of this Article, without appropriate distribution of the taxable objects themselves and (or) tax-related objects.

12. The distribution of general and indirect income and expenses for each contractual activity is carried out by the subsurface user independently, taking into account the specifics of the activity or conduct of subsurface use operations on the basis of one or more separate tax accounting methods adopted by the subsurface user in the tax accounting policy, including :

1) according to the specific weight of direct income attributable to each specific contract for subsurface use and non-contractual activities, in the total amount of direct income received by the subsurface user during the tax period;

2) according to the specific weight of the volume of mining for each specific contract for subsurface use in the total volume of mining for all contracts for subsurface use of the taxpayer;

3) according to the specific weight of direct expenses incurred for each specific contract for subsurface use and non-contractual activities, in the total amount of direct expenses incurred by the subsurface user during the tax period;

4) according to the specific weight of expenses incurred under one of the following items: direct production costs, payroll, or the value of fixed assets attributable to each specific contract for subsurface use and non-contractual activities, in the total amount of expenses under this item incurred by the subsurface user during the tax period;

5) by the proportion of the average number of employees involved in contractual activities to the total average number of employees of the subsurface user;

6) by the specific weight of the volume of approved reserves for each subsurface use contract in the total volume of approved reserves for all subsurface use contracts;

7) other methods.

In relation to different types of general and indirect income and expenses, different methods of their distribution may be applied, as set out in this paragraph.

At the end of the relevant tax period, the applied methods of distribution of general and indirect income and expenses are not subject to change for the specified tax period.

For a more accurate distribution of total and (or) indirect income and expenses, the specific weight value obtained as a result of using one of the above methods is determined by the subsurface user as a percentage of up to one hundredth (0.01%).

13. Unless otherwise established by this paragraph, for the purposes of maintaining separate tax accounting when calculating corporate income tax by a subsurface user on contractual activities for each individual subsurface use contract, income from the sale of extracted hydrocarbons and (or) mineral raw materials that have undergone only primary processing (enrichment) is determined based on the price of their sale, taking into account compliance with the legislation of the Republic of Kazakhstan on transfer pricing, but not below the production cost of the extracted hydrocarbons (including the preparation of hydrocarbons), mineral raw materials and (or) marketable products obtained as a result of the preparation of hydrocarbons or the primary processing (enrichment) of mineral raw materials, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

If, in accordance with the legislation of the Republic of Kazakhstan on gas and gas supply , crude gas, including processed gas, is purchased by a national operator under the pre-emptive right of the state, the income from the sale of such crude gas, including processed gas, is determined by the subsurface user in accordance with Article 239 of this Code.

When a subsurface user sell extracted oil for export, if the world price of oil at the date of sale of such oil is lower than the production cost of such oil, the income from the sale of such oil is determined in accordance with Article 239 of this Code.

In the case of transfer of extracted hydrocarbons and (or) mineral raw materials that have undergone primary processing (enrichment) for subsequent processing to another legal entity (without transfer of ownership) and (or) to a structural or other technological unit within the same legal entity or use for its own production needs, the subsurface user determines the

income from such an operation based on the actual production cost, including the preparation of hydrocarbons or the primary processing (enrichment) of mineral raw materials, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

If crude gas is produced in conjunction with oil, the production cost of such crude gas is determined by the following formula:

$$CP = \frac{CF \times \frac{(GP1 \times 0{,}857)}{OP + (GP1 \times 0{,}857)} \times r}{GP1}, \text{ где:}$$

where,

CP is the production cost of crude gas produced along with oil under a subsurface use contract in the current tax period in tenge per thousand cubic meters;

CF is the production cost of hydrocarbon production, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, under a contract for subsurface use in the current tax period in tenge;

GP1 is the volume of production of crude gas produced along with oil under a subsurface use contract in the current tax period, for which international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting provide for the determination of cost in thousands of cubic meters;

OP is the volume of oil production under the subsurface use contract in the current tax period in tons;

0.857 is the conversion coefficient of one thousand cubic meters of crude gas produced along with oil, in tons;

r is the cost coefficient, determined by the formula:

$$r = \frac{GP2 \times AEPG}{OP \times AEPO}, \text{ где:}$$

where:

GP2 is the volume of production of crude gas produced along with oil under a subsurface use contract in the current tax period, in thousands of cubic meters;

OP – the volume of oil production under the subsurface use contract in the current tax period, in tons;

AEPG is the weighted average export price of marketable gas at the border of the Republic of Kazakhstan for the relevant tax period, calculated according to the data of the authorized bodies for customs statistics of foreign trade and statistics of mutual trade, minus the costs of transporting marketable gas from the subsurface user to the border of the Republic of Kazakhstan, determined on the basis of tariffs in tenge per thousand cubic meters ;

AEPO is the weighted average export price of oil at the border of the Republic of Kazakhstan for the relevant tax period, calculated according to the data of the authorized bodies for customs statistics of foreign trade and statistics of mutual trade, minus the cost of transporting oil from the subsurface user to the border of the Republic of Kazakhstan, determined on the basis of tariffs in tenge per ton.

In this case, the total annual income from non-contractual activities of the subsurface user must include an amount equal to the difference between the actual income received from the sale of products obtained as a result of such subsequent processing and the amount of income included in the total annual income from contractual activities of the subsurface user, calculated in accordance with this paragraph.

For the purposes of this section, another technological subdivision of a legal entity is an enrichment plant, a processing, manufacturing or metallurgical workshop (plant).

Article 758. Features of tax accounting when reissuing the right of subsurface use to a licensed subsurface use regime

1. In the case of the reissue of the right of subsurface use from a subsurface use contract to a licensed subsurface use regime in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, the reissued subsurface use contract and the subsurface use license received in return are collectively considered as a single subsurface use contract for the purpose of maintaining separate tax accounting in the tax period in which the reissue of the subsurface use contract took place, and the activities of the subsurface user under the reissued subsurface use contract and the specified subsurface user under the obtained subsurface use license are considered as a single contractual activity, for which a single separate tax accounting is maintained.

If two or more subsurface use licenses are granted to the subsurface user instead of the subsurface use contract during the reissue of the subsurface use right, the subsurface use contract for the tax period in which the reissue of the subsurface use contract took place is understood collectively as the part of the reissued subsurface use contract corresponding to the taxable objects redistributed in accordance with paragraphs 2-7 of this article for the license and (or) objects related to taxation, and the specified license for subsurface use.

Accordingly, the activities of a subsurface user within the framework of each obtained subsurface use license and the corresponding part of the activities of the specified subsurface user under the reissued subsurface use contract in the tax period in which the reissue of the subsurface use contract took place are collectively considered as a separate single contractual activity for which separate tax accounting is conducted.

2. When the right of subsurface use is reissued from a subsurface use contract to a licensed subsurface use regime in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, taxable objects and (or) objects related to taxation under a reissued contract are recognized as taxable objects and (or) objects related to taxation under a license obtained in place of the reissued contract, from the beginning of the tax period in which the specified renewal of the right of subsurface use was carried out.

If two or more subsurface use licenses are granted to the subsurface user during the reissue of the subsurface use right instead of the subsurface use contract, the taxable objects and (or) objects related to taxation included in the tax accounting under the reissued subsurface use contract are subject to distribution to the licenses obtained in accordance with paragraph 3 of this article from the beginning of the tax period in which the specified renewal of the right of subsurface use was made, and in the future, they are taken into account when maintaining separate tax records, respectively, for activities under each subsurface use license .

3. The distribution of general and indirect income and expenses incurred by a subsurface user from the beginning of the relevant tax period until the date of renewal of the subsurface use contract for a licensed regime shall be carried out in accordance with paragraphs 9, 10, 11 and 12 of Article 757 of this Code.

At the same time, the taxpayer shall notify the tax authority no later than March 31 of the year following the year in which the right of subsurface use was reissued, of the selected distribution methods in accordance with paragraph 12 of Article 757 of this Code, which are not subject to revision and amendment.

In the absence of such notification within the time limits specified in part one of paragraph 7 of this Article, the method specified in subparagraph 1) of part one of paragraph 12 of Article 757 of this Code is used for distribution purposes.

4. The distribution of the value balance of a subgroup (group I), a group of depreciable assets formed under the renewed subsoil use contract, as well as a separate group of depreciable assets specified in Article 305 of this Code, is carried out as of January 1 of the year in which the renewal of the subsoil use right was carried out. At the same time, depreciable assets included in the specified value balance of the subgroup (group I), groups of depreciable assets, must be classified into direct, indirect and general in accordance with paragraphs 9 and 12 of Article 757 of this Code.

5. The funds of the liquidation fund accumulated as of January 1 of the year in which the right of subsurface use was reissued shall be distributed to licenses in accordance with

paragraph 12 of Article 757 of this Code and shall be included in the total annual income of such licenses in the year in which the right of subsurface use was reissued.

6. If, at the beginning of the tax period in which the subsurface use contract was reissued for a licensed subsurface use regime, there are losses accumulated from previous tax periods under the reissued subsurface use contract, the specified losses are accounted for in the following order:

if a subsurface user obtains one subsurface use license, - they are taken into account in the tax period in which the subsurface use contract was reissued, and in case of incomplete use, - they are transferred for repayment at the expense of taxable income received from activities under the specified license, within the period determined in accordance with Article 339 of this Code;

in case of obtaining two or more licenses for subsurface use – they are distributed as of January 1 of the year in which the subsurface use contract was reissued, taking into account the provisions of paragraph 12 of Article 757 of this Code and the tax accounting policy of the subsurface user for the licenses received, are taken into account in the specified tax period in the appropriate part for each license and transferred for their further repayment at the expense of taxable income received from activities within the framework of the relevant license within the period determined in accordance with Article 339 of this Code.

7. The distribution of general and indirect cost balances of subgroups (groups I), groups specified in paragraph 4 of this article, accumulated funds in the liquidation fund specified in paragraph 5 of this article, as well as losses specified in paragraph 6 of this article, shall be carried out according to the same distribution method independently selected by the subsurface user from the methods specified in sub-paragraphs 1) – 5) of paragraph 12 of Article 757 of this Code, about which the taxpayer notifies the tax authority no later than March 31 of the year following the year in which the re-registration of the right of subsurface use took place and which is not subject to revision and amendment.

In the absence of such notification within the time limits specified in part one of this paragraph, the method specified in subparagraph 1) of part one of paragraph 12 of Article 757 of this Code is used for distribution purposes.

Chapter 87. SUBSCRIPTION BONUS

Article 759. General provisions

The subscription bonus is a one-time fixed payment for the acquisition of the right of subsurface use in the contract territory (subsurface area), as well as for the expansion of the contract territory (subsurface area) in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Article 760. Payers

The payer of the subscription bonus is a person who, in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, meets one of the conditions:

1) the winner of the tender (auction) for obtaining the right of subsurface use;

2) the signatory of the protocol of direct negotiations on granting the right of subsurface use;

3) who has concluded (received) one of the following subsurface use contracts:

exploration contract;

mining contract;

combined exploration and production contract;

license for geological exploration of subsurface;

license for the use of subsurface space;

a mining license.

A person who has concluded a contract on the basis of the exclusive right to obtain the right to extract in connection with a commercial discovery under an exploration contract in the relevant contract territory (subsurface area) is not recognized as a payer of the subscription bonus when it is paid when concluding such an exploration contract.

For the purposes of this section, the term "tender conducted in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsurface use" is identical to the term "auction conducted in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsurface use".

Article 761. Procedure for calculating the subscription bonus

1. The initial amount of the subscription bonus is set separately for each concluded subsurface use contract in the following amounts:

1) for exploration contracts:

in the territory where there are no approved mineral reserves, for:

hydrocarbons – 2,800-fold monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

solid minerals, with the exception of licenses for exploration of solid minerals, gold mining and contracts for the development of man–made mineral formations, - 280-fold monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

common minerals, groundwater and therapeutic mud – 40-fold monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

in the territory where there are approved mineral reserves – in accordance with the procedure specified in subparagraph 2) of this paragraph to determine the initial amount of

the subscription bonus for mining, combined exploration and production of the relevant minerals for which reserves have been approved;

2) for production contracts, combined exploration and production of:

hydrocarbons:

if reserves are not approved, - 3,000 fold monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use. At the same time, if the right of subsurface use is granted to a subsurface area, the territory of which is divided into blocks in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, the initial amount of the subscription bonus increases for each block following the three hundredth by 10 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right of subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

if reserves are approved, - according to the formula (C x 0,04%) + (Cп x 0,01%), but not less than 10,000 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, where:

C is the value of the total hydrocarbon reserves approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan for industrial categories A, B, C1.

Cп is the total value of the preliminarily estimated C2 hydrocarbon reserves approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan and (or) taken into account in the conclusion of the said commission for the rapid calculation of reserves of a potentially commercial facility and forecast resources of category C3.

At the same time, if the right of subsurface use is granted to a subsurface area, the territory of which is divided into blocks in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, the initial amount of the subscription bonus is increased for each block following the three hundredth block by 10 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing of the protocol of direct negotiations on granting the right of subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

if the right of subsurface use is granted to a subsurface area, the territory of which is divided into blocks that simultaneously have the approved and unapproved hydrocarbon reserves, the initial amount of the subscription bonus is determined in accordance with the procedure defined in this subparagraph for approved and unapproved hydrocarbon reserves, respectively. At the same time, the total amount of the initial subscription bonus should not be

less than 10,000 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsurface use;

for contracts for the extraction of mineral raw materials and for combined exploration and production, with the exception of contracts for the development of man-made mineral formations and licenses for the extraction of solid minerals, gold mining:

if reserves are not approved, - 500 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

if reserves are approved, – according to the formula (C x 0,01%) + (Сп x 0,005%), but not less than 500 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, where:

C is the value of the total reserves of mineral raw materials in industrial categories A, B, C1, approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan;

Сп is the total value of the previously estimated reserves of mineral raw materials of category C2, approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan and (or) taken into account in the conclusion of the said commission for the rapid calculation of reserves of a potentially commercial facility and forecast resources;

for contracts for common minerals, groundwater and therapeutic mud – according to the formula (C x 0.01%), but not less than 120 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right of subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

3) for contracts for the processing of man–made mineral formations - according to the formula (C1 x 0.01%), but not less than 300 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use;

4) for contracts for exploration of subsurface for wastewater discharge, as well as the construction and (or) operation of underground structures not related to exploration and (or) production (use of subsurface space), - 400 times the monthly calculation index effective on the date of publication of the terms of the tender or the date of signing the protocol of direct negotiations on granting the right of subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use.

2. The value of mineral reserves is determined by:

1) for hydrocarbons, with the exception of crude gas specified in subparagraph 2) of this paragraph, – based on the arithmetic mean value of the quotations of the price of hydrocarbons in foreign currency in accordance with Article 776 of this Code on the day preceding the day of publication of the terms of the tender or the day of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsurface use, using the official exchange rate set on the last calendar day preceding the date of payment of the subscription bonus.

At the same time, to determine the value of hydrocarbon reserves approved by the authorized state body of the Republic of Kazakhstan for these purposes, the arithmetic mean value of the quotations of the price of the standard grade of oil specified in paragraph 3 of Article 776 of this Code is used, the value of which is the maximum on the specified date;

2) for crude gas under a subsurface use contract, which provides for the obligations of the subsurface user on the minimum volume of supply of extracted crude gas to the domestic market of the Republic of Kazakhstan, at a price determined by the Government of the Republic of Kazakhstan, according to the following formula:

C = V1 x Ц1 + V2 x Ц2, where:

V1 is the volume of crude gas reserves in industrial categories A, B, C1 approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan to be sold on the domestic market of the Republic of Kazakhstan;

V2 – the volume of crude gas reserves in industrial categories A, B, C1, with the exception of V1, approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan;

Ц1– the price determined by the Government of the Republic of Kazakhstan;

Ц2 is the arithmetic mean value of crude gas price quotations, determined in accordance with subparagraph 1) of this paragraph;

СП = V1 x Ц1 + V2 x Ц2, where:

V1 is the volume of C2 category crude gas reserves approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan and (or) taken into account in the conclusion of the said commission for the rapid calculation of reserves of a potentially commercial facility and forecasted C3 category resources to be sold on the domestic market of the Republic of Kazakhstan;

V2 – the volume of crude gas reserves of category C2 approved by the State Commission on Mineral Reserves of the Republic of Kazakhstan and (or) taken into account in the conclusion of the said commission for the rapid calculation of reserves of a potentially commercial facility and forecast resources of category C3, with the exception of V1;

Ц1 – the price determined by the Government of the Republic of Kazakhstan;

Ц2 is the arithmetic mean value of crude gas price quotations, determined in accordance with subparagraph 1) of this paragraph;

3) for the minerals specified in subparagraphs 1) and 2) of paragraph 2 of Article 780 of this Code, – based on the arithmetic average value of quotations of the price of a mineral in foreign currency in accordance with Article 780 of this Code on the day preceding the day of publication of the terms of the tender or the day of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsurface use, using the official exchange rate set on the last calendar day preceding the date of payment of the subscription bonus.

If no official price quotations for the relevant types of minerals have been published on the day preceding the day of publication of the terms of the tender or the day of signing the protocol of direct negotiations, the official price quotations of the last day for which such price quotations were previously published will be used.

In the event that an exchange price is not set for minerals, the initial amount of the subscription bonus for contracts for the extraction of the relevant types of minerals is set at the minimum amounts established by subparagraphs 2) and 3) of paragraph 1 of this article.

3. The initial amount of the subscription bonus before the tender for the right of subsurface use may be increased by the decision of the tender commission of the competent authority.

4. The final amount of the subscription bonus in the amount not lower than the initial amount is established by the decision of the tender commission based on the results of the conducted tender for obtaining the right to subsurface use or by the competent authority based on the results of direct negotiations with the subsurface user and is included in the subsurface use contract.

5. When expanding the contract territory (subsurface area), the amount of the subscription bonus is determined in the following order:

1) if mineral reserves have been approved in the expanded contract territory (subsurface area), - depending on the type of mineral in accordance with the procedure specified in paragraphs 1 and 2 of this article with respect to the volume of such reserves;

2) if mineral reserves have not been approved in the expanded contract area (subsurface area) as the product of the expansion coefficient of the contract area (subsurface area) and the initial amount of the subscription bonus under this contract. The coefficient of expansion of the contract territory (subsurface area) is calculated with an accuracy of four decimal places as the ratio of the size of the area to which the contract territory (subsurface area) is expanded to the original size of the area of the contract territory (subsurface area).

In this case, if the value of the coefficient of expansion of the contract territory (subsurface area) exceeds 0.1, regardless of the number of cases of its expansion, the coefficient 3 is applied to the amount of the subscription bonus attributable to such excess.

6. The procedure for calculating the subscription bonus established by this article applies to licenses for exploration or extraction of solid minerals, issued based on the auction results.

Article 762. The specifics of calculating the subscription bonus for subsurface use licenses, with the exception of licenses issued based on auction results

The amount of the subscription bonus under the subsurface use license, with the exception of the license issued based on the auction results, is calculated based on the rate expressed in the amount of the monthly calculation index effective on the date of payment of the subscription bonus:

№	Name	Rate in MCI
1	2	3
1.	License for exploration	100
2.	License for extraction	200
3.	License for gold mining:	
3.1.	if the area of the provided territory is up to 17 000 m2	9
3.2.	if the area of the provided territory is from 17 000 m2 to 33 000 m2	12
3.3.	if the area of the provided territory is from 33 000 m2 to 50 000 m2	15
4.	License for geological exploration of subsurface	50
5.	License for the use of subsurface space	400

Article 763. Tax period

The subscription bonus tax period is the calendar quarter in which the subscription bonus is due.

Article 764. Terms of payment of subscription bonus

Unless otherwise specified in this article, the subscription bonus is paid to the budget at the taxpayer's location no later than twenty working days:

– from the date of the taxpayer's announcement as the winner of the tender or the date of signing the protocol of direct negotiations on granting the right to subsurface use in accordance with the legislation of the Republic of Kazakhstan;

– from the date of amendments to the subsurface use contract on the expansion of the contract territory (subsurface area);

– from the date of receipt of a written permit for the right of subsurface use for exploration or extraction of common minerals used in the construction (reconstruction) and repair of public roads, railways and hydraulic structures;

– from the date of receipt of a permit for extraction of underground waters.

2. The subscription bonus for subsurface use licenses, with the exception of licenses issued based on the results of an auction, shall be paid to the budget at the taxpayer's location no later than ten working days from the date of issue of such license.

Article 765. Tax return

The subscription bonus declaration is submitted by the subscription bonus payer to the tax authority at the location no later than the 15th day of the second month following the tax period.

Chapter 88. PAYMENT FOR REIMBURSEMENT OF HISTORICAL EXPENSES

Article 766. General provisions

The payment for reimbursement of historical costs is a fixed payment by the subsurface user to reimburse the total costs incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits prior to the conclusion of the subsurface use contract.

Article 767. Payers

1. Unless otherwise specified in paragraph 2 of this Article, the payers of payment for reimbursement of historical costs are subsurface users operating under a subsurface use contract for mineral deposits for which the state has incurred costs for the geological study of the contract territory (subsurface area) and exploration of deposits prior to the conclusion of the subsurface use contract.

2. A subsurface user operating under a license for exploration or extraction of solid minerals is not a payer of a payment for reimbursement of historical costs, provided that the following conditions are met:

the license for exploration or extraction of solid minerals was issued after December 31, 2017 in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

the territory to which a license for exploration or extraction of solid minerals has been granted does not belong to the territory to which, prior to January 1, 2018, the right of subsurface use was granted under subsurface use contracts in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use.

Article 768. Procedure for establishing payment for reimbursement of historical expenses

1. The amount of historical expenses incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits is calculated by the authorized body for the study of subsurface and is subject to payment to the budget:

1) in the form of a payment for reimbursement of historical costs in the amount established by the confidentiality agreement, minus the fee for the acquisition of geological information owned by the state;

2) in the form of a fee for the acquisition of state-owned geological information in the amount established by the confidentiality agreement.

2. The obligation to pay for reimbursement of historical costs arises from the date of conclusion of a confidentiality agreement between the subsurface user and the authorized body for the study of subsurface resources, and for subsurface use contracts, including production sharing agreements concluded before January 1, 2009, for which, as of January 1,

2009, no relevant confidentiality agreements have been concluded, but they must be concluded under the terms of a subsurface use contract, - starting from the date of conclusion of a confidentiality agreement with the authorized body for the study of subsurface resources.

Article 769. Payment procedure and terms

1. The payment for reimbursement of historical costs is paid by the subsurface user from the beginning of extraction on the contract territory (site) and the occurrence of the earliest of the following dates:

commercial discovery announcement;

transition to the period (stage) of production in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

issuance of a mining license;

conclusion of a mining contract.

The payment for the reimbursement of historical expenses is made to the budget at the location of the subsurface user in the following order:

1) if the total amount of the payment for reimbursement of historical costs incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits is equal to or less than 10,000 times the monthly calculation index effective on the date of the confidentiality agreement, the payment for reimbursement of historical costs is paid no later than April 10 of the year, following the year in which the subsurface user started mining;

2) if the total amount of the payment for reimbursement of historical costs incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits is more than 10,000 times the monthly calculation index effective on the date of conclusion of the confidentiality agreement, the payment for reimbursement of historical costs is paid by the subsurface user quarterly no later than the 25th of the second month following the reporting quarter, in equal shares for a period not exceeding the term of the subsurface use contract, but not more than ten years in an amount equivalent to at least 2,500 times the monthly calculation index effective on the date of conclusion of the confidentiality agreement, with the exception of the amount of the last share, which may be less than the amount equivalent to 2,500 times the monthly calculation index effective on the date of conclusion of the confidentiality agreement.

For subsurface use contracts concluded before January 1, 2009, under which the subsurface user began mining before January 1, 2009, if the amount of historical costs not reimbursed to the budget as of January 1, 2009 is more than 10,000 times the monthly calculation index set as of January 1, 2009 by the law on the republican budget, the payment for reimbursement of historical expenses is paid by the subsurface user quarterly, no later than the 25th of the second month following the reporting quarter, in equal shares for a period not exceeding the term of the subsoil use contract, but not more than ten years in an amount equivalent to at least 2,500 times the monthly calculation index established on January 1,

2009 by the law on the republican budget, with the exception of the amount of the last share, which may be less than the amount equivalent to the amount of 2,500 times the monthly calculation index established on January 1, 2009 by the law on the republican budget.

2. If the amount of historical expenses incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits is established by the authorized body for the study of subsurface resources in foreign currency, then:

1) in order to determine the total amount of payment in tenge in order to establish the payment procedure in accordance with this article, the amount of historical expenses calculated by the authorized state body of the Republic of Kazakhstan for these purposes shall be converted into tenge at the market exchange rate determined on the last working day preceding the 1st day of the reporting quarter in which the subsurface user initiated production after commercial discovery, and under subsurface use contracts concluded before January 1, 2009, for which the subsurface user started mining before January 1, 2009, - the amount of historical expenses not reimbursed to the budget as of January 1, 2009 is recalculated in tenge at the official exchange rate set on the last calendar day preceding January 1, 2009;

2) in order to evenly distribute the amount of historical expenses not reimbursed to the budget in foreign currency to the amounts of quarterly payments due in accordance with part one of subparagraph 2) of paragraph 1 of this article, the specified amount of historical expenses shall be recalculated at the beginning of each calendar year in tenge at the official exchange rate set on the last calendar day preceding January 1 of such calendar year.

3. Under subsurface use contracts for exploration of mineral deposits that do not provide for their subsequent extraction, no payment for reimbursement of historical costs is made.

Article 770. Tax return

1. If the total amount of payment for reimbursement of historical expenses incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits is equal to or less than 10,000 times the monthly calculation index effective on the date of the confidentiality agreement, the declaration is submitted by the subsurface user to the tax authority at the place of location not later than March 31 of the year following the year in which the subsurface user started mining.

2. If the total amount of payment for reimbursement of historical expenses incurred by the state for the geological study of the contract territory (subsurface area) and exploration of deposits is more than 10,000 times the monthly calculation index effective on the date of the confidentiality agreement, the declaration is submitted by the subsurface user to the tax authority at the location quarterly not later than the 15th of the second month following the reporting quarter.

For subsurface use contracts concluded before January 1, 2009, under which the subsurface user started mining before January 1, 2009, if the amount of historical costs not reimbursed to the budget as of January 1, 2009 is more than 10,000 times the monthly

calculation index set as of January 1, 2009 by the law on the republican budget, the declaration is submitted by the subsurface user to the tax authority at the location quarterly no later than the 15th day of the second month following the reporting quarter.

Chapter 89. MINING TAX

Article 771. General provisions

1. The tax on the extraction of minerals is paid by the subsurface user separately for each type of mineral raw materials, hydrocarbons, groundwater and therapeutic mud extracted in the territory of the Republic of Kazakhstan.

2. The tax on the extraction of minerals for all types of extracted mineral raw materials, hydrocarbons, groundwater and therapeutic mud, regardless of the type of extraction carried out, is paid at the rates and in accordance with the procedure established by this chapter.

3. Unless otherwise established by this paragraph, for the purposes of calculating the mineral extraction tax, the volume of hydrocarbons, mineral raw materials, groundwater and therapeutic mud transferred for technological testing and research shall be excluded from the total volume of hydrocarbons, mineral raw materials, groundwater and therapeutic mud extracted during the tax period. The volume of hydrocarbons, mineral raw materials, groundwater and therapeutic mud transferred for technological testing and research is limited to the minimum mass of technological samples specified in national standards for the corresponding types (grades) of hydrocarbons, mineral raw materials, groundwater and therapeutic mud.

At the same time, the exclusion of the volume of hydrocarbons, mineral raw materials, groundwater and therapeutic mud transferred for technological testing and research from the above-mentioned total production volume is not made in the case of their sale, including after primary processing (enrichment), as well as during their processing.

Article 772. Payment features

1. The tax on the extraction of minerals shall be paid in cash, with the exception of the case provided for in paragraph 2 of this Article.

2. In the course of activities under a subsurface use contract, the monetary form of payment of mineral extraction tax may, by decision of the Government of the Republic of Kazakhstan, be replaced in kind in accordance with the procedure established by an additional agreement concluded between the authorized state body and the subsurface user.

The procedure for payment in kind of the mineral extraction tax established by this Code, as well as royalties and shares of the Republic of Kazakhstan for the division of products established by contracts for subsurface use specified in paragraph 1 of Article 755 of this Code, is established by Chapter 93 of this Code.

Article 773. Payers

Unless otherwise established by paragraph 1 of Article 791 of this Code, taxpayers of the mineral extraction tax are subsurface users engaged in the extraction of hydrocarbons, mineral

raw materials, groundwater and therapeutic mud, including the extraction of minerals from man-made mineral formations for which the mineral extraction tax has not been paid, within the framework of each individual concluded contract for subsurface use., with the exception of subsurface users operating exclusively under a mining license.

Paragraph 1. Mineral extraction tax on hydrocarbons

Article 774. The object of taxation

1. The object of taxation on the extraction of minerals is the physical volume of hydrocarbons extracted by a subsurface user during the tax period.

2. For the purposes of calculating the tax on the extraction of minerals, the total volume of hydrocarbons extracted by a subsurface user during the tax period is divided into:

1) oil sold for processing to an oil refinery located in the territory of the Republic of Kazakhstan – the volume of oil produced by a subsurface user under each separate subsurface use contract for the tax period and sold by the subsurface user to an oil refinery located in the territory of the Republic of Kazakhstan, or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan. Kazakhstan;

2) oil transferred for processing as a toll-free raw material to an oil refinery located in the territory of the Republic of Kazakhstan, – the volume of oil produced by a subsurface user under each individual subsurface use contract during the tax period and transferred by the subsurface user as a raw material for processing to an oil refinery located in the territory of the Republic of Kazakhstan, or sold to a third party for subsequent transfer as a toll-free raw material for processing to an oil refinery located in the territory of the Republic of Kazakhstan;

3) oil used by the subsurface user for its own production needs – the volume of oil produced by the subsurface user under each individual subsurface use contract during the tax period, used for its own production needs during the tax period;

4) oil transferred by the subsurface user in kind due to payment of the mineral extraction tax, rental tax on export, royalties and the share of the Republic of Kazakhstan in the division of products to the recipient on behalf of the state in accordance with Chapter 93 of this Code;

5) crude gas sold on the domestic market of the Republic of Kazakhstan and (or) used for its own production needs.

For the purposes of this chapter, crude gas sold on the domestic market of the Republic of Kazakhstan is also recognized as crude gas used for the production of commercial gas.

Unless otherwise specified by this subparagraph, for the purposes of this section, crude gas used for its own production needs is crude gas, including processed gas, extracted by a subsurface user under a subsurface use contract and used under this contract in accordance with documents approved by the authorized body in the field of hydrocarbons:

when conducting subsurface use operations as a fuel in the preparation of hydrocarbons;

for technological and municipal needs;

for heating oil at the wellhead and during transportation of oil from the place of production and storage to the place of transshipment to the main pipeline and (or) to another type of transport in accordance with approved design documents;

to generate electricity used during subsurface use operations;

for reverse injection into the subsurface in the volume provided for by the approved design documents, except for the cases of reverse injection into the subsurface provided for in paragraph 5 of this Article;

for the purposes of gas lifting (mechanized) method of operation of producing oil wells in the volumes provided for by design documents approved by the authorized body in the field of hydrocarbons.

Crude gas used for its own production needs is also recognized as crude gas extracted by a subsurface user under a subsurface use contract and used for re-injection into the subsurface in order to maintain reservoir pressure in oil and gas zones under another subsurface use contract of this subsurface user in the volume provided for by the approved design documents ;

6) associated gas used for the production of liquefied petroleum gas in the volume of liquefied petroleum gas sold on the domestic market of the Republic of Kazakhstan. At the same time, such a volume of liquefied petroleum gas is approved by the authorized body in the field of hydrocarbons and is mandatory for sale on the domestic market of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on gas and gas supply;

7) crude gas used by a subsurface user – a subject of industrial and innovative activity, the implementation of which is provided for by the Law of the Republic of Kazakhstan "On Industrial Policy".

Unless otherwise established by this subparagraph, for the purposes of this section, crude gas used by a subsurface user – a subject of industrial and innovative activity, the implementation of which is provided for by the Law of the Republic of Kazakhstan "On Industrial Policy", is recognized as crude gas, including that processed to the state of commercial gas;

8) crude gas burned in flares, in cases stipulated by the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

9) marketable hydrocarbons – the total volume of hydrocarbons produced by a subsurface user during the tax period under each individual contract for the subsurface use of hydrocarbons, minus the volumes of oil, crude gas and associated gas specified in subparagraphs 1) – 8) of this paragraph, unless otherwise established by this article.

3. The volume of crude gas used for its own production needs and (or) associated gas used for the production of liquefied petroleum gas, in accordance with subparagraphs 5) and 6) of

paragraph 2 of this Article, is the actual volume of such used natural and (or) associated gas within the volumes specified in the documents approved by the authorized body in the field of hydrocarbons.

4. The volume of crude gas burned in flares is the volume of crude gas actually burned by a subsurface user in flares during exploration within the volume of crude gas allowed for flaring in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

5. To confirm the sale specified in subparagraph 1) of paragraph 2 of this article to an oil refinery located in the territory of the Republic of Kazakhstan, or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan, and subparagraph 2) of paragraph 2 of this article transfer as a toll-free raw material for processing to an oil refinery located in the territory of the Republic of Kazakhstan, or sale to a third party for subsequent transfer as a toll-free raw material for processing to an oil refinery located in the territory of the Republic of Kazakhstan, the subsurface user must have the originals of commercial and shipping documents or their notarized copies confirming the physical volume and the fact of acceptance by an oil refinery located in the territory of the Republic of Kazakhstan of the corresponding volume of oil, and to confirm the sale specified in subparagraph 1) of paragraph 2 of this article, to an oil refinery, located in the territory of the Republic of Kazakhstan, or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan, - the original documents or their notarized copies confirming the actual purchase price of an oil refinery located in the territory of the Republic of Kazakhstan for the appropriate volume.

In the absence of such original documents or their notarized copies, the corresponding volume of oil is considered as marketable hydrocarbons for the purposes of calculating the mineral extraction tax.

6. The mineral extraction tax is not paid on crude gas in the volume pumped back into the subsurface in order to increase the oil recovery coefficient provided for in the approved design documents.

Article 775. Tax base

The tax base for calculating the mineral extraction tax is the value of the volume of hydrocarbons produced during the tax period.

Article 776. Procedure for determining the cost of hydrocarbons

1. For the purposes of calculating the mineral extraction tax, the value of oil extracted during the tax period is determined in the following order:

1) when sold by a subsurface user to an oil refinery located in the territory of the Republic of Kazakhstan, or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of Kazakhstan, – as the product of the actual volume of oil sold by the subsurface user to an oil refinery located in the territory of the Republic of Kazakhstan or to a third party for subsequent sale to an oil refinery located in the territory of the Republic of

Kazakhstan and the actual purchase price of the oil refinery located in the territory of the Republic of Kazakhstan per unit of production;

2) when the subsurface user transfers toll-free raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan, or sells it to a third party for subsequent transfer as toll-free raw materials for processing to an oil refinery located in the territory of the Republic of Kazakhstan, and (or) uses it for its own production needs, – as the product of the actual volume of oil transferred by the subsurface user as a toll-free raw material for processing to an oil refinery located in the territory of the Republic of Kazakhstan, or sold to a third party for subsequent transfer as a toll-free raw material to an oil refinery located in the territory of the Republic of Kazakhstan, and (or) used by the subsurface user for its own production needs and the production cost, including preparation, units of production, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

3) when the subsurface user transfers oil in kind due to payment of the mineral extraction tax, rental tax on exports, royalties and the share of the Republic of Kazakhstan in the division of products to the recipient on behalf of the state – as the product of the actual volume of oil transferred by the subsurface user in kind due to the payment of mining tax, rental tax on exports, royalties and the share of the Republic of Kazakhstan in the division of products to the recipient on behalf of the state in accordance with Chapter 93 of this Code and the transfer price established in accordance with the procedure determined by the Government of the Republic of Kazakhstan.

2. The value of commercial hydrocarbons produced by a subsurface user under each individual subsurface use contract for a tax period is determined as the product of the volume of commercial hydrocarbons produced and the world unit price calculated for the tax period in accordance with the procedure specified in paragraphs 3 and 4 of this Article.

3. The world oil price is defined as the product of the arithmetic mean value of daily price quotations for the tax period and the arithmetic mean value of the official exchange rate for the corresponding tax period according to the formula below.

For the purposes of this paragraph, a price quotation means a quotation of the price of oil in foreign currency for each individual standard grade of oil "Urals Mediterranean (UralsMed - CIF Augusta)", "KazakhExportBlendCrudeOil (Kebco - CIF Augusta)" or "NorthSeaDated/ Dated Brent (BrentDtd)" in the tax period based on information published in the source " ArgusCrude" of "ArgusMediaLtd" company.

In the absence of information on prices for the specified standard grades of crude oil, prices for the specified standard grades of crude oil are used in this source:

according to the data from "Crude Oil Market Wire Basic Service" source of S&P Global Inc. (S&P GlobalCommodityInsights);

in the absence of information on prices for the specified standard grades of crude oil in the above sources – according to other sources determined by the legislation of the Republic of Kazakhstan on transfer pricing.

To determine the world oil price, the conversion of units of measurement from a barrel to a metric ton, taking into account the actual density and temperature of the extracted oil, reduced to standard measurement conditions and indicated in the oil quality certificate, is carried out in accordance with the national standard approved by the authorized body in the field of standardization.

At the same time, for the purposes of calculating the mineral extraction tax, the conversion of units of measurement from metric tons to barrels is carried out on the basis of a weighted average barrelization coefficient according to the following formula:

К барр. ср.взв. = (V тонн 1 × К барр.1 + V тонн 2... × К барр.2... + V тонн n × К барр.n) / V тонн S, where:

К барр. ср.взв. – the weighted average barrelization coefficient, calculated with an accuracy of four decimal places;

V тонн – volumes of each extracted batch of oil;

К барр.1, К барр.2... + К барр.n - are the barrelization coefficients specified in the quality certificate for each corresponding batch of extracted oil;

V тонн S is the total volume of oil produced during the tax period, expressed in metric tons.

The world oil price is determined by the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S is the world oil price for the tax period;

P1, P2..., Pn - daily arithmetic average price quotation on the days for which price quotations were published during the tax period;

E is the arithmetic mean of the official exchange rate for the relevant tax period;

n is the number of days in the tax period for which price quotations have been published.

The daily arithmetic average price quotation is determined by the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2}$$

,

where:

Pn is the daily arithmetic average price quotation;

Cn1 is the lowest value (min) of the daily oil quotes of Urals Mediterranean (UralsMed - CIF Augusta), KazakhExportBlendCrudeOil (Kebco - CIF Augusta) or NorthSeaDated/Dated Brent (BrentDtd);

Cn2 is the highest value (max) of the daily quotes of Urals Mediterranean (UralsMed - CIF Augusta), KazakhExportBlendCrudeOil (Kebco - CIF Augusta) or NorthSeaDated/Dated Brent (BrentDtd).

The application of oil quotes "Urals Mediterranean (UralsMed - CIF Augusta)", " KazakhExportBlendCrudeOil (Kebco - CIF Augusta)" or "NorthSeaDated/Dated Brent (BrentDtd)" is carried out by the subsurface user on the basis of oil supply contracts in the following order:

1) in the case when the supply contract specifies the standard grade of oil Urals or the quotation of "KazakhExportBlendCrudeOil (Kebco)", - the quotation of Urals Mediterranean oil (UralsMed – CIF Augusta), "KazakhExportBlendCrudeOil (Kebco - CIF Augusta)" is applied, the world price for which is the maximum for the tax period;

2) in the case when the standard grade of Brent oil is specified in the supply contract, - the quotation of "NorthSeaDated/Dated Brent (BrentDtd)" is applied.

In the event that the supply contract specifies an oil grade that does not relate to the above-mentioned standard grades, the subsurface user is obliged to attribute the volume of oil supplied under such an agreement to the standard grade of oil at which the world price for the tax period is the maximum.

4. The world price of crude gas is defined as the product of the arithmetic mean value of daily price quotations in foreign currency for the tax period, taking into account the conversion of international units of measurement into cubic meters in accordance with the approved coefficient and the arithmetic mean of the official exchange rate for the relevant tax period according to the formula below.

For the purposes of this paragraph, a price quotation means a quotation of the price of ZeebruggeDay-Ahead natural gas in foreign currency during the tax period based on information published in the PlattsEuropeanGasDaily source by TheMcgraw-HillCompaniesInc.

In the absence of information on the price of natural gas "ZeebruggeDay-Ahead", this source uses the price of natural gas "ZeebruggeDay-Ahead":

1) according to the data from the Argus European Natural Gas source by Argus Media Ltd ;

2) in the absence of information on the price of natural gas "ZeebruggeDay-Ahead" in the above sources – according to other sources determined by the legislation of the Republic of Kazakhstan on transfer pricing.

The world price of crude gas is determined by the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S is the world price of crude gas for the tax period;

P1, P2..., Pn – daily arithmetic average price quotation on the days for which price quotations were published during the tax period;

E is the arithmetic average of the official exchange rate for the relevant tax period;

n is the number of days in the tax period for which price quotes have been published.

The daily arithmetic average price quotation is determined by the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn is the daily arithmetic average price quotation;

Cn1 – the lowest value (min) of the daily ZeebruggeDay-Ahead natural gas price quotation;

Cn2 is the highest value (max) of the daily ZeebruggeDay-Ahead natural gas price quotation.

5. For the purposes of calculating the mineral extraction tax, the cost of crude gas sold by a subsurface user on the domestic market of the Republic of Kazakhstan and (or) used for its own production needs, associated gas used for the production of liquefied petroleum gas, during the flaring of crude gas in flares, as well as crude gas used by a subsurface user – a subject of industrial innovation activities are defined in the following order:

1) when a subsurface user sells extracted crude gas on the domestic market of the Republic of Kazakhstan – based on the weighted average selling price established over the tax period, determined in accordance with paragraph 7 of Article 780 of this Code;

2) when using the extracted associated gas for the production of liquefied petroleum gas in accordance with the conditions specified in subparagraph 6) of paragraph 2 of Article 774 of this Code, and (or) using the extracted crude gas for their own production needs, as well as when burning crude gas in flares – as a product of the actual volume:

associated gas used for the production of liquefied petroleum gas and the production cost, including preparation, a unit of production, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

crude gas used by the subsurface user for its own production needs, and the production cost, including preparation, a unit of production determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

crude gas burnt in flares and the maximum value of the marginal wholesale price of commercial gas on the domestic market, established in accordance with the legislation of the Republic of Kazakhstan on gas and gas supply and effective in the relevant tax period.

At the same time, in the absence of a fixed marginal price for the wholesale sale of marketable gas on the domestic market, the marginal price of the last tax period in which such a marginal price was established is applied.

If crude gas is extracted along with oil, the production cost of crude gas is determined based on the production cost of oil production, including preparation, in the ratio:

one thousand cubic meters of crude gas corresponds to 0.857 tons of oil;

3) when using extracted crude gas by a subsurface user - a subject of industrial and innovative activity in accordance with the conditions specified in subparagraph 7) of paragraph 2 of Article 774 of this Code, - as the product of the actual volume of crude gas used by the subsurface user – a subject of industrial and innovative activity, and the production cost, including preparation, a unit of production, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

6. The world price of standard grades of hydrocarbons is determined for each tax period by the authorized body in the manner prescribed by this Code and is subject to publication in the mass media no later than the 10th day of the month following the reporting tax period.

Article 777. The procedure for calculating taxes

1. The amount of mineral extraction tax payable to the budget is determined based on the object of taxation, the tax base and the rate.

2. In order to calculate the tax on the extraction of minerals, a subsurface user shall, during a calendar year, apply the rate corresponding to the planned volume of production for the current tax year for each individual subsurface use contract, in accordance with the scale given in Article 778 of this Code.

At the same time, in the case of the transfer (transfer) of the right of subsurface use within the framework of one subsurface use contract, the tax rate for mining is applied, corresponding to the declared total annual production volume under such a subsurface use contract, regardless of the fact of the transfer (transfer) of the right of subsurface use.

In order to ensure the correct calculation and completeness of payment of the mining tax to the budget, the authorized body in the field of hydrocarbons, by January 20 of the current calendar year, submits to the tax authority the information on the planned volumes of hydrocarbon production by subsurface users for the coming year for each individual subsurface use contract.

3. If, according to the results of the reporting calendar year, the actual volume of hydrocarbons produced under a subsurface use contract does not correspond to the planned volume under such a contract and leads to a change in the tax rate on mining, the subsurface user is obliged to adjust the amount of mining tax calculated for the reporting year.

The amount of the mineral extraction tax is adjusted in the declaration for the last tax period of the reporting tax year by applying the mineral extraction tax rate corresponding to the actual volume of hydrocarbons produced, determined in accordance with Article 778 of this Code, to the tax base calculated in the mineral extraction tax declarations for the first, second and third quarters of the reporting tax year.

The amount of the mineral extraction tax, which takes into account the adjustment, is the tax liability for the mineral extraction tax for the last tax period of the reporting year.

Article 778. Mining tax rates

1. Unless otherwise established by paragraph 2 of this Article, the rates of the mineral extraction tax on oil are set in fixed terms based on the volume of annual production and the world price determined in accordance with paragraph 3 of Article 776 of this Code, according to the following scale:

1) from January 1, 2026 to December 31, 2026 inclusive:

№	Volume of annual extraction	Rates, in %
1	2	3
1.	Up to 250 000 tons inclusive	5,0
2.	Up to 500 000 tons inclusive	7,0
3.	Up to 1 000 000 tons inclusive	8,0
4.	Up to 2 000 000 tons inclusive	9,0
5.	Up to 3 000 000 tons inclusive	10,0
6.	Up to 4 000 000 tons inclusive	11,0
7.	Up to 5 000 000 tons inclusive	12,0
8.	Up to 7 000 000 tons inclusive	13,0
9.	Up to 10 000 000 tons inclusive	15,0
10.	over 10 000 000 tons	18,0

In case of sale and (or) transfer of oil on the domestic market of the Republic of Kazakhstan, including in kind due to payment of mineral extraction tax, rental tax on export, royalties and shares of the Republic of Kazakhstan in the division of products to the recipient on behalf of the state, or use for its own production needs in accordance with the procedure specified in subparagraphs 1), 2), 3) and 4) of paragraph 2 of Article 774 of this Code, a reduction coefficient of 0.5 is applied to the established rates.

2) from January 1, 2027:

№	Volume of annual	The cost of oil per barrel, US dollars																		

	extraction	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
1.	Up to 250 000 tons	19 %	19 %	19 %	26 %	30 %	33 %	35 %	36 %	38 %	40 %	42 %	43 %	46 %	47 %	48 %	51 %	52 %	54 %	53 %
2.	Up to 500 000 tons	21 %	21 %	21 %	28 %	32 %	35 %	37 %	38 %	40 %	42 %	44 %	45 %	48 %	49 %	50 %	53 %	54 %	56 %	55 %
3.	Up to 1 000 000 tons	22 %	22 %	22 %	29 %	33 %	36 %	38 %	39 %	41 %	43 %	45 %	46 %	49 %	50 %	51 %	54 %	55 %	57 %	56 %
4.	Up to 2 000 000 tons	23 %	23 %	23 %	30 %	34 %	37 %	39 %	40 %	42 %	44 %	46 %	47 %	50 %	51 %	52 %	55 %	56 %	58 %	57 %
5.	Up to 3 000 000 tons	24 %	24 %	24 %	31 %	35 %	38 %	40 %	41 %	43 %	45 %	47 %	48 %	51 %	52 %	53 %	56 %	57 %	59 %	58 %
6.	Up to 4 000 000 tons	25 %	25 %	25 %	32 %	36 %	39 %	41 %	42 %	44 %	46 %	48 %	49 %	52 %	53 %	54 %	57 %	58 %	60 %	59 %
7.	Up to 5 000 000 тонн	26 %	26 %	26 %	33 %	37 %	40 %	42 %	43 %	45 %	47 %	49 %	50 %	53 %	54 %	55 %	58 %	59 %	61 %	60 %
8.	Up to 7 000 000 tons	27 %	27 %	27 %	34 %	38 %	41 %	43 %	44 %	46 %	48 %	50 %	51 %	54 %	55 %	56 %	59 %	60 %	62 %	61 %
9.	Up to 10 000 000 tons	29 %	29 %	29 %	36 %	40 %	43 %	45 %	46 %	48 %	50 %	52 %	53 %	56 %	57 %	58 %	61 %	62 %	64 %	63 %

10.	Over 10 000 000 tons	32 %	32 %	32 %	39 %	43 %	46 %	48 %	49 %	51 %	53 %	55 %	56 %	59 %	60 %	61 %	64 %	65 %	67 %	66 %

In case of sale and (or) transfer of oil on the domestic market of the Republic of Kazakhstan, including in kind due to payment of mineral extraction tax, rental tax on export, royalties and shares of the Republic of Kazakhstan in the division of products to the recipient on behalf of the state, or use for own production needs in accordance with the procedure specified in subparagraphs 1), 2), 3) and 4) of paragraph 2 of Article 774 of this Code, an equalization coefficient is applied to the established rates, determined in accordance with the procedure, determined by the authorized body in the field of tax policy in coordination with the authorized body in the field of hydrocarbons.

The mining tax rate for crude gas is 10 percent.

When selling crude gas on the domestic market, the mineral extraction tax is paid at the following rates, depending on the volume of annual extraction:

№	Volume of annual extraction	Rates, %
1	2	3
1.	Up to 1,0 bln. cubic neters inclusive	0,5
2.	Up to 2,0 bln. cubic neters inclusive	1,0
3.	Over 2,0 bln. cubic neters	1,5

2. The tax rates on the extraction of minerals for oil for deposits (groups of deposits, parts of deposits) classified as low-profitable under a contract for the extraction of hydrocarbons are established by the Government of the Republic of Kazakhstan.

Paragraph 2. Mineral extraction tax on mineral raw materials, with the exception of common minerals

Article 779. The object of taxation

The object of taxation is the physical volume of mineral raw materials or solid minerals extracted by a subsurface user during the tax period, taking into account the volume of actual losses in the subsurface during the tax period exceeding the limits of normalized losses in the subsurface established by the technical project for the development of a deposit approved by the authorized body for the study of subsurface in the manner determined by it (the taxable volume of minerals).

At the same time, the subsurface user submits information on the physical volume of mineral raw materials or solid minerals extracted by the subsurface user for the past (reporting) quarter to the authorized body for the study of subsurface resources no later than the 15th day of the second month following the expired (reporting) quarter, in the form established by such authorized body.

For the purposes of determining the object of taxation, the extracted mineral raw materials and (or) solid minerals are determined within the framework of the state balance sheet in force as of the day preceding the day of transition to inventory accounting under the Kazakhstan Code of Public Reporting on Exploration Results, Mineral Resources and Mineral Reserves (hereinafter referred to as the KAZRC Code), as well as taking into account the mineral raw materials extracted from written-off reserves (recovery of losses) at the field.

For mineral raw materials and (or) solid minerals that have not previously been approved by the State Commission on Mineral Reserves, the extracted mineral raw materials and (or) minerals are determined within the framework of mineral reserves in accordance with the KAZRC Code.

For the purposes of determining the taxable volume of minerals, the units of measurement used in the accounting and summary balances of reserves of mineral raw materials and (or) solid minerals submitted to the authorized body for the study of the subsoil, are used.

The volume of uranium returned to the subsurface as part of extraction by the method of underground well leaching is not subject to taxation.

Article 780. Tax base

1. The tax base for calculating the mineral extraction tax is the value of the taxable volume of minerals for the tax period.

2. For the purposes of calculating the tax on the extraction of minerals, mineral raw materials are divided into:

1) mineral raw materials containing only those minerals specified in paragraph 4 of this Article;

2) mineral raw materials containing both the minerals specified in paragraph 4 of this Article and other types of minerals;

3) mineral raw materials containing minerals, with the exception of the minerals specified in paragraph 4 of this Article.

3. For the purposes of calculating the tax on the extraction of minerals, the value of the taxable volume of minerals for the tax period is determined by:

1) for solid minerals contained in the extracted mineral raw materials specified in subparagraph 1) of paragraph 2 of this article – based on the average exchange price for such minerals for the tax period.

The average exchange price, unless otherwise specified in this article, is defined as the product of the arithmetic mean of the daily average price quotations for the tax period and the arithmetic mean of the official exchange rate for the corresponding tax period according to the formula below.

For the purposes of this article, a price quotation means a quotation of the price of a mineral

in a foreign currency, recorded on the London Metal Exchange or the London Precious Metals Market Association and published in the MetalBulletin magazine published by MetalBulletinJournalsLimited, the Metal-pages magazine published by Metal-pagesLimited.

The average exchange price, unless otherwise established by this article, is determined by the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S is the average exchange price of a mineral for the tax period;

P1, P2, ..., Pn – daily average price quotation on the days for which price quotations on the London Metal Exchange were published during the tax period;

E is the arithmetic average of the official exchange rate for the relevant tax period;

n is the number of days in the tax period for which price quotations have been published.

The daily average price quotation for a mineral is determined by the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn is the daily average price quotation;

Cn1 – daily Cash price quote for minerals;

Cn2 is a daily Cash Settlement price quote for minerals.

The average exchange price for gold, platinum, and palladium is defined as the product of the arithmetic mean of daily average price quotations for the tax period and the arithmetic mean of the official exchange rate for the corresponding tax period using the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S is the average exchange price for gold, platinum, and palladium for the tax period;

P1, P2,..., Pn – daily average quotation of prices for gold, platinum, palladium on the days for which price quotations were announced and published by the London Precious Metals Market Association during the tax period;

E is the arithmetic average of the official exchange rate for the relevant tax period;

n is the number of days in the tax period for which price quotations have been published.

The daily average price quotation for gold, platinum, and palladium is determined by the formula:

$$P_n = \frac{C_{n1} + C_{n2}}{2},$$

where:

Pn is the daily average price quotation;

Cn1 – daily A.M. price quotation (morning fixing) for gold, platinum, palladium;

Cn2 – daily P.M. quotation of prices (evening fixing) for gold, platinum, palladium.

The average exchange price for silver is defined as the product of the arithmetic mean of the daily quotations of silver prices for the tax period and the arithmetic mean of the official exchange rate for the corresponding tax period according to the following formula:

$$S = \frac{P_1 + P_2 + \ldots + P_n}{n} \times E,$$

where:

S is the average exchange price for silver for the tax period;

P1, P2,..., Pn – daily quotation of silver prices on the days for which price quotations were announced and published by the London Precious Metals Market Association during the tax period;

E is the arithmetic average of the official exchange rate for the relevant tax period;

n is the number of days in the tax period for which price quotes were published.

The average exchange price for a mineral is applied to the entire volume of each type of solid mineral specified in paragraph 4 of this article contained in extracted mineral raw materials, including the volume transferred to other legal entities and (or) a structural subdivision within one legal entity for subsequent processing and (or) use for their own production needs;

2) for solid minerals contained in the extracted mineral raw materials specified in subparagraph 2) of paragraph 2 of this article:

for solid minerals specified in paragraph 4 of this article – in accordance with the procedure specified in subparagraph 1) of this paragraph;

for other types of extracted solid minerals contained in the extracted mineral raw materials , - based on the weighted average selling price, and in the case of transfer to other legal entities and (or) a structural subdivision within the same legal entity for subsequent processing and (or) use for their own production needs, – based on the actual production cost of extraction and primary processing (enrichment) attributable to such types of minerals, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

3) for mineral raw materials specified in subparagraph 3) of paragraph 2 of this Article, – based on the weighted average selling price of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing (enrichment).

4. The provisions of subparagraph 1) of paragraph 2 of this article shall apply to those types of solid minerals for which, in the reporting tax period, there are official price quotations recorded on the London Metal Exchange or the London Precious Metals Market Association.

5. In the absence of sales of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing (enrichment), the value of the taxable volume of minerals is determined based on the weighted average selling price of the last tax period in which such sales took place.

The provisions of this paragraph shall not apply to the mineral raw materials specified in paragraph 4 of this article.

6. In the complete absence of the sale of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing (enrichment), from the beginning of the contract, the value of the taxable volume of minerals is determined:

1) for solid minerals specified in paragraph 4 of this Article – in accordance with the procedure specified in subparagraph 1) of paragraph 3 of this article;

2) for other types of solid minerals specified in subparagraph 2) of paragraph 2 of this Article – based on the actual production cost of extraction and primary processing (enrichment) attributable to such types of solid minerals, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent;

3) for mineral raw materials and (or) solid minerals specified in subparagraph 3) of paragraph 2 of this Article, with the exception of those specified in subparagraph 4) of part one of this paragraph, - based on the actual production cost of extraction and primary processing (enrichment) attributable to such types of minerals, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

In the case of subsequent sale of mineral raw materials and (or) solid minerals, including those that have undergone only primary processing (enrichment), except for the minerals

specified in paragraph 4 of this article, the subsurface user is obliged to adjust the amounts of the calculated mineral extraction tax, taking into account the actual weighted average selling price in the tax period in which the first sale took place;

4) for uranium extracted from productive solutions, - based on the weighted average price per kilogram of uranium in the form of natural uranium concentrate (U3O8), defined as the product of the arithmetic mean of monthly price quotations per pound of uranium in the form of natural uranium concentrate (U3O8) in foreign currency for each month of the tax period, taking into account the conversion of pounds into kilograms in accordance with the approved coefficient and the arithmetic mean of the official exchange rate for the relevant tax period according to the formula below.

For the purposes of part one of this subparagraph, the quotation of the price per pound of uranium in the form of natural uranium concentrate (U3O8) means a monthly indicator of the spot price per pound of natural uranium concentrate (U3O8), valid on the last day of the month in foreign currency based on information published in the sources UxWeekly by UxConsulting LLC (USA) and TheNuclearMarketReview of TradeTech LLC (USA). If there is no information about the quotation of the price of uranium in the form of natural uranium concentrate (U3O8) in one of the specified sources, the price of another specified source in which such quotation is available is applied.

In the absence of information on the quotation of the price of uranium in the form of natural uranium concentrate (U3O8) in the sources specified in part two of this subparagraph, the price according to data from other sources determined by the legislation of the Republic of Kazakhstan on transfer pricing is applied.

The weighted average price per kilogram of uranium in the form of natural uranium concentrate is determined by the following formula:

$$S = \frac{P1 + P2 + P3}{3} \times K \times E,$$

where:

S is the weighted average price per kilogram of uranium in the form of natural uranium concentrate for the tax period;

P1, P2, P3 – the average monthly quotation of prices from sources for each month during the tax period;

the arithmetic average monthly price quotation is determined by the formula:

$$Pn = \frac{Cn + Dn}{2},$$

where:

Pn is the arithmetic average price quotation;

Cn is the value of the monthly quotation of the price per pound of uranium in the form of natural uranium concentrate (U3O8) on the last day of the corresponding month of the reporting period from the UxWeekly source of UxConsulting LLC (USA);

Dn is the value of the monthly quotation of the price per pound of uranium in the form of natural uranium concentrate (U3O8) (ExchangeValue) on the last day of the corresponding month of the reporting period from the TheNuclearMarketReview source of TradeTech LLC (USA);

K is the conversion coefficient of pounds to kilograms, set at 2.59978;

E is the arithmetic average official exchange rate of the foreign currency for the relevant tax period.

If, according to the results of the reporting calendar year, the actual volume of uranium extracted from productive solutions under a subsurface use contract does not correspond to the planned volume under such a contract and leads to a change in the mining tax rate, the subsurface user is obliged to adjust the amount of mining tax calculated for the reporting year.

The amount of the mineral extraction tax is adjusted in the declaration for the last tax period of the reporting tax year by applying the mineral extraction tax rate corresponding to the actual volume of uranium extracted from productive solutions, determined in accordance with Article 781 of this Code, to the tax base calculated in the mineral extraction tax declarations for the first, the second and third quarters of the reporting tax year.

The amount of the mineral extraction tax, which takes into account the adjustment, is the tax liability for the mineral extraction tax for the last tax period of the reporting year.

In case of subsequent sale of mineral raw materials, including those that have undergone only primary processing (enrichment), and minerals contained in the taxable volumes of extracted mineral reserves specified in subparagraph 2) of paragraph 2 of this article, except for minerals specified in paragraph 4 of this article, the subsurface user is obliged to adjust the amounts of the calculated tax on extraction of minerals, taking into account the actual weighted average selling price in the tax period in which the first sale took place.

The adjustment of the calculated amounts of mineral extraction tax is made by the subsurface user for the twelve-month period preceding the tax period in which the first sale took place. In this case, the amount of the adjustment is the tax liability of the current tax period.

7. For the purposes of this article, the weighted average selling price for the tax period is determined by the following formula:

Ц ср. = (V1 р.п. × Ц1 р. + V2 р.п. × Ц2 р....+ Vпр.п. × Цпр.)/V общ. реализации,

where:

V1 p.п., V2 p.п., Vnp.п. – volumes of each batch of mineral raw materials and (or) solid minerals sold during the tax period;

Ц1 p., Ц2 p..., Цn p. – the actual selling prices of mineral raw materials and (or) solid minerals for each batch in the tax period;

n is the number of shipments of sold mineral raw materials and (or) solid minerals in the tax period;

V total sales – the total volume of sales of mineral raw materials and (or) solid minerals for the tax period.

At the same time, if the weighted average selling price of mineral raw materials and (or) solid minerals is lower than their production cost, increased by 20 percent, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, the weighted average selling price for the tax period is determined based on such production cost, increased by 20 percent.

The weighted average selling price is applied by the subsurface user to the entire taxable volume of minerals, including volumes transferred at the production cost of extraction to a structural unit within the same legal entity for subsequent processing and (or) use for the subsurface user's own production needs, including use as a feedstock for the production of marketable products.

8. If the sale price of a mineral is set in a foreign currency, such price for sales transactions for the purposes of paragraphs 5 and 7 of this article shall be converted into tenge using the official exchange rate established on the date of transfer of ownership rights under the agreement (contract) for the mineral raw materials sold, including those that have passed only primary processing (enrichment).

Article 781. Mining tax rates

1. Unless otherwise provided for in this Article, the rates of tax on the extraction of minerals shall be set at the following amounts:

1) minerals, with the exception of those specified in subparagraph 2) of this paragraph:

№	The name of minerals, mineral raw materials, including those that have undergone only primary processing		Rates, (%)
1	2	3	4
1.	Ferrous and non-ferrous ores	Chromium ore (concentrate)	21,06
		Manganese, iron-manganese ore (concentrate)	3,25
		Iron ore (concentrate)	3,64
		Copper	8,55
		Zinc	10,5
		Lead	10,4

2.	Metals	Platinum, palladium	6,5
		Aluminum	0,38
		Tin	3,9
		Nickel	7,8
3.	Mineral raw materials containing metals	Vanadium	5,2
		Chromium, titanium, magnesium, cobalt, tungsten, bismuth, antimony, mercury, arsenic and others	7,8
4.	Mineral raw materials containing rare metals	Niobium, lanthanum, cerium, zirconium	7,7
		Gallium	1,0
5.	Mineral raw materials containing dispersed metals	Selenium, tellurium, molybdenum	7,0
		Scandium, germanium, rubidium, caesium, cadmium, indium, thallium, hafnium, rhenium, osmium	6,0
6.	Mineral raw materials containing radioactive metals	Radium, thorium	5,0
7.	Mineral raw materials containing rare metals	Lithium, beryllium, tantalum, strontium	7,7
8.	Mineral raw materials containing rare earth metals	Praseodymium, neodymium, Promethium, Samara, europium, gadolinium, terbium, dysprosium, holmium, erbium, tulium, ichterbium, lutenium, ichthrium	6,0
Mineral raw materials containing non-metallic solid minerals			
9.	Fuel, chemical and agronomic mineral raw materials	Coking coal, anthracite	4,05
		Coal (except coking and anthracite), brown coal, oil shale	2,7
		Phosphorites	4,0
		Borates, including boric anhydrite	3,5
		Potassium and potassium-magnesium salts	6,0
		Barite	4,5
		Talcum powder	2,0
		Gypsum	5,6
		Sulfur	6,0
		Fluorites	3,0

		Volastanite	3,5
		Shungite	2,0
		Graphite, etc.	3,5
Gemstone-colored raw materials			
10.	Mineral raw materials containing precious stones	Diamond, ruby, sapphire, emerald, garnet, alexandrite, red (noble) spinel, euclase, topaz, aquamarine and others	12,0
11.	Mineral raw materials containing ornamental stones	Jade, jasper, jadeite, lapis lazuli, radonite, malachite, aventurine, agate, rock crystal, rose quartz, turquoise, dioptase, chalcedony and others	3,5
12.	Mineral raw materials containing technical stones	Technical diamonds, agate, corundum, zircon, jasper, serpentinite, asbestos, mica and others	2,0
13.	Others	Other mineral raw materials and (or) minerals Other non-metallic mineral raw materials that are not common minerals	4.7 but not less than 0.02 monthly calculation index per unit volume

2) uranium (extracted from productive solutions, mining method) depending on the volume of annual production and the price of natural uranium concentrate (U3O8):

№	Volume of annual extraction	Rate, (%)
1.	Up to 500 tons inclusive	4
2.	Up to 1 000 tons inclusive	6
3.	Up to 2 000 tons inclusive	9
4.	Up to 3 000 tons inclusive	12
5.	Up to 4 000 tons inclusive	15
6.	Over 4 000 tons	18

In this case, if the weighted average price of natural uranium concentrate (U3O8) exceeds the prices set below, the mineral extraction tax rate specified in subparagraph 2) of this paragraph shall be increased by the following amount:

№	Weighted average price of natural uranium concentrate (U3O8)	Rate, (%)
1.	Over 70 dollars per pound	0,5
2.	Over 80 dollars per pound	1,0
3.	Over 90 dollars per pound	1,5
4.	Over 100 dollars per pound	2,0
5.	Over 110 dollars per pound	2,5

3) gold depending on price:

№	Average exchange price of gold	Rate, (%)

1.	Up to 2 800 dollars inclusive per troy ounce	7,5
2.	Up to 3000 dollars inclusive per troy ounce	8
3.	Up to 3200 dollars inclusive per troy ounce	8,5
4.	Up to 3 400 dollars inclusive per troy ounce	9
5.	Up to 3 600 dollars inclusive per troy ounce	9,5
6.	Up to 3800 dollars inclusive per troy ounce	10
7.	Over 3800 dollars per troy ounce	11

4) silver depending on price:

№	Average exchange price of silver	Rate, (%)
1.	Up to 28 dollars inclusive per troy ounce	7,5
2.	Up to 30 dollars inclusive per troy ounce	8
3.	Up to 32 dollars inclusive per troy ounce	8,5
4.	Up to 34 dollars inclusive per troy ounce	9
5.	Up to 36 dollars inclusive per troy ounce	9,5
6.	Up to 38 dollars inclusive per troy ounce	10
7.	Over 38 dollars inclusive per troy ounce	11

At the same time, a coefficient of 0.01 is applied to the mineral extraction tax rate for extracted coal (except coking and anthracite), brown coal, and oil shale, established by this article, in the following cases:

1) the use by a subsurface user who is a subject of a natural monopoly of such extracted coal, lignite, oil shale, for the provision of services for transmission of electric energy, production, transmission, distribution and (or) supply of thermal energy, water supply and (or) sanitation in accordance with the legislation of the Republic of Kazakhstan on natural monopolies;

2) the sale by a subsurface user of extracted coal, lignite, and oil shale to a natural monopoly entity providing services specified in subparagraph 1) of part two of this article;

3) the sale of mined coal, lignite, and oil shale by a subsurface user to educational and healthcare organizations;

4) the sale by a subsurface user of extracted coal, lignite, and oil shale to recipients of targeted social assistance;

5) processing by the subsurface user of extracted coal, lignite, oil shale and (or) their use for their own production needs;

6) the use by a subsurface user who is an energy-producing organization of extracted coal, lignite, and oil shale for the production of electric and (or) thermal energy for their own needs and (or) sale in accordance with the legislation of the Republic of Kazakhstan on electric power industry and in the field of thermal energy

7) sale by a subsurface user of extracted coal, lignite, and oil shale to an energy-producing organization for the production of electric and (or) thermal energy for its own needs and (or) sale in accordance with the legislation of the Republic of Kazakhstan on electric power industry and in the field of thermal energy;

8) the sale by a subsurface user of extracted coal, lignite, and oil shale to organizations engaged in their processing and (or) use in the production of goods in the territory of the Republic of Kazakhstan.

Unless otherwise established by this article, the mineral extraction tax on all types of solid minerals and mineral raw materials extracted from off-balance sheet reserves at the deposit is paid at a rate of 0 percent.

For the purposes of this chapter, off-balance sheet reserves include:

solid minerals and mineral raw materials that, as of the day preceding the transition to inventory accounting under the KAZRC Code, were classified as off-balance sheet reserves based on their approval by the State Commission on Mineral Reserves;

in the case of extraction of solid minerals based on subsurface use licenses obtained after the transition to inventory accounting under the KAZRC Code, off-balance sheet reserves include solid minerals contained in mineral raw materials, the volumes of which are included in the category of estimated mineral resources and are not proven or probable mineral reserves for the relevant tax period.

At the same time, the mineral extraction tax rate of 0 percent is not applied in the case of the sale of mineral raw materials and (or) solid minerals extracted from off-balance sheet reserves.

2. If the profitability level for a deposit (a group of deposits under one subsurface use contract, part of the deposit) that meets the criteria defined by the Government of the Republic of Kazakhstan in accordance with part two of paragraph 4 of Article 753 of this Code is 5 percent or less, the subsurface user for the extracted minerals (a group of deposits under one subsurface use contract, parts of the deposit) at such deposits have the right to apply tax rates on mining, established by this Code as of December 31, 2022.

In case of actual non-compliance of a deposit (a group of deposits under one subsurface use contract, part of the deposit) with the criteria of low profitability determined in accordance with part one of this paragraph, the subsurface user recalculates tax obligations

for mining tax based on the rates established by paragraph 1 of this article for each relevant tax period of the calendar year in which such criteria were not met, and reflects the values obtained in additional mineral extraction tax returns for the relevant tax periods.

The provisions of this paragraph also apply to deposits (a group of deposits under one subsurface use contract, part of a deposit) for which the right of subsurface use has been reissued (transition to a licensed subsurface use regime) or the subsurface areas provided for exploration or extraction of solid minerals (allocation of a subsurface area) were transformed.

3. The tax on the extraction of minerals is calculated for a deposit (a group of deposits under one subsurface use contract, part of the deposit) at a rate of 0 percent within sixty months from the start of commercial production, subject to the following conditions:

1) commercial extraction of mineral raw materials at the deposit (a group of deposits under one subsurface use contract, part of the deposit) began after December 31, 2022, subject to conditions determined by the Government of the Republic of Kazakhstan;

2) the level of the internal rate of profitability for a field (a group of fields under one subsurface use contract, part of the field) does not exceed 15 percent;

3) the right of subsurface use for a deposit for which the mineral extraction tax rate specified in part one of this paragraph has been applied is not subject to alienation during the period of application of the provisions of this paragraph, with the exception of alienation in favor of an interconnected party.

For the purposes of this paragraph, the level of the internal rate of profitability for a deposit (a group of deposits under one subsurface use contract, part of the deposit) is determined in accordance with the procedure determined by the Government of the Republic of Kazakhstan.

In case of non-compliance with the conditions established by subparagraphs 1) and 3) of part one of this paragraph, the mining tax shall be paid at the rates established in accordance with paragraph 1 or 2 of this article for the entire period of application of the provisions of this paragraph.

Upon reaching the level of the internal rate of profitability for the deposit (a group of deposits under one subsurface use contract, part of the deposit), the indicator established by subparagraph 2) of this paragraph, the subsurface user for each relevant tax period of the calendar year in which such criteria were not met shall reflect the values obtained in additional mineral extraction tax returns for the relevant tax periods.

In the event that in subsequent periods after the recalculation of tax liabilities for mining tax, the level of the internal rate of return decreases below 15 percent, the taxpayer shall not be entitled to apply the provisions of this paragraph for these subsequent periods.

For the purposes of this paragraph and Article 782 of this Code, industrial mining is defined as the stage of extraction of solid minerals, the transition to which is announced by

the subsurface user by sending a corresponding notification to the authorized body indicating the month and year of the beginning of this stage no later than fifteen working days prior to such transition.

At the same time, the calculation of the mineral extraction tax at the rate of 0 percent provided for in this paragraph does not apply to deposits (a group of deposits under one subsurface use contract, part of the deposit) that were allocated from the mining contract (mining license) or from the contract for combined exploration and production (during the mining period).

Article 782. Special provisions for application of the mineral extraction tax rate for a group of deposits under one subsurface use contract, parts of the deposit included in the list approved by the Government of the Republic of Kazakhstan

1. The tax on the extraction of minerals from a group of deposits under one subsurface use contract, parts of the deposit included in the list approved by the Government of the Republic of Kazakhstan, is calculated at a rate of 0 percent for sixty months from the date of commencement of commercial production, subject to the following conditions:

1) commercial extraction of mineral raw materials from a group of deposits under one subsurface use contract, part of the deposit started after December 31, 2022, subject to the conditions determined by the Government of the Republic of Kazakhstan;

2) the level of the internal rate of profitability for a group of deposits under one subsurface use contract, part of the deposit is 15 percent or less.

The level of the internal rate of profitability is calculated based on the costs (expenses) associated with the development of a group of deposits under one subsurface use contract, part of the deposit, including geological exploration, exploration, preparatory work for production and other capital expenditures, on an accrual basis from the beginning of their implementation;

3) the right of subsurface use for a group of deposits under one subsurface use contract, the part of the deposit for which the mining tax rate specified in this paragraph was applied, is not subject to alienation during the period of application of the provisions of this paragraph, except for alienation in favor of an interconnected party.

2. The procedure for determining the level of the internal rate of profitability, the procedure for inclusion in the list for joint development of reserves for a group of deposits under one subsurface use contract or separate development of reserves for a part of the deposit, as well as such a list are determined by the Government of the Republic of Kazakhstan.

3. For the purpose of applying the mineral extraction tax rate established by paragraph 1 of this Article, the subsurface user is obliged to keep separate tax records for calculating the tax liability for mining tax in the case of joint development of reserves for a group of deposits

under one subsurface use contract or separate development of reserves for a part of the deposit during the period of application of the tax rate for the extraction of minerals, established by paragraph 1 of this Article.

Article 783. Special provisions for the application by a subsurface user of mineral extraction tax rates for solid minerals extracted from man-made mineral formations

1. When calculating the tax on the extraction of minerals for solid minerals extracted from man-made mineral formations, a subsurface user shall apply a reduction coefficient of 0.1 to the rates established by Article 781 of this Code.

2. In order to calculate the tax on the extraction of minerals, a subsurface user is obliged to keep separate tax records for solid minerals extracted from man-made mineral formations, separately from other solid minerals extracted by the subsurface user.

3. The object of taxation for solid minerals extracted from man-made mineral formations is the volume of sold solid minerals extracted from man-made mineral formations.

4. For the purposes of calculating the mineral extraction tax on solid minerals extracted from man-made mineral formations, the tax base shall be determined in accordance with Article 780 of this Code.

Article 784. Special provisions for the application by a subsurface user of the mineral extraction tax rate for man-made mineral formations to be used without extracting solid minerals from them

1. When calculating the tax on mining of man-made mineral formations (overburden, host rock, ash and ash slags) used without extracting solid minerals from them for their own production needs, eliminating the consequences of subsurface use and selling to third parties who are contractors, for use in the construction and reconstruction of public roads, railways, state hydraulic engineering structures, the mineral extraction tax rates for metamorphic rocks are applied in accordance with paragraph 1 of Article 786 of this Code.

2. The object of taxation for man-made mineral formations to be used without extracting solid minerals from them is the physical volume of man-made mineral formations sold or used for their own production needs.

Paragraph 3. Mining tax on common minerals, groundwater and therapeutic mud

Article 785. The object of taxation

The object of taxation is the physical volume of common minerals, groundwater and therapeutic mud extracted by a subsurface user during the tax period.

For the purposes of determining the object of taxation, the units of measurement used in the accounting and summary balances of mineral reserves submitted to the authorized body for the study of the subsoil are used.

For the purposes of this chapter, one cubic meter or one ton is recognized as a unit of volume of extracted common minerals and therapeutic mud.

The mining tax is not paid in the following cases:

1) during the reverse injection of groundwater, including in the form of steam generated from them, into the subsurface (pumping man-made water) to maintain reservoir pressure;

2) during the disposal of groundwater extracted along with hydrocarbons and posing a threat to public health and the environment, in accordance with the water legislation of the Republic of Kazakhstan;

3) during the discharge of groundwater (mine, quarry, mine), simultaneously extracted (simultaneously withdrawn, pumped out) during exploration and (or) extraction of solid minerals;

4) an individual engaged in the extraction of groundwater on a land plot owned by him on the basis of the right of ownership, land use and other rights to land, provided that the extracted groundwater is not used in carrying out business activities;

5) for groundwater extracted by state institutions for their own economic needs.

Article 786. Mining tax rates

1. The mineral extraction tax rates for common minerals and therapeutic mud are calculated per unit volume of extracted common minerals and therapeutic mud based on the amount of the monthly calculation index effective on January 1 of the corresponding financial year, and are:

№	Name of minerals	Rates, in MCI
1	2	3
1.	Metamorphic rocks, including marble, quartzite, quartz-feldspar rocks	0,02
2.	Igneous rocks, including granite, syenite, diorite, gabbro, rhyolite (liparite), andesite, diabase, basalt, volcanic tuffs, slag, pumice, volcanic glasses and vitreous rocks (perlite, obsidian)	0,02
3.	Sedimentary rocks, including pebbles and gravel, gravel-sand (sand-gravel) mixture, sands and sandstones, clays and clay rocks (loams, siltstones, mudstones, clay shales), table salt, gypsum rocks, marls, limestones, including shells, cretaceous rocks, dolomites, limestone-dolomite rocks, siliceous rocks (trepel, flask, diatomite), natural pigments, peat	0,015
4.	Therapeutic mud	0,02

2. The rates of the mineral extraction tax on groundwater are calculated per 1 cubic meter of extracted groundwater based on the amount of the monthly calculation index effective on January 1 of the corresponding financial year, and are:

№	Name of minerals	Rates, in MCI

1	2	3
1.	Groundwater extracted by a subsurface user, with the exception of the groundwater indicated in lines 2-5 of this table	0,003
2.	Groundwater extracted by a subsurface user for carrying out activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies, and (or) subsequent sale to a natural monopoly entity for carrying out activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies	0,001
3.	Mineral groundwater, household drinking groundwater extracted by a subsurface user and used by him for the production of alcoholic beverages, ethyl alcohol, alcoholic food products, soft drinks and (or) food products (except for the production of agricultural products and (or) its processing)	0,250
4.	Actual losses of domestic drinking groundwater exceeding the limits of the normalized losses approved in the water supply tariff for the relevant reporting period during the implementation of activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies and (or) subsequent sale to a natural monopoly entity for the implementation of activities regulated by the legislation of the Republic of Kazakhstan on natural monopolies	0,005
5.	Actual losses of mineral groundwater, household drinking groundwater extracted by a subsurface user, with the exception of groundwater indicated in line 4 of this table	1,000

3. In the absence of separate accounting of extracted groundwater, the highest rate shall be applied for the purpose of applying the mineral extraction tax rates for groundwater established by paragraph 2 of this Article.

Article 787. Tax period

The tax period for the mining tax is a calendar quarter.

Article 788. Terms of payment

Unless otherwise provided for in this article, the taxpayer is obliged to pay the calculated amount of tax to the budget at the location no later than the 25th day of the second month following the tax period.

In the case of the sale of mineral raw materials and (or) minerals extracted from off-balance sheet reserves, the mineral extraction tax is paid at the location no later than the 25th day of the month following the tax period in which the mineral raw materials and (or) minerals extracted from off-balance sheet minerals are sold.

Article 789. Tax return

The mineral extraction tax declaration is submitted by the subsurface user to the tax authority at the location no later than the 15th day of the second month following the tax period.

Chapter 90. ROYALTIES ON SOLID MINERALS, WITH THE EXCEPTION OF COMMON MINERALS

Article 790. General provisions

1. Subsurface users who carry out activities under a license for exploration or extraction of solid minerals that comply with the conditions established by paragraph 1 of Article 791 of this Code shall pay royalties on solid minerals.

Royalties are paid between the date of receipt of such license and the expiration date.

Royalties on solid minerals are paid at the rates and in the manner prescribed by this chapter.

2. Royalties shall be paid by the subsurface user upon the sale of extracted mineral raw materials and solid minerals, including those that have been processed, as well as in the case of the sale of man-made mineral formations (solid minerals extracted from man-made mineral formations) formed during the conduct of activities under the license for exploration or extraction of solid minerals specified in paragraph 1 of Article 791 of this Code.

3. The volume of mineral raw materials and solid minerals sold, including those that have been processed, as well as the content of solid minerals in the mineral raw materials sold, is confirmed on the basis of data from accredited laboratories located in the territory of the Republic of Kazakhstan.

Such confirmation is carried out for each batch of sold mineral raw materials and solid minerals in accordance with the procedure and deadlines established by the authorized body in the field of solid minerals.

At the same time, the authorized body in the field of solid minerals approves the list of accredited laboratories in accordance with the procedure established by it.

Article 791. Payers

1. Royalty payers are subsurface users who sell mineral raw materials and solid minerals, including those that have been processed and extracted under a license for exploration or extraction of solid minerals, subject to the following conditions:

the license for exploration or extraction of solid minerals was issued after December 31, 2026 in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

the territory to which a license for exploration or extraction of solid minerals has been granted does not belong to the territory to which the right of subsurface use was granted before December 31, 2026 in accordance with the legislation of the Republic of Kazakhstan on subsurface resources and subsurface use.

2. Royalties may not be applied by subsurface users operating on the basis of the following contracts and licenses for subsurface use:

1) mining licenses;

2) uranium mining contracts.

Article 792. The object of taxation

The object of royalty taxation is the physical volume of mineral raw materials and solid minerals sold, including those that have been processed and extracted by a subsurface user while operating under a license for exploration or extraction of solid minerals specified in paragraph 1 of Article 791 of this Code.

At the same time, unless otherwise established by this article, the volume of mineral raw materials sold, including processed ones, is determined based on such mineral raw materials and each associated mineral contained therein.

Article 793. Tax base

1. The tax base for calculating royalties is the cost of mineral raw materials and solid minerals sold, including those processed, during the tax period.

Unless otherwise specified in paragraph 2 of this article, the cost of sold mineral raw materials and solid minerals, including those that have been processed, is determined based on their sale price, taking into account compliance with the legislation of the Republic of Kazakhstan on transfer pricing, but not lower than the production cost of sold mineral raw materials and solid minerals, including those that have been processed, determined in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, increased by 20 percent.

At the same time, the production cost of sold mineral raw materials and solid minerals, including those processed, is determined for each transaction in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

2. The value of mineral raw materials and solid minerals, including those that have been processed, for which official price quotations are available in the reporting tax period, recorded on the London Metal Exchange or the London Precious Metals Market Association, is determined based on the average exchange price established during the tax period.

The average exchange price is determined in accordance with the procedure established by subparagraph 1) of paragraph 3 of Article 780 of this Code.

3. For the purposes of this chapter, the sale date is determined in accordance with international financial reporting standards and/or the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

4. In the cases provided for in paragraph 2 of Article 256 of this Code, the cost and (or) volumes of mineral raw materials and solid minerals, including those that have been processed, are adjusted in the period in which the specified cases occurred.

Article 794. Royalty rates

The royalty rates are set in the following amounts:

№	Type of commercial product	Rates, (%)
1	2	3
1.	Ore raw materials extracted from the depths, which have undergone the process of crushing, screening, crushing, classification (sorting), state and own waste from mining, mining and processing or energy production	13
2.	Concentrates of enrichment production and other products and own waste, which are the result of primary processing (enrichment)	10
3.	Metals and alloys, other products and own waste, which are the result of chemical and metallurgical conversion	7

Article 795. Tax period

The royalty tax period is a calendar quarter.

Article 796. Terms of payment

The taxpayer is obliged to pay the calculated amount of royalties to the budget at the location no later than the 25th day of the second month following the tax period.

Article 797. Tax return

The royalty declaration is submitted by the subsurface user to the tax authority at the location no later than the 15th day of the second month following the tax period.

Chapter 91. EXCESS PROFIT TAX

Article 798. General provisions

1. The excess profit tax is calculated for the tax period for each individual subsurface use contract under which the subsurface user is the payer of the excess profit tax in accordance with Article 799 of this Code.

2. For the purposes of calculating the excess profit tax, the subsurface user determines the object of taxation, as well as the following objects related to taxation, for each individual subsurface use contract in accordance with the procedure established by this chapter:

1) net income for the purposes of calculating excess profit tax;

2) taxable income for the purposes of calculating excess profit tax;

3) gross annual income under the subsoil use contract;

4) deductions for the purposes of calculating the excess profit tax;

5) corporate income tax under a subsurface use contract;

6) the estimated amount of tax on the net income of a permanent establishment of a non-resident under a subsoil use contract.

Article 799. Payers

1. Taxpayers of the excess profit tax are subsurface users for activities carried out under each individual subsurface use contract, with the exception of subsurface use contracts specified in paragraph 2 of this Article.

2. Subsurface users who carry out activities based on the following subsurface use contracts are not taxpayers of the excess profit tax established by this chapter:

1) specified in paragraph 1 of Article 755 of this Code;

2) for the exploration and (or) extraction of solid minerals, including common minerals, groundwater and (or) therapeutic mud, provided that these contracts do not provide for the extraction of other groups of minerals;

3) for the construction and operation of underground structures not related to exploration and production.

Article 800. The object of taxation

The object of taxation on excess profits is a part of the net income of a subsurface user determined for the purposes of calculating excess profit tax in accordance with Article 801 of this Code for each individual subsurface use contract for the tax period, exceeding the amount equal to 25 percent of the amount of deductions of the subsurface user for the purposes of calculating excess profit tax, determined in accordance with Article 804 of this Code.

Article 801. Net income for the purposes of calculating excess profit tax

1. Net income for the purposes of calculating excess profit tax is defined as the difference between taxable income for the purposes of calculating excess profit tax, determined in accordance with Article 802 of this Code, and corporate income tax under a subsoil use contract, calculated in accordance with Article 805 of this Code.

2. For non-residents engaged in subsurface use activities in the Republic of Kazakhstan through a permanent establishment, net income for the purposes of calculating excess profit tax is additionally reduced by the estimated amount of tax on net income of a permanent establishment under the relevant subsurface use contract, calculated in accordance with Article 806 of this Code.

Article 802. Taxable income for the purposes of calculating excess profit tax

1. For the purposes of this chapter, taxable income is defined as the difference between the gross annual income for the purposes of calculating excess profit tax under a subsurface use contract, determined in accordance with Article 803 of this Code, and deductions for the purposes of calculating excess profit tax, determined in accordance with Article 804 of this Code, taking into account the reduction in the amount of income and expenses provided for in Article 337 of this Code.

2. The excess of deductions for the purposes of calculating the excess profit tax over the amount of gross annual income for the tax period is transferred for repayment at the expense of taxable income for the purposes of calculating the excess profit tax of subsequent consecutive tax periods.

Article 803. Gross annual income under a subsurface use contract for the purposes of calculating excess profit tax

1. The gross annual income for the purposes of calculating the excess profit tax shall be determined by the subsurface user for contractual activities under each individual subsurface use contract in accordance with the procedure established by this Code for determining the total annual income, with the exception of income provided for in Articles 244, 250-254 and 297 of this Code, determined in accordance with paragraph 2 of this Article.

2. For the purposes of calculating the excess profit tax, the income provided for in Articles 244 and 297 of this Code shall be determined in the amount of the total cost of the sale, transfer and disposal of assets specified in Articles 279, 303 – 316 of this Code.

The income provided for in Articles 250-254 of this Code shall be determined in the amount of the full value of the sale, transfer and disposal of assets specified in Articles 279, 303-116 of this Code, if the value of these assets is deducted for the purposes of calculating excess profit tax.

The amount of income from the sale of assets specified in Articles 250-254 of this Code, the value of which is not deductible for the purposes of calculating excess profit tax, is determined in accordance with Articles 250-254 of this Code.

Article 804. Deductions for the purposes of calculating excess profit tax

1. For the purposes of calculating the excess profit tax, deductions for each individual subsurface use contract are defined as the amount of:

1) expenses to be deducted in the reporting tax period for the purpose of calculating corporate income tax on contractual activities in accordance with the articles 257 – 260, 262 – 273, 301 – 302 and 317 of this Code;

2) expenses actually incurred during the tax period to be included in:

cost balances of groups (subgroups) of fixed assets;

separate groups of depreciable assets formed in accordance with Articles 303 to 316 of this Code.

At the same time, the costs of acquiring general and (or) indirect fixed assets for the purposes of calculating excess profit tax are subject to deductions based on the specific

weight of direct expenses incurred for each specific contract for subsurface use and non-contractual activities in the total amount of direct expenses incurred by the subsurface user during the tax period.

2. For the purposes of calculating the excess profit tax for the tax period of 2018, a one-time deduction of the amount accumulated for the purposes of calculating the excess profit tax, which was subject to deduction but not deducted for the purposes of calculating the excess profit tax from January 1, 2009 to January 1, 2018, is carried out.

3. If the same types of expenses are provided for by several types of deductions established by this article, then when calculating taxable income, these expenses are deducted only once.

Article 805. Corporate income tax under a subsurface use contract

The corporate income tax under a subsurface use contract is determined for the tax period for contractual activities under each individual subsurface use contract as the product of the rate established by paragraph 1 of Article 357 of this Code and the taxable income calculated under such a subsurface use contract in accordance with the procedure established by Article 345 of this Code, reduced by the amounts of income and expenses provided for in Article 337 of this Code, as well as the amount of losses under the subsurface use contract transferred in accordance with Articles 338 – 344 of this Code.

Article 806. The estimated amount of tax on the net income of a non-resident permanent establishment under a subsoil use contract

The estimated amount of tax on the net income of a non-resident permanent establishment under a subsurface use contract for the purposes of this chapter is determined for the tax period as the product of the tax rate on the net income of a non-resident permanent establishment set by subparagraph 4) of paragraph 1 of Article 357 of this Code, and the object of taxation on the net income of a permanent establishment of a non-resident, calculated under a subsoil use contract in accordance with the procedure established by Article 689 of this Code.

Article 807. The order of calculation

1. The calculation of excess profit tax for a tax period is carried out by applying each appropriate rate for each level established by Article 808 of this Code to each part of the excess profit tax object related to that level, followed by summation of the calculated excess profit tax amounts for all levels.

2. In order to apply the provisions of paragraph 1 of this Article, the subsurface user:

1) defines the object of taxation, as well as objects related to the taxation of excess profits under a subsurface use contract;

2) determines the maximum amounts of net income distribution for the purposes of calculating excess profit tax for each level established by Article 808 of this Code in the following order:

for levels 1, 2, 3, 4, 5 and 6 – as the product of the percentage for each level established in column 3 of the table of Article 808 of this Code, and the amount of deductions for the purposes of calculating the tax on excess profits;

for level 7:

if the amount of net income for the purposes of calculating excess profit tax is greater than the amount equal to 70 percent of the amount of deductions for the purposes of calculating excess profit tax, - as the difference between net income for the purposes of calculating excess profit tax and the amount equal to 70 percent of the amount of deductions for the purposes of calculating excess profit tax;

if the amount of net income for the purposes of calculating the excess profit tax is less than or equal to the amount equal to 70 percent of the amount of deductions for the purposes of calculating the excess profit tax, - as zero;

3) distributes the net income actually received in the tax period for the purposes of calculating the excess profit tax according to the levels provided for in Article 808 of this Code in the following order:

for level 1:

if the amount of net income for the purposes of calculating excess profit tax for the tax period exceeds the maximum amount of net income distribution for the first level, then the distributed part of net income for the first level is equal to the maximum amount of net income distribution for the first level;

if the amount of net income for the purposes of calculating excess profit tax for the tax period is less than the maximum amount of net income distribution for the first level, then the distributed part of net income for the first level is equal to the amount of net income for the purposes of calculating excess profit tax for the tax period. At the same time, for the following levels, the distribution of net income for the purposes of calculating the tax on excess profits is not carried out;

for levels 2, 3, 4, 5, 6 and 7:

if the difference between the net income for the purposes of calculating excess profit tax for the tax period and the total amount of the distributed parts of net income for previous levels exceeds or is equal to the maximum amount of net income distribution for the corresponding level, then the distributed part of net income for this level is equal to the maximum amount of net income distribution for this corresponding level;

if the difference between the net income for the purposes of calculating excess profit tax for the tax period and the total amount of the distributed parts of net income for previous levels is less than the maximum amount of net income distribution for the corresponding level , then the distributed part of net income for this level is equal to this difference.

At the same time, net income is not distributed for the purposes of calculating excess profit tax for the following levels.

The total amount of the parts of net income distributed by levels should be equal to the total amount of net income for the purposes of calculating excess profit tax for the tax period;

4) applies the appropriate excess profit tax rate to each part of net income distributed by levels in accordance with Article 808 of this Code;

5) determines the amount of excess profit tax for the tax period by summing the calculated excess profit tax amounts at all levels provided for in Article 808 of this Code.

Article 808. Calculation of the maximum amount of net income distribution for the purposes of calculating excess profit tax

The excess profit tax is paid by the subsurface user on a sliding scale of rates determined in the following order:

№ of the level	The scale of distribution of net income by levels for the purposes of calculating the tax on excess profits, as a percentage of the amount of deductions	Percentage for calculating the maximum amount of net income distribution for the purposes of calculating excess profit tax	Rate (%)
1	2	3	4
1.	less than or equal to 25 percent	25	Not established
2.	From 25 percent to 30 percent inclusive	5	10
3.	From 30 percent to 40 percent inclusive	10	20
4.	From 40 percent to 50 percent inclusive	10	30
5.	From 50 percent to 60 percent inclusive	10	40
6.	From 60 percent to 70 percent inclusive	10	50
7.	Over 70 percent	in accordance with subparagraph 2) of paragraph 2 of Article 761 of this Code	60

Article 809. Tax period

1. For the excess profit tax, the tax period is the calendar year from January 1 to December 31.

2. If a subsurface use contract has been concluded during a calendar year, the first tax period for calculating excess profit tax under such a contract is the period from the date of entry into force of the subsurface use contract until the end of the calendar year.

3. If a subsurface use contract has expired before the end of a calendar year, the last tax period for calculating excess profit tax under such a contract is the period from the beginning of the calendar year to the date of termination of the subsurface use contract.

4. If a subsurface use contract that entered into force after the beginning of a calendar year has expired before the end of that calendar year, the tax period for calculating excess profit tax under such a contract is the period from the date the subsurface use contract enters into force until the date the subsurface use contract ends.

Article 810. Tax payment deadline

The excess profit tax is paid to the budget at the taxpayer's location no later than ten calendar days after the deadline set for submitting the declaration.

Article 811. Tax return

The excess profit tax declaration is submitted by the taxpayer to the tax authority at the location no later than March 31 of the year following the reporting tax period.

Chapter 92. ALTERNATIVE TAX ON SUBSURFACE USE

Article 812. General provisions

1. Unless otherwise specified in paragraph 4 of this Article, an alternative subsurface use tax may be applied instead of a payment for reimbursement of historical expenses, mineral extraction tax, and excess profit tax by legal entities – subsurface users who have concluded agreements in accordance with the legislation of the Republic of Kazakhstan on subsurface resources and subsurface use:

1) a contract for the extraction and (or) combined exploration and production of hydrocarbons at the subsurface area(s) located entirely in the Kazakh sector of the Caspian Sea;

2) a contract for the extraction and (or) exploration and production of hydrocarbons for a subsurface area(s) with a depth of the upper point of hydrocarbon deposits specified in the mining allotment or contract for the extraction or exploration and production of hydrocarbons in the absence of a mining allotment, not higher than 4,500 meters and the lower point of hydrocarbon deposits specified in the mining allotment or contract for the extraction or exploration and production of hydrocarbons in the absence of a mining allotment, 5000 meters and below;

3) a contract for the extraction or exploration and production of hydrocarbons at a deposit(s) classified as depleted in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

This right applies from the date of conclusion of these subsurface use contracts or additions to previously concluded subsurface use contracts until the expiration date of the relevant subsurface use contract and is not subject to change.

The notification of the application of this right is sent by the taxpayer to the tax authority at the location no later than thirty calendar days from the date of registration of the relevant subsurface use contract or additions to previously concluded subsurface use contracts.

2. The right to apply, starting from January 1, 2018, an alternative procedure for fulfilling tax obligations for special payments and taxes of subsurface users under contracts specified in

subparagraphs 1) and 2) of part one of paragraph 1 of this Article concluded before January 1, 2018, is valid for the entire remaining period of the subsurface use contract and is not subject to change, and the taxpayer sends a notification on that to the tax authority at the location no later than March 1, 2018.

3. If the notifications provided for in paragraphs 1 and 2 of this Article are not submitted within the prescribed time, the fulfillment of the tax obligation to pay for the reimbursement of historical expenses, the mineral extraction tax and the excess profit tax shall be carried out in accordance with the procedure established by Chapters 88, 89 and 91 of this Code.

4. An alternative subsurface use tax is applied instead of a payment for reimbursement of historical expenses, mineral extraction tax, and excess profit tax by legal entities – subsurface users who have concluded a contract for exploration and production or production of hydrocarbons for complex projects in accordance with the legislation of the Republic of Kazakhstan on subsurface and subsurface use, by virtue of the relevant contract from the date of its registration. These subsurface users do not send the notification specified in paragraph 1 of this article.

At the same time, for the purposes of this chapter, a contract for exploration and production or production of hydrocarbons for complex projects is also recognized as a contract for exploration and production or production of hydrocarbons, set out in a new version in accordance with the standard contract for exploration and production or production of hydrocarbons for complex projects in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use. In this case, the provisions of part one of this paragraph shall apply from the date of registration of the supplement to the previously concluded subsurface use contract.

Article 813. Procedure for calculating alternative tax on subsurface use

1. The alternative subsurface use tax is determined for the tax period for contractual activities for each individual subsurface use contract.

2. The object of the alternative tax on subsurface use is defined as the difference between the total annual income for the purposes of calculating the alternative tax on subsurface use and deductions for the purposes of the alternative tax on subsurface use, taking into account the adjustments provided for in Articles 256 and 288 of this Code.

Taking into account the specifics provided for in paragraph 4 of Article 756 of this Code, for a subsurface user under a contract for exploration and production or production of hydrocarbons for complex offshore projects, the excess of deductions for the purposes of calculating an alternative subsurface use tax over the amount of the cumulative annual income for the tax period calculated for the purposes of the alternative subsurface use tax is postponed to the next ten years inclusive to repay at the expense of the taxable income calculated for the purposes of the alternative subsurface use tax for these subsequent tax periods.

3. The total annual income for the purposes of calculating the alternative tax on subsurface use shall be determined in accordance with the procedure defined by this Code for the purposes of calculating corporate income tax, except for the excess of the amount of the positive exchange rate difference over the amount of the negative exchange rate difference, which is not subject to inclusion in the total annual income for the purposes of calculating the alternative tax on subsurface use, and without taking into account the decrease in the total annual income provided for in Article 255 of this Code.

For the purposes of this paragraph, the excess of the amount of a positive exchange rate difference over the amount of a negative exchange rate difference arising from the write-off before commercial discovery during the exploration period by a strategic partner of an obligation of a national subsoil use company or a legal entity whose shares (shares in the authorized capital) directly or indirectly belong to such a national subsoil use company is not considered as income.

4. Deductions for the purposes of calculating alternative tax on subsurface use shall be determined in accordance with the procedure defined by this Code for the purposes of calculating corporate income tax, taking into account the following:

remuneration, including those deductible in accordance with Article 263 of this Code or subject to accounting as capital expenditures, is not deductible;

the excess of the amount of the negative exchange rate difference over the amount of the positive exchange rate difference, including as part of expenses deductible in accordance with Articles 303 - 315 of this Code, is not deductible;

the amount of calculated (accrued) corporate income tax is not deductible.

5. If the same expenses (costs) are provided for in several types of expenses (costs) established by paragraph 4 of this Article, then when calculating the alternative tax on subsurface use, these expenses (costs) are deducted only once.

6. An alternative tax on subsurface use is calculated as the product of the object of taxation of such a tax on subsurface use and the rate established by Article 814 of this Code.

Article 814. Tax rate

Unless otherwise provided by this article, the alternative tax on subsurface use is calculated at the following rates based on the world oil price calculated in accordance with paragraph 3 of Article 776 of this Code:

№	World price	Rate, %
1	2	3
1.	Up to 50 US dollars per barrel inclusive	0
2.	Up to 60 US dollars per barrel inclusive	6
3.	Up to 70 US dollars per barrel inclusive	12

4.	Up to 80 US dollars per barrel inclusive o	18
5.	Up to 90 US dollars per barrel inclusive	24
6.	Up to 100 US dollars per barrel inclusive	30
7.	Up to 110 US dollars per barrel inclusive	32
8.	Up to 120 US dollars per barrel inclusive	34
9.	Up to 130 US dollars per barrel inclusive	36
10.	Up to 140 US dollars per barrel inclusive	38
11.	Up to 150 US dollars per barrel inclusive	40
12.	Over 150 US dollars per barrel	42

Taking into account the specifics provided for in paragraph 4 of Article 756 of this Code, for contracts for exploration and production or production of hydrocarbons for complex offshore projects in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, the alternative tax on subsoil use is calculated at the following rates based on the world oil price calculated in accordance with paragraph 3 of Article 776 of this Code:

№	World price	Rate, %
1	2	3
1.	Up to 50 US dollars per barrel inclusive	0
2.	Up to 60 US dollars per barrel inclusive	2
3.	Up to 70 US dollars per barrel inclusive	4
4.	Up to 80 US dollars per barrel inclusive	6
5.	Up to 90 US dollars per barrel inclusive	8
6.	Up to 100 US dollars per barrel inclusive	10
7.	Up to 110 US dollars per barrel inclusive	10,7
8.	Up to 120 US dollars per barrel inclusive	11,3
9.	Up to 130 US dollars per barrel inclusive	12,0
10.	Up to 140 US dollars per barrel inclusive	12,7
11.	Up to 150 US dollars per barrel inclusive	13,3

12.	Over 150 US dollars per barrel	14,0

Article 815. Tax period

1. For an alternative tax on subsurface use, the tax period is a calendar year.

2. If the subsurface use contract was concluded during a calendar year, the first tax period for calculating the alternative subsurface use tax under such a contract is the period from the date of entry into force of the subsurface use contract until the end of the calendar year.

3. If the subsurface use contract has expired before the end of the calendar year, the last tax period for calculating the alternative subsurface use tax under such a contract is the period from the beginning of the calendar year to the date of termination of the subsurface use contract.

4. If a subsurface use contract that entered into force after the beginning of a calendar year has expired before the end of that calendar year, the tax period for calculating the alternative subsurface use tax under such a contract is the period from the date the subsurface use contract enters into force until the date the subsurface use contract expires.

Article 816. Tax payment deadline

The alternative tax on subsurface use is payable to the budget at the taxpayer's location no later than ten calendar days after the deadline set for submitting the declaration.

Article 817. Tax return

The taxpayer's alternative tax declaration for subsurface use is submitted to the tax authority at the location no later than March 31 of the year following the reporting tax period.

Chapter 93. PROCEDURE FOR FULFILLING TAX OBLIGATIONS UNDER THE MINERAL EXTRACTION TAX, RENTAL TAX ON EXPORT OF HYDROCARBONS, ROYALTIES AND THE SHARE OF THE REPUBLIC OF KAZAKHSTAN IN THE DIVISION OF PRODUCTS IN KIND

Article 818. The procedure for fulfilling the tax obligation on royalties and the share of the Republic of Kazakhstan in the division of products in kind

1. The fulfillment of the tax obligation to pay royalties and the share of the Republic of Kazakhstan in the division of products in monetary form may be temporarily, fully or partially replaced by the products in kind, subject to the following conditions:

1) production sharing agreements (contracts), a subsurface use contract approved by the President of the Republic of Kazakhstan, specified in Article 755 of this Code, provide for the transfer of minerals due to the fulfillment by the subsurface user of a tax obligation to pay royalties and (or) a share of the Republic of Kazakhstan in the division of products in kind;

2) the decision of the Government of the Republic of Kazakhstan has determined the recipient on behalf of the state of the minerals transferred by the subsurface user to fulfill the tax obligation in kind.

2. In fulfillment of a tax obligation in kind:

1) the subsurface user transfers minerals to the recipient on behalf of the state in the manner and within the time limits established by the production sharing agreement (contract) and (or) the subsurface use contract approved by the President of the Republic of Kazakhstan, specified in Article 755 of this Code, or other document provided for by such agreement and (or) contract;

2) the recipient, on behalf of the state, sells minerals independently or through a person authorized by the recipient on behalf of the state to carry out such sales, subject to compliance with the legislation of the Republic of Kazakhstan on transfer pricing.

The sale of minerals obtained due to the fulfillment of obligations by the subsurface user in kind is carried out in compliance with the following principles:

legality;

transparency;

certainty;

good faith;

justice;

maximizing benefits;

minimizing related costs;

3) the recipient, on behalf of the state or a person authorized by the recipient on behalf of the state to carry out such sale, determines and transfers to the budget current payments in the amount calculated in accordance with the procedure for fulfilling obligations in kind determined by the Government of the Republic of Kazakhstan;

4) the subsurface user, the recipient, on behalf of the state, shall submit to the tax authorities at their location a declaration (calculation of current payments) for the fulfillment of a tax obligation in kind in accordance with the procedure established by this Code and in the form established by the authorized body.

3. The tax period for the fulfillment by a subsurface user of a tax obligation for taxes in kind is a calendar quarter.

The tax period for the recipient on behalf of the state regarding the payment of money received from the actual sale of minerals transferred by the subsurface user to fulfill the tax obligation for taxes in kind is a calendar year.

4. The determination of the volume of minerals transferred to fulfill the tax obligation in kind, its calculation in monetary terms, as well as their sale, are carried out in accordance with the procedure for fulfilling the obligation in kind, determined by the Government of the Republic of Kazakhstan.

5. A subsurface user shall submit to the tax authority at the location a declaration on the fulfillment of a tax obligation in kind no later than the 15th day of the second month following the tax period.

6. The recipient, on behalf of the state, submits the following to the tax authority at the place of location:

1) calculation of current payments for the fulfillment of a tax obligation in kind no later than the 15th day of the second month following the tax period.

The submission of a calculation of current payments for the fulfillment of a tax obligation in kind, making amendments and additions to it, after the deadline set for submitting the declaration specified in subparagraph 2) of this paragraph, is not allowed;

2) a declaration on the fulfillment of a tax obligation in kind for a calendar year no later than March 31 of the year following the reporting calendar year.

The recipient, on behalf of the state, does not submit declarations on corporate income tax and value-added tax in respect of activities related to the fulfillment of tax obligations in kind.

7. During the tax period, the recipient, on behalf of the state, determines quarterly current payments for taxes in kind and transfers them to the budget no later than the 25th day of the second month following the tax period, with the exception of current payments specified in part two of this paragraph.

Current payments on minerals sold in the first quarter and received during previous tax periods are subject to reflection in the additional calculation of current payments in kind for the fourth quarter of the previous calendar year and are transferred to the budget within the time period established by paragraph 8 of this Article.

Current payments are transferred to the budget in the amount of money received in the relevant tax period from the sale of minerals, minus the costs of such sale, which are reimbursed in accordance with the procedure for fulfilling obligations in kind determined by the Government of the Republic of Kazakhstan.

8. No later than ten calendar days after the deadline set for submitting a declaration on the fulfillment of a tax obligation in kind, the recipient, on behalf of the state, shall pay the money received from the sale of minerals transferred during the previous calendar year by the subsurface user to fulfill the tax obligation in kind. Such payment is made in the currency stipulated by the relevant production sharing agreement (contract) and (or) a subsurface use contract approved by the President of the Republic of Kazakhstan, specified in Article 755 of this Code.

The amount of the tax liability in kind for a calendar year is determined in accordance with the procedure for fulfilling the obligation in kind determined by the Government of the Republic of Kazakhstan.

9. Upon payment (transfer), the name and identification number of the recipient on behalf of the state are indicated in the payment documents.

10. A tax obligation not fulfilled on time is determined in the amount of the physical volume of minerals for a tax obligation not fulfilled on time, converted into monetary terms

11. The physical volume of minerals for a non-fulfilled tax obligation for a subsurface user is defined as the difference between the physical volume of minerals to be transferred during the tax period and the physical volume of minerals actually transferred during the tax period.

The physical volume of minerals is converted into monetary terms using conditional prices determined in accordance with production sharing agreements (contracts), a subsoil use contract approved by the President of the Republic of Kazakhstan, provided for in Article 755 of this Code.

In the absence of a procedure for determining conditional prices in production sharing agreements (contracts), a subsurface use contract approved by the President of the Republic of Kazakhstan, provided for in Article 755 of this Code, such conditional prices are determined in accordance with the procedure for fulfilling obligations in kind determined by the Government of the Republic of Kazakhstan.

12. The physical volume of minerals for a tax obligation not fulfilled on time for a calendar year for the recipient on behalf of the state is defined as the difference between the physical volume of minerals to be sold for the reporting calendar year, received due to the fulfillment of a tax obligation in kind, calculated in accordance with the procedure for the fulfillment of obligations in kind, determined by the Government of the Republic of Kazakhstan, and the physical volume of minerals actually sold in the reporting calendar year.

The physical volume of minerals for an unpaid tax obligation for a calendar year for the recipient on behalf of the state is converted into monetary terms using the weighted average actual price for the reporting calendar year, but not lower than the weighted average conditional price provided for in paragraph 11 of this article.

Article 819. Procedure for payment of the tax on the extraction of minerals, rental tax on the export of hydrocarbons in kind

1. In the cases established by paragraph 2 of Article 748 and paragraph 2 of Article 772 of this Code, the taxpayer is obliged to transfer minerals in kind to the Republic of Kazakhstan in payment of the tax on extraction of minerals, rental tax on export of hydrocarbons.

2. The monetary form of payment of the tax on the extraction of minerals and the rental tax on the export of hydrocarbons established by this Code may be replaced temporarily, in whole or in part.

3. The amount of the mineral extraction tax and the rental tax on the export of hydrocarbons established by this Code, paid in kind, must be equivalent to the amount of these taxes and payments calculated in monetary terms in the manner and amounts established by this Code.

The determination of the volume of minerals transferred by a subsurface user to fulfill a tax obligation in kind, its calculation in monetary terms, as well as the sale of such minerals, are carried out in accordance with the procedure for fulfilling an obligation in kind determined by the Government of the Republic of Kazakhstan.

4. When concluding an additional agreement providing for the payment by the taxpayer in kind of the tax on the extraction of minerals and the rental tax on the export of hydrocarbons established by this Code, it must specify:

1) the recipient on behalf of the state of the volumes of minerals transferred by the taxpayer to the Republic of Kazakhstan in the form of a tax on the extraction of minerals, rental tax on the export of hydrocarbons in kind;

2) the item, conditions and terms of delivery of volumes of minerals in the form of a tax on the extraction of minerals, rental tax on the export of hydrocarbons transferred by the taxpayer to the Republic of Kazakhstan in kind.

5. The terms of transfer by a taxpayer of minerals transferred in kind for payment of the mineral extraction tax and the rental tax on export of hydrocarbons established by this Code must correspond to the terms of payment of the said taxes and payments to the budget in monetary form established by this Code.

6. On behalf of the state, the recipient shall transfer to the budget the amount of the mineral extraction tax and the rental tax on the export of hydrocarbons in cash within the time limits for the payment of these taxes and payments established by this Code.

7. The recipient, on behalf of the state, independently monitors the timeliness and completeness of the transfer of the appropriate amount of minerals by the taxpayer.

Responsibility for the completeness and timeliness of the transfer to the budget of the mineral extraction tax and the rental tax on the export of hydrocarbons established by this Code, transferred by the taxpayer to the Republic of Kazakhstan in kind, from the date of the actual shipment by the taxpayer of the corresponding volumes of minerals, is borne by the recipient on behalf of the state.

8. The taxpayer and the recipient, on behalf of the state, shall submit the reports to the tax authorities at their location on the amounts and deadlines for payment (transfer) of the mineral extraction tax and the rental tax on exports of crude oil and gas condensate established by this Code, in kind, within the time limits established by this Code, and in accordance with the forms approved by the authorized body.

SECTION 20. SINGLE PAYMENT Chapter 94. SINGLE PAYMENT

Article 820. General provisions

1. In the relevant declaration, the tax agent independently determines the uniform procedure for taxation of income of employees subject to taxation at the source of payment, in accordance with the provisions of this chapter or in accordance with the provisions of Section 6 of this Code.

2. For the purposes of this chapter, individual entrepreneurs and legal entities that are subjects of micro, small, and medium-sized businesses who have chosen to fulfill their obligations to calculate, withhold, and transfer individual income tax as part of a single payment on paid employee income (with the exception of a non-resident) are recognized as tax agents if they:

apply special tax regimes, provided for in Chapters 78 and 79 of this Code;

are engaged in the production of agricultural products, aquaculture (fish farming) products , as well as the processing of these products of their own production and the sale of products of such processing;

are agricultural cooperatives specified in Article 16 of this Code.

3. The single payment includes the amounts of individual income tax payable on income subject to withholding, mandatory pension contributions and mandatory pension contributions from the employer, social contributions paid in accordance with the Social Code of the Republic of Kazakhstan, contributions and deductions for compulsory social health insurance paid in accordance with the Law of the Republic of Kazakhstan "On compulsory social health insurance".

4. The chosen procedure for taxation of income of employees subject to taxation at the source of payment in the initial or regular declaration is not subject to change during the tax period.

Article 821. The object of taxation with a single payment

The object of taxation with a single payment is the income of an employee, with the exception of a non-resident employee, provided for in Article 426 of this Code, accrued by the employer, who is the person specified in paragraph 2 of Article 820 of this Code.

Article 822. The single payment rate and the share of individual income tax in it on income taxed at the source of payment

1. The single payment rate applied to the taxable object is:

from January 1, 2026 – 24.8 percent;

from January 1, 2027 – 25.8 percent;

from January 1, 2028 – 26.3 percent.

At the same time, for employees who are exempt from paying social payments (with the exception of mandatory occupational pension contributions) in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance", as well as for employees, in accordance with sub-paragraphs 1), 7), 8), 9), 11), 12) and 13) of paragraph 1 of Article 26 of the Law of the Republic of Kazakhstan "On Compulsory social health Insurance", whose contributions to compulsory social health insurance are paid by the state, the single payment rate is reduced by the corresponding share of social payments (with the exception of mandatory occupational pension contributions).

2. The share of individual income tax of a single–payment payer from the single-payment rate is:

from January 1, 2026 - 7.3 percent;

from January 1, 2027 – 7.0 percent;

from January 1, 2028 – 6.9 percent.

Article 823. Procedure for calculating, paying a single payment and reflecting obligations under it in the relevant tax statements

1. The calculation, deduction of the corresponding shares of a single payment and its transfer, as well as the reflection of obligations under it in the relevant tax statements, shall be carried out by a tax agent in accordance with the procedure and terms established by this chapter.

2. The calculation of a single payment is carried out by the tax agent when calculating the object of taxation.

3. Withholding of the amounts of the corresponding shares of a single payment due for individual income tax, mandatory pension contributions, and contributions to mandatory social health insurance shall be carried out by a tax agent no later than the day of payment of income subject to taxation at the source of payment.

4. Mandatory pension contributions from the employer, social contributions and contributions to compulsory social health insurance are carried out by tax agents at their own expense for the benefit of employees.

5. A tax agent shall transfer a single payment on accrued income monthly, no later than the 25th of the month following the reporting month, in the total amount through second-tier banks or organizations engaged in certain types of banking operations, to the bank account of a State Corporation indicating the month for which such a single payment is being transferred .

6. Payment, transfer of a single payment, penalties for a single payment and their distribution in the form of individual income tax and social payments (with the exception of mandatory occupational pension contributions), penalties, as well as their refund shall be carried out in accordance with the procedure determined by the central executive body in the field of social protection of the population in coordination with the National Bank, the authorized body, as well as the authorized state bodies for state planning, in the field of healthcare and in the field of informatization.

7. The amounts of a single payment shall be reflected in the declaration provided for in Article 445 of this Code.

Article 824. Tax period

The tax period for calculating a single payment by tax agents is a calendar month.

Article 825. Competence of a State corporation within the framework of a single payment

1. A State corporation, within the framework of a single payment, carries out the following types of activities related to the state monopoly:

1) maintains personalized records of single payment payers based on an individual identification number;

2) updates the personalized accounting of single payment payers;

3) distributes and transfers the amount of a single payment to the State Social Insurance Fund, the social health insurance fund, the unified accumulative pension fund and the corresponding budget at the location of the tax agent;

4) reimburses the erroneously (excessively) paid amounts of a single payment in accordance with the procedure determined by the central executive body in the field of social protection of the population in coordination with the National Bank, the authorized body, as well as the authorized state bodies for state planning, healthcare and informatization.

2. Prices for goods (works, services) produced and (or) sold by a State corporation shall be established by an authorized body determined by a decision of the Government of the Republic of Kazakhstan from among the central state bodies, in coordination with the antimonopoly authority and the authorized body.

SECTION 21. PECULIARITIES OF TAXATION OF FOREIGN COMPANIES IN IMPLEMENTATION OF ELECTRONIC TRADE IN GOODS, PROVISION OF SERVICES IN ELECTRONIC FORM TO INDIVIDUALS Chapter 95. PECULIARITIES OF TAXATION OF A FOREIGN COMPANY IN IMPLEMENTATION OF ELECTRONIC TRADE IN GOODS, PROVISION OF SERVICES IN ELECTRONIC FORM TO INDIVIDUALS

Article 826. General provisions

1. A foreign company registered in accordance with the procedure of Article 102 of this Code is recognized as a payer of value added tax.

For the purposes of this paragraph, a foreign company does not include a person who has been registered for value added tax in accordance with Articles 100 and 101 of this Code.

2. A value–added tax payer shall calculate value-added tax when carrying out electronic trade in goods, rendering services in electronic form to individuals in accordance with the procedure established by this section, if one of the following conditions is met:

the place of residence of the individual buyer is the Republic of Kazakhstan;

the location of the bank in which a bank account is opened, used by an individual buyer to pay for services, or an electronic money operator through which an individual buyer pays for services, is the territory of the Republic of Kazakhstan;

the network address of the individual buyer used in the purchase of services is registered in the Republic of Kazakhstan;

the international country code of the telephone number (including mobile) used to purchase or pay for services is assigned by the Republic of Kazakhstan.

3. It is not required for a value-added tax payer to issue invoices for goods sold or services rendered to individuals in electronic form.

4. Value added tax on the implementation of electronic trade in goods and the provision of services in electronic form to individuals is not subject to calculation and payment in the following cases:

1) in terms of exceeding the value and (or) weight norm determined in accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, for which customs duties and taxes are paid in the Republic of Kazakhstan in the form of a cumulative customs payment and are non-refundable;

2) if the cost of such goods and services is included in the amount of taxable imports, determined in accordance with Article 509 of this Code, according to which the value–added tax on imported goods from the EAEU member states has been paid to the budget of the Republic of Kazakhstan and is non-refundable in accordance with Chapter 51 of this Code.

Article 827. Procedure for calculating and paying value-added tax when conducting electronic trade in goods and providing services in electronic form to individuals

1. The value-added tax on the implementation of electronic trade in goods and the provision of services in electronic form to individuals is calculated by applying the tax rate established by paragraph 1 of Article 503 of this Code to the cost of goods sold and services rendered in electronic form.

The cost of goods sold in electronic form and services rendered to individuals in foreign currency is converted into tenge using the official exchange rate set on the last calendar day preceding the tax payment date.

A foreign company is obliged to pay the calculated value-added tax on the implementation of electronic trade in goods and the provision of services in electronic form to individuals to the budget for each quarter no later than the 25th day of the second month following the quarter in which the goods and services were sold.

2. For the purposes of this section, the date of turnover in electronic trade of goods and (or) provision of services in electronic form to individuals is the date of payment by the buyer of the goods and (or) services.

3. The amounts of value added tax paid in accordance with this Article are not subject to refund.

SECTION 22. FINAL AND TRANSITIONAL PROVISIONS

Article 828. Transitional provisions

1. The Unified Accumulative Pension Fund does not withhold and transfer individual income tax that was previously calculated and not transferred to the state budget for one-time pension payments made from the unified accumulative pension fund in accordance with subparagraph 2) of paragraph 2 of Article 351-1 of the Code of the Republic of Kazakhstan dated December 25, 2017 "On Taxes and Other Mandatory Payments to the Budget" (The Tax Code).

2. If, when determining the taxable income of an individual in accordance with paragraphs 3 and 3-1 of Article 353 of the Code of the Republic of Kazakhstan dated December 25, 2017 "On Taxes and Other Mandatory Payments to the Budget" (Tax Code), to the income of an individual in the form of pension payments and (or) lump-sum pension payments from a unified accumulative pension fund, the tax deductions established by subparagraphs 2) and 3) of paragraph 1 of Article 346 of the Code of the Republic of Kazakhstan dated December 25, 2017 "On Taxes and other mandatory payments to the Budget" (Tax Code) were not applied, due to an individual's request later than the date of

withholding individual income tax from income, the individual has the right to submit to the tax agent who withheld individual income tax from such income an application and supporting documents on the basis of which the tax agent recalculates income within the limitation period provided for in subparagraph 2) of paragraph 2 of Article 65 of this Code.

At the same time, the limitation period for recalculating income in the form of lump-sum pension payments from the unified accumulative pension fund made in the period from January 1, 2021 to December 31, 2021, is determined during the period from January 1, 2021 to December 31, 2025.

Article 829. Transitional provisions in relation to a person engaged in private practice

1. A person engaged in private practice who is registered as a value-added tax payer shall, within ten working days from the date of entry into force of this Code, be deregistered as a value-added tax payer by the tax authority without notice from the date of entry into force of this Code.

2. A person engaged in private practice who is registered as a value-added tax payer is obliged, within ten working days from the date of entry into force of this Code, to submit to the tax authority at the place of registration a liquidation tax reporting on value-added tax for the period from the beginning of the tax period in which the obligation arose for submission of such liquidation tax reports, before the date of its submission to the tax authority.

3. The certificate of registration for value added tax of a person engaged in private practice shall be deemed invalid from the date of entry into force of this Code.

Article 830. Transitional provisions on the fee rates for the primary state registration of motor vehicles

To establish that, until January 1, 2028, in respect of vehicles of category N3 (tractor units) under the age of 7 years, including the year of manufacture, registered by payers who have a certificate of admission to international road transportation of goods, the fee rates for primary state registration of motor vehicles established by paragraph 4 of Article 615 of this Code shall not apply.

Article 831. Transitional provisions on the effect of annual rates for the use of the radio frequency spectrum

To suspend until January 1, 2031 the validity of line 7 of the table of paragraph 2 of Article 645 of this Code for telecom operators who have assumed obligations under permits issued by the authorized body in the field of communications for the use of the radio frequency spectrum, independently or collectively allocated at least the released funds from the reduction of the corresponding fee rate to finance broadband Internet access projects in urban and rural settlements, having established that certain annual fee rates are reduced by 90 percent.

The amounts paid by the payers will not be refunded.

In order to formalize such obligations, telecom operators send permission to use the radio frequency spectrum to the authorized body in the field of communications, which makes

obligations and returns permission to use the radio frequency spectrum to the telecom operator.

Telecom operators submit to the authorized body in the field of communications the annual audited information on the financing of these projects before and after fulfilling the relevant obligations, as well as on a monthly basis provide information on broadband Internet access to urban and rural settlements.

To suspend from January 1, 2023 until January 1, 2028 the validity of lines 9, 9.1 and 10 of the table of paragraph 2 of Article 645 of this Code for telecom operators who have assumed obligations under permits issued by the authorized body in the field of communications for the use of the radio frequency spectrum, who have independently allocated funds not less than the released funds from the reduction of the corresponding fee rate to financing of broadband Internet access projects in rural areas using satellite technologies, having established that certain annual fee rates are reduced by 90 percent from the date of assuming the corresponding obligations.

The amounts paid by the payers will not be refunded.

In order to formalize such obligations, telecom operators send permission to use the radio frequency spectrum to the authorized body in the field of communications, which makes obligations and returns permission to use the radio frequency spectrum to the telecom operator.

Telecom operators submit annual audited information on the financing of these projects to the authorized body in the field of communications after fulfilling the relevant obligations.

Article 832. Transitional provisions on crediting the amount of value-added tax for a passenger car registered (accounted for) as a fixed asset

To establish that if the date of receipt of a passenger car registered (accounted for) as a fixed asset, or the date of issuing an invoice for its purchase falls on the period from January 1, 2026, then the amount of value-added tax on such a passenger car is offset in 2026, subject to the conditions established by Chapter 49 of this Code.

Article 833. Transitional provisions on the procedure for reviewing tax applications and claims for the refund of excess value-added tax submitted before January 1, 2026

To establish that tax applications and claims for the refund of excess value-added tax submitted before January 1, 2026, are considered in accordance with the procedure and deadlines provided for by the Code of the Republic of Kazakhstan dated December 25, 2017 " On Taxes and Other Mandatory Payments to the Budget" (Tax Code).

Article 834. Transitional provisions on the calculation and payment of value-added tax in the course of electronic trade in goods and provision of services in electronic form to individuals

To establish that, prior to the entry into force of the Protocol on Amendments to the Agreement on the Customs Code of the EAEU, the value-added tax on electronic trade in goods and the provision of services in electronic form to individuals is not subject to calculation and payment in excess of the cost and (or) weight norms determined in

accordance with the customs legislation of the EAEU and (or) the customs legislation of the Republic of Kazakhstan, according to which customs duties and taxes are paid in the Republic of Kazakhstan in the form of a cumulative customs payment and are non-refundable
.

Article 835. Transitional provisions for export rental tax payers

To suspend the operation of paragraph three of part one of Article 746 of this Code until January 1, 2027, having established that during the suspension period this paragraph is valid in the following wording:

"by subsurface users who pay alternative tax on subsurface use."

Article 836. Preservation of tax preferences under the concluded strategic project until January 1, 2018

To establish that according to the investment strategic project concluded with the authorized state body for investments before January 1, 2018 in accordance with the legislation of the Republic of Kazakhstan on investments, tax preferences remain in place until the expiration of their validity period determined in accordance with the legislation of the Republic of Kazakhstan in force before January 1, 2018.

Article 837. Preservation of the conditions for implementation of the investment priority project provided for in the investment contract and the conditions provided for investment commitment agreements concluded before January 1, 2026

1. To establish that for an investment priority project implemented in accordance with an investment contract concluded with the authorized state body for investments, the terms of this contract remain in place until its expiration date:

1) in terms of guaranteeing the stability of the tax legislation of the Republic of Kazakhstan under contracts concluded before January 1, 2018 in accordance with the legislation of the Republic of Kazakhstan on investments;

2) in terms of tax preferences and guarantees of stability of the tax legislation of the Republic of Kazakhstan under contracts concluded in the period from January 1, 2018 to January 1, 2026 in accordance with the Entrepreneurship Code of the Republic of Kazakhstan
.

2. To establish that under the agreements on investment obligations concluded in accordance with the Entrepreneurship Code of the Republic of Kazakhstan with the Government of the Republic of Kazakhstan before January 1, 2026, the guarantee of stability of tax legislation remains in place.

Article 838. Preservation of the conditions stipulated by the investment agreement concluded before January 1, 2026

To establish that under investment agreements concluded in accordance with the Entrepreneurship Code of the Republic of Kazakhstan with a state body authorized by the

Government of the Republic of Kazakhstan to conclude such an agreement before January 1, 2026, the terms of this agreement remain in place until its expiration in terms of taxation conditions and guarantees of stability of the tax legislation of the Republic of Kazakhstan.

Article 839. Maintaining the terms of the investment contract for exemption from value-added tax on imports of raw materials and (or) materials concluded before January 1, 2026

To establish that the exemption from value-added tax on imports of raw materials and (or) materials under an investment contract (with the exception of an investment priority project and an investment strategic project) concluded in accordance with the Entrepreneurship Code of the Republic of Kazakhstan before January 1, 2026, remains in place until the expiration of this contract.

Article 840. Transitional provisions for taxpayers applying special tax regimes

1. Taxpayers who applied special tax regimes on the basis of a patent and using a special mobile application before January 1, 2026, and who did not submit a notification provided for in paragraph 2 of this Article for the application of a special tax regime based on a simplified declaration, are subject to automatic removal from registration by the tax authority as individual entrepreneurs on March 1, 2026.

The date of deregistration of such taxpayers as individual entrepreneurs is the date of entry into force of this Code.

The date of the beginning of the application of the special tax regime for the self–employed is:

the month indicated in the first payment document in accordance with paragraph 3 of Article 720 of this Code, - in case of carrying out activities in places where there is no public telecommunications network;

the date of the first receipt generated in a special mobile application, - in other cases.

2. Taxpayers who applied special tax regimes before January 1, 2026, in order to apply a special tax regime, based on a simplified declaration, taking into account the conditions of application established by Article 723 of this Code, shall submit notifications on the applicable tax regime before March 1, 2026.

The date of termination of the application of special tax regimes that were applied before the entry into force of this Code and the date of commencement of the application of the regime for such taxpayers is the date of entry into force of this Code.

3. Taxpayers (except those specified in paragraph 1 of this Article, as well as those applying a special tax regime for peasant or farm enterprises) who have not submitted a notification on the applicable tax regime in accordance with paragraph 2 of this Article by March 1, 2026, shall be recognized as applying the generally established taxation procedure.

Article 841. Transitional provisions on property income

To suspended until January 1, 2028:

1) the effect of subparagraphs 1), 2) and 4) of paragraph 5 of Article 382 of this Code, having established that during the period of suspension these subparagraphs are valid in the following wording:

"1) dwellings, country buildings, parking spaces, storerooms, garages, personal subsidiary facilities located on the territory of the Republic of Kazakhstan, are owned by such an individual:

one year or more from the date of registration of ownership rights made before January 1, 2026;

two years or more from the date of registration of ownership made after January 1, 2026;

2) dwellings, parking spaces, storerooms, garages, personal subsidiary facilities located on the territory of the Republic of Kazakhstan, acquired under an agreement on equity participation in housing construction or by assignment of the right of claim under an agreement on equity participation in housing construction, in the event that:

a dwelling, a country house, a parking space, a storeroom, a garage, an object of personal subsidiary farming are owned by such an individual for one year or more from the date of registration of ownership right before January 1, 2026,

or

a dwelling, a country house, a parking space, a storeroom, a garage, an object of personal subsidiary farming are owned by such an individual for two years or more years from the date of registration of ownership right made after January 1, 2026,

or

the period from the date of conclusion of such an agreement until January 1, 2026 or from the date of acquisition until January 1, 2026 of such a right by assignment of the right of claim to the date of sale of property or its transfer as a contribution to the authorized capital is two years or more,

or

the period from the date of conclusion of such an agreement after January 1, 2026 or from the date of the acquisition of such a right after January 1, 2026 by assignment of the right of claim before the date of sale of the property or its transfer as a contribution to the authorized capital is three years or more;";

"4) owned by such an individual:

one year and more, land plots and (or) land shares located on the territory of the Republic of Kazakhstan, the intended purpose of which from the date of ownership until January 1, 2026 to the date of sale, transfer as a contribution to the authorized capital of a legal entity, are individual housing construction, suburban construction, personal subsidiary farming, gardening, garage;

or

two years or more, land plots and (or) land shares located on the territory of the Republic of Kazakhstan, the intended purpose of which from the date of ownership after January 1,

2026 to the date of sale, transfer as a contribution to the authorized capital of a legal entity, are individual housing, suburban construction, personal subsidiary farming, gardening, as a garage";

2) the effect of subparagraphs 1) and 2) of paragraph 6 of Article 382 of this Code, having established that during the period of suspension these subparagraphs are valid in the following wording:

"1) in the case when the period from:

the date of conclusion of such an agreement until January 1, 2026 to the date of assignment of such a claim is two years or more;

the date of conclusion of such an agreement after January 1, 2026, is three years or more before the date of assignment of such a claim;

2) in the case when the period from:

the date of acquisition of such a right until January 1, 2026 by assignment of the right of claim under the agreement on equity participation in housing construction to the date of assignment of such right of claim is two years or more;

the date of acquisition of such a right after January 1, 2026 by assignment of the right of claim under the agreement on equity participation in housing construction before the date of assignment of such a right of claim is three years or more."

Article 842. Transitional provisions on income from value gains on real estate

To suspend until January 1, 2028 the operation of subparagraphs 1) and 2) of paragraph 1 of Article 383 of this Code, having established that during the period of suspension these subparagraphs are valid in the following wording:

"1) dwellings, country buildings, garages, parking spaces, storerooms, personal subsidiary facilities located in the Republic of Kazakhstan – if they are owned for less

than:

one year from the date of registration of ownership made before January 1, 2026;

two years from the date of registration of ownership made after January 1, 2026;

2) land plots and (or) land shares in the Republic of Kazakhstan, the purpose of which, from the date of ownership to the date of sale, is individual housing construction, suburban construction, personal subsidiary facilities, garage, parking spaces, - if they are owned for less than

one year from the date of registration of the property right made before January 1, 2026;

two years from the date of registration of ownership made after January 1, 2026;".

Article 843. Transitional provisions on income from assignment of the right of claim, including shares in an apartment building under an equity agreement in housing construction

To suspend the operation of paragraphs 2 and 3 of Article 391 of this Code until January 1 , 2028, having established that during the suspension period these paragraphs are valid in the following wording:

"2. The income from the assignment of the right to claim a share in an apartment building under an equity participation agreement in housing construction for a taxpayer who has ceded the right of claim is the positive difference between the value of the assignment of the right of claim and the price of the equity participation agreement in housing construction in the case when the period from:

the date of conclusion of such an agreement until January 1, 2026 before the date of assignment of such a claim is less than two years;

the date of conclusion of such an agreement after January 1, 2026, is less than three years before the date of assignment of such a claim.

3. The income from the assignment of the right to claim a share in an apartment building under a contract for equity participation in housing construction, previously acquired by way of assignment of the right of claim under a contract for equity participation in housing construction and (or) received free of charge from another individual, for the taxpayer who ceded the right of claim, is the positive difference between the value of the assignment of the right of claim and:

1) the value at which the individual previously acquired such a right, in the case when the period from:

the date of acquisition of such right before January 1, 2026 by way of assignment of the right of claim under the agreement on equity participation in housing construction before the date of assignment of such right of claim is less than two years, and (or)

the date of acquisition of such right after January 1, 2026 by way of assignment of the right of claim under the agreement on equity participation in housing construction before the date of assignment of such right of claim is less than three years

and/or

2) the value of the right of claim received free of charge from another individual in the event that the period from:

the date of receipt of such a right free of charge until January 1, 2026, is less than two years before the date of assignment of such a claim;

the date of receipt of such right free of charge after January 1, 2026 before the date of assignment of such right of claim is less than three years.".

Article 844. Transitional provisions on income and deductions under insurance and reinsurance contracts

1. Insurance and reinsurance organizations under insurance and reinsurance contracts for the reporting tax period from January 1 to December 31, 2026 recognize the following income:

1) in the amount of the increase in retained earnings of previous years in the annual audited financial statements for 2023, which arose in connection with the transition to the

international financial reporting standard 17 "Insurance Contracts" in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) the negative difference between the net profit according to the reporting established by the National Bank, taking into account the requirements of the authorized body for regulation, control and supervision of the financial market and financial organizations, agreed with the authorized body and the authorized body in the field of tax policy, and the net profit reflected in the audited financial statements for 2023, 2024 and 2025.

2. Insurance and reinsurance organizations under insurance and reinsurance contracts for the reporting tax period from January 1 to December 31, 2026 are entitled to deduct the following expenses:

1) in the amount of a decrease in retained earnings of previous years in the annual audited financial statements for 2023, which arose in connection with the transition to the international financial reporting standard 17 "Insurance Contracts" in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) the positive difference between the net profit according to the reporting established by the National Bank, taking into account the requirements of the authorized body for regulation, control and supervision of the financial market and financial organizations, agreed with the authorized body and the authorized body in the field of tax policy, and the net profit reflected in the audited financial statements for 2023, 2024 and 2025.

3. The provisions of paragraphs 1 and 2 of this Article shall be applied by the Export Credit Agency of Kazakhstan.

At the same time, for the purposes of subparagraph 2) of paragraph 1 and subparagraph 2) of paragraph 2 of this article, the reporting established by the authorized body in the field of regulation of trading activities, agreed with the authorized body for regulation, control and supervision of the financial market and financial organizations, the authorized body and the authorized body in the field of tax policy, shall be taken into account.

Article 845. Transitional provisions for mineral extraction tax payers

To suspend the operation of Article 773 of this Code until January 1, 2027, having established that during the suspension period this article is valid in the following wording:

"Article 773. Payers

Taxpayers of the mineral extraction tax are subsurface users engaged in the extraction of hydrocarbons, mineral raw materials, groundwater and therapeutic mud, including the extraction of minerals from man-made mineral formations for which the mineral extraction tax and (or) royalties have not been paid, within the framework of each individual concluded contract for subsurface use, with the exception of subsurface users engaged in activity exclusively within the framework of a gold mining license.".

Article 846. Transitional provisions on the submission of income and property declarations

Individuals who have submitted to the tax agent an application for the application of tax deductions in the form of a preliminary amount of other deductions for 2025 are required to submit a declaration of income and property for 2025.

Article 847. Transitional provisions on the procedure for offsetting and (or) refunding individual income tax excess

1. In the event of an excess of individual income tax in the declaration of income and property for 2025 or in the additional declaration of income and property for 2025 (hereinafter, for the purposes of this article - a declaration), an individual may, after reconciliation carried out by the tax authority in accordance with the procedure established by this article, set off and (or) refund such excess on individual income tax in accordance with the procedure and terms established by this article.

2. The basis for the reconciliation of individual income tax is the requirement for offsetting and (or) refunding the excess of individual income tax stated in the declaration.

3. Reconciliation of individual income tax is a procedure carried out by the tax authority in order to confirm the amount of excess of individual income tax declared in the declaration. During the reconciliation, the following are performed:

1) comparison of the information reflected in the income and property declaration with the data of tax agents and authorized persons;

2) confirmation of the validity of the application of tax deductions and the amounts of expenses recognized as tax deductions;

3) confirmation of the amount of excess of individual income tax declared for offset and (or) refund.

4. If discrepancies are found in the information specified in subparagraphs 1) and 2) of paragraph 3 of this Article, a notification is sent to an individual in accordance with Chapter 12 of this Code.

5. The tax authority has the right to send a request no later than December 31 of the year in which the income and property declaration is submitted, indicating the requirement for a refund and (or) offset of the excess amount for individual income tax:

1) to the relevant authorized persons – on the submission of information on education and medical expenses incurred by an individual in the territory of the Republic of Kazakhstan;

2) to an individual – on the need to submit originals or notarized copies of documents confirming the application of tax deductions;

3) to second–tier banks or organizations engaged in certain types of banking operations - on the submission of information on expenses for repayment of interest on mortgage housing loans received by an individual for the purchase of housing in the Republic of Kazakhstan, based on the consent of the individual (account holder) indicated in the declaration of income and property of the individual.

6. The requests specified in subparagraphs 1) and 3) of paragraph 5 of this Article shall be sent in one of the following ways:

1) by registered mail with notification.

In this case, such a request must be delivered by a postal or other communication organization no later than ten working days from the date of the stamp of acceptance by the postal or other communication organization;

2) hands it over to the taxpayer personally for signature;

3) electronically in a web application.

7. The submission of the information specified in paragraph 5 of this Article shall be carried out by authorized persons, banks or organizations engaged in certain types of banking operations, taxpayers in accordance with the procedure, terms and form established by the authorized body in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations, respectively, the authorized body in the field of education, by the authorized body in the field of healthcare.

8. If such documents are written in a foreign language, it is mandatory to have a notarized translation of such documents into Kazakh or Russian.

When making non-cash payments for services, one of the following documents is used as a document confirming the actual costs of paying for such services, provided that it contains the name and identification number of the person in whose favor such expenses were paid.

a payment document drawn up when making payments and money transfers using a bank account or without using a bank account;

a receipt made when making payments and money transfers using a payment card or via electronic terminals (hereinafter referred to as the receipt);

statement on the movement of money in a bank account (hereinafter referred to as the statement).

In case of receipt and payment of the specified services outside the Republic of Kazakhstan, the identification number of the person in whose favor the payment for such services was made is not required in the receipts and statements.

Failure to provide copies of documents within the prescribed period and failure to confirm their authenticity by presenting the originals is the basis for failure to confirm the amount of excess on individual income tax and sending the conclusion provided for in subparagraph 3) of paragraph 9 of this article.

9. Based on the information received from authorized persons, banks or organizations engaged in certain types of banking operations, originals or notarized copies of documents of an individual submitted in accordance with paragraph 8 of this Article, the tax authority verifies the validity of the application of tax deductions by an individual, confirms the amount of excess on individual income tax declared for offset and (or) refund, and forms the following conclusions on:

1) confirmation of the amount of excess on individual income tax in full;

2) confirmation of the excess amount for individual income tax in part, indicating the reasons for incomplete confirmation;

3) non-confirmation of the excess amount for individual income tax, indicating the reasons.

10. The conclusions specified in subparagraphs 2) and 3) of paragraph 9 of this Article shall be sent:

1) to an electronic taxpayer – electronically via a web application;

2) to other taxpayers – by registered mail with a notification.

11. The offset and (or) refund of the excess amount of individual income tax shall be made on the basis of a conclusion confirming the excess amount of individual income tax in full or in part, as provided for in paragraph 10 of this Article, within the limits of the excess amount of individual income tax declared by an individual.

The refund of the excess amount of individual income tax to an individual is made if the tax agent has no tax arrears on individual income tax for 2025.

12. If an individual has a tax debt, the tax authority shall offset the excess amount of individual income tax against the repayment of existing tax arrears on taxes and payments to the budget in accordance with the procedure established by Article 122 of this Code in order to offset the overpaid amount of tax.

13. After the repayment of the existing tax arrears, depending on the requirement specified in the income and property declaration, a set-off is made against the upcoming payments and (or) a refund to the bank account.

At the same time, the amount of the excess on the individual income tax of an individual is not offset against the upcoming payments on the individual income tax withheld at the source of payment.

14. The amount of the excess on individual income tax is offset against the upcoming payments on taxes specified by the individual in the request for offset of the amount of excess on individual income tax.

15. The refund of the excess amount for individual income tax is made to the bank account specified in the request for the refund of the excess amount for individual income tax.

16. If an individual indicates in the income and property declaration at the same time a requirement for offsetting and refunding the amount of excess for individual income tax, the tax authority consistently offsets the amount of excess for individual income tax against upcoming payments, and in the part remaining after offsetting the amount of excess for individual income tax, - a refund to the bank account.

17. The offset and (or) refund of the excess amount for individual income tax of an individual shall be made no later than September 15 of the year following the year of submission of the income and property declaration.

When submitting a declaration of income and property, which specifies the requirement for offsetting and (or) refunding the amount of excess for individual income tax, but does not specify the bank account details, offsetting and (or) refunding the amount of excess for individual income tax shall be carried out in accordance with part three of this paragraph.

In the case of submitting a declaration of income and property later than September 15, 2026, as well as an additional declaration of income and property in terms of specifying the requirement for offsetting and (or) refunding the amount of excess for individual income tax and specifying the details of the bank account, offsetting and (or) refunding the amount of excess for individual income tax of an individual shall be carried out not later than twelve months from the date of submission of such a declaration of income and property.

18. If the last day of the term falls on a non-working day, the set-off and/or refund period expires at the end of the next working day.

Article 848. Procedure for enactment of this Code

1. This Code shall enter into force on January 1, 2026, with the exception of:

1) Article 189, which comes into force on July 1, 2026;

2) Article 92, Chapter 90, which enter into force on January 1, 2027;

2. To establish that:

1) subparagraphs 4) and 10) of paragraph 2 of Article 320, subparagraph 13) of part one of paragraph 2 of Article 337, subparagraph 19) of paragraph 3 of Article 351 are valid until January 1, 2027;

2) subparagraph 15) of Article 286, subparagraph 15) of part one of paragraph 2 of Article 337, subparagraph 40) of Article 474, subparagraph 2) of paragraph 2 of Article 487 are valid until January 1, 2028;

3) Article 17, subparagraph 19) of paragraph 1 and subparagraph 16) of paragraph 2 of Article 238, paragraph 3 of Article 254, subparagraphs 1) and 2) of paragraph 2 of Article 255 , subparagraph 17) of Article 286, part five of paragraph 1 of Article 323, subparagraphs 10) and 13) of part one of paragraph 2 of Article 337, subparagraph 4) of Article 338, article 343, subparagraph 6) of paragraph 1 of Article 348, paragraph three of subparagraph 16) and subparagraph 18) of paragraph 3 of Article 351, subparagraph 2) of Article 368, subparagraph 3) of Article 429, subparagraph 3) of paragraph 3 of Article 454, subparagraphs 33), 34) and 48) of Article 474, subparagraph 11) of part one of paragraph 1 of Article 479, subparagraph 7) of paragraph 2 of Article 487, item 3 of subparagraph 3) of paragraph 2 of Article 556, subparagraph 10) of paragraph 3 of Article 592, chapter 82, subparagraph 11) of Article 681, part one of paragraph 3 of Article 682 are valid until January 1, 2029;

4) subparagraph 18) of paragraph 1 of Article 238, paragraphs 3, 4 and 5 of Article 320, part six of paragraph 1 of Article 323, subparagraph 32) of Article 668 are valid until January 1, 2030;

5) subparagraphs 4) and 9) of part one and part three of paragraph 2 of Article 337 are valid until January 1, 2031.

3. To recognize the following as invalid from the date of entry into force of this Code:

1) the Code of the Republic of Kazakhstan dated December 25, 2017 "On taxes and other mandatory payments to the budget" (Tax Code), with the exception of paragraph 1-1 of

Article 68, which is declared invalid from January 1, 2027, and paragraph 23 of Article 26, which is declared invalid from January 1, 2029;

2) the Law of the Republic of Kazakhstan dated December 25, 2017 "On the Enactment of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code)".

President of the
Republic of Kazakhstan K. TOKAYEV

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