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Draft Law On the Introduction of Amendments and Additions to Certain Legislative Acts regarding Taxation and Customs Administration

The Draft Law was adopted within the framework of the 100 Concrete Steps to realising Five Institutional Reforms of President Nazarbayev Programme, to improve tax policy; create a favourable business environment, stable socio-economic development and realise the country’s strategic objectives.

It provides a number of significant corrections to standardise forms used to carry out tax and customs reviews; introduces a single personal account; the professionalism of the foreign economic activity sector, obligatory preliminary notification of the import of goods into the Customs Union; improves state tax and customs services to reduce the list of documents for submission and data received from information systems.

The most significant corrections are:

1. the cancellation of the representative office in tax relations when:
   - filing an application to register for value added tax. Applications to register for value added tax are filed personally by chief executive officers of Kazakhstan resident legal entities and non-residents operating in Kazakhstan through a branch or representative office, and individual entrepreneurs at their local tax office. When an application to register for value added tax is filed, the tax authorities photograph the chief executive officer of a resident legal entity and individual entrepreneur
   - filing an application to amend data on the chief executive officer of a resident legal entity or structural division, or structural division of a non-resident legal entity
   - a taxpayer that has been deregistered for value added tax according to a tax body decision in accordance with point 4 of article 571 of the Tax Code files value added tax reporting

2. the number of entities subject to obligatory value added tax registration has been expanded to include private notaries, private court executives, lawyers, professional mediators and trustee managers

3. voluntary value added tax registration has been abolished

4. the trigger for obligatory value added tax registration has been reduced from the current 30,000 MCI to 3,500 MCI

5. value added tax registration certificates have been made indefinite. In addition, an electronic version has been made available with the digital signature of the registrar

6. a restriction on departure from Kazakhstan has been introduced for individuals registered as individual entrepreneurs, private notaries, private court executives, lawyers and professional mediators with tax overdue of more than 10 MCI, and the chief executive officers of legal entities and their structural divisions with overdue taxes of more than 150 MCI, and which have not been paid within four months

7. an article Violation of the Rules for using Commodity Waybills has been introduced, which refers to fines and the confiscation of goods that are the subject of the violation

8. the list of alcoholic products has been expanded with the introduction of the term “beer beverage”
9. the certificate of no overdue customs duties, taxes and customs fees has been removed from the list of obligatory documents provided when a legal entity registers the cessation of activities.

The Draft Law is currently under the consideration of the Senate.


The Law ratifies the protocol for Kazakhstan to accede to the Marrakesh World Trade Organisation Agreement from 15 April 1994. As a result, Kazakhstan is officially the 162nd member of the WTO.

The WTO is an international organisation whose main aims are to liberalise international trade and regulate trade and political relations among members. Kazakhstan’s entry to the WTO will help create conditions for domestic goods to access foreign markets, enable trade disputes to be resolved through international mechanisms, and also increase external investment, creating a favourable climate for them and for bringing legislation into line with WTO standards.

The Protocol entered into force on 10 November 2015.


The Law was adopted in connection with Kazakhstan’s entry to the WTO and ensures domestic legislation complies with WTO standards. It amends and supplements the following legislative acts:

- the Civil Code (Special Part)
- the Public Health and Health System Code
- the Administrative Violations Code
- the Law On Patents
- the Law On Trade Marks, Service Marks and the Names of the Origin of Goods
- the Law On Employment
- the Law On Joint Stock Companies
- the Law On the Subsoil and Subsoil Use
- the Law On the Migration of the Population
- the Law On the State Support of Industrial and Innovative Activities
- the Law On the Sovereign Welfare Fund

The most important amendments and additions were made to the Law On Employment from 23 January 2001, in the form of the introduction of the following definition for “internal corporate transfer”:
“a temporary transfer for a period determined by an employment agreement, but for no more than three years, with the right to extend for one year, the transfer of a foreign national or stateless individual working as a director, manager or specialist in a legal entity founded in a World Trade Organisation member country located and operating outside of the Republic of Kazakhstan, to the branches, subsidiaries or representative offices of that legal entity founded in the Republic of Kazakhstan in accordance with legislation of the Republic of Kazakhstan.”

Furthermore, according to the additions, quotas for foreign nationals do not extend to foreign nationals and stateless individuals working in Kazakhstan within the framework of an internal corporate transfer in sectors of the economy determined by government resolution.

The Law On the Subsoil and Subsoil Use has also been amended and supplemented to exclude subsoil users’ local content requirements in goods.

For subsoil user rights acquired through a tender, minimum local content should not exceed 50%. Furthermore, tender bids should contain local content commitments for the staff and work (services) required to perform contractual work instead of previous requirements to show local content in goods as well. The same rule applies to the content of subsoil use contracts, which now only need to refer to local content in relation to staff and “work (services).”

Local content commitments for goods and also the fines and late payment interest on subsoil users for their failure to execute local content commitments on goods or for doing so incorrectly extend to contract concluded prior to 1 January 2015.

However, if subsoil use rights are received based on direct negotiations, an application to receive exploration, production or joint exploration and production subsoil use rights should stipulate, among others, “local content in staff and work (services) to be procured.”

Likewise, according to the additions and amendments, the number of managers and specialists working in Kazakhstan within the framework of an internal corporate transfer in accordance with Kazakhstan employment and migration law, should be no more than 25% of all managers and specialists in each category, while from 1 January 2022 that number should be no more than 50% for each category.

The Law entered into force on 8 November 2015, with the exception of specific provisions.
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