



Customs and Tax Alert

Waybills for goods

Important customs and tax law changes that may impact your business

The purpose of the waybills for goods (“waybills”) is to provide end-to-end traceability of goods in different categories are approved by the Order No. 1424 of Ministry of Finance from 26 December 2019 “Approving a list of goods requiring waybills for goods and the corresponding rules on how to complete them”(Rules).

Waybills registration applies to cases of import of goods into the territory of the Republic of Kazakhstan, export from the territory of the Republic of Kazakhstan, sale and movement of goods in cases established by the Rules

Waybills for goods are completed in electronic form by suppliers (for imports - by recipients) using the form in Appendix 1 to the Rules, through the “Virtual Warehouse” e-invoice data system (“IDS”) module.

What you need to know

1. Terms of introduction of waybills for goods

In Orders No. 379 from 13 April 2020 and No. 615 from 19 June 2020, the Ministry of Finance amended Order No. 1424 from 26 December 2019 approving the goods requiring waybills and the rules for completing them, setting a new deadline for the introduction of waybills.

According to a State Revenue Committee press release on 9 September 2020, the waybill implementation date has been changed to:

- 1) 1 March 2021, for taxpayers performing export-import operations and selling excisable goods;
- 2) 1 May 2021, for taxpayers selling goods from the World Trade Organisation (WTO) exclusion list for which electronic invoices have been issued via the "Virtual Warehouse" IDS;
- 3) 1 July 2021, for taxpayers selling goods from the WTO exclusion list that are subject to labelling.

The pilot waybill registration project is due to be launched on 1 November 2020 with administrative liability exemptions for violations occurring during the pilot period.

2. Goods for which waybills should be completed:

- biofuel, whose production and turnover is regulated by the Law dated 15 November 2010 *On the State Regulation of the Production and Turnover of Biofuels* - **from 1 January 2020**;
- ethyl alcohol and/or alcohol products, whose production and turnover is regulated by the Law dated 16 July 1999 *On the State Regulation of the Production and Turnover of Ethyl Alcohol and Alcoholic Products* - **from 1 March 2021**;
- specific petroleum products, whose production and turnover is regulated by the Law dated 20 July 2011 *On the State Regulation of the Production and Turnover of Specific Petroleum Products* - **from 1 March 2021**;
- tobacco items, whose production and turnover is regulated by the Law dated 12 June 2003 *On the State Regulation of the Production and Turnover of Tobacco Items* - **from 1 March 2021**;
- goods whose Eurasian Economic Union Foreign Economic Activity Commodity Nomenclature (EAEU FEA CN) code and name are included in a list of goods for which Kazakhstan, in accordance with its WTO obligations, applies import customs

duties lower than EAEU Integrated Customs Tariffs approved in accordance with an international treaty to which Kazakhstan is a party - **from 1 July 2021**;

- goods imported into Kazakhstan from EAEU member countries - **from 1 March 2021**;
- goods exported from Kazakhstan to EAEU member countries - **from 1 March 2021**;
- goods that should be labelled in accordance with international agreements and Kazakhstan law - **from 1 July 2021**;
- goods whose EAEU FEA CN code and whose name are included in a list of goods for which Kazakhstan, in accordance with its WTO obligations, applies import customs duties lower than EAEU integrated customs tariffs, approved in accordance with an international treaty to which Kazakhstan is a party, and for which electronic invoices are issued through the "Virtual Warehouse" IDS - **from 1 May 2021**.

3. Waybills are completed when:

- moving excisable goods, selling goods from the WTO exemption list and excisable goods in Kazakhstan;
- importing goods into Kazakhstan from other EAEU member countries, except for imports by passenger vehicle;
- exporting goods from the WTO exemption list and/or excisable goods and/or goods for which electronic invoices are issued through the "Virtual Warehouse" IDS from Kazakhstan to non-EAEU countries;
- exporting goods from Kazakhstan to EAEU member countries, except for exports by passenger vehicle;
- selling property that has been appropriated to the State;
- selling products containing gold;
- selling goods for which electronic invoices are issued through the "Virtual Warehouse" IDS.

4. Waybill completion deadlines

The deadlines for completing waybills are as follows:

1. when moving or selling goods in Kazakhstan:

- by the moment the goods begin to be moved or the sale of goods

2. when importing goods into Kazakhstan:

From non-EAEU countries:

- by the moment the goods cleared through customs begin to be moved or the sale of goods;

From EAEU member countries:

- before the Kazakhstan state border is crossed.

3. when exporting goods from Kazakhstan to EAEU member countries and non-EAEU countries:

- by the moment the goods begin to be moved or the sale of goods.

4. when selling products containing gold - monthly, by the 15th day of the month following the month of sale.

5. Waybill registration, correction and revocation

Waybills should be confirmed or rejected by the recipient within 20 working days of their IDS registration date.

Recipients are not required to confirm waybills when:

- selling goods for export;
- selling fuel and lubricants used by airports to refuel aircraft belonging to foreign airlines operating international flights;
- selling goods to a retail seller, except for excisable sales, sales to special economic zones either fully or partially within the EAEU customs border;
- selling goods to an individual who is not an individual entrepreneur;
- issuing waybills to recipients registered in regions of Kazakhstan with no public telecommunications networks.

Correcting waybills

- Amendments and/or additions to a previously issued waybill that do not entail changing the supplier and/or recipient of goods, will involve cancelling the previously issued waybill.

Revoking waybills

- Waybills can be revoked without issuing a new one;
- Suppliers may cancel or revoke waybills recognised as incomplete and/or including unreliable data (for imports – recipients):

- *for excisable goods - within five working days of the waybill registration date, if they have not been confirmed or rejected by recipients;*
- *for other products - within 20 work days of the waybill registration date, if they have not been confirmed or rejected by recipients.*

6. Waybill currency

Waybills are completed in tenge for goods transported within Kazakhstan and exported, except when they can be completed in a foreign currency:

- for transactions to sell goods under production sharing agreements;
- for transactions to sell goods for export subject to 0% VAT in accordance with articles 386, 446 and 449 of the Tax Code;
- for sales turnover taxable at 0% VAT, in accordance with point 3 of article 393 of the Tax Code;
- When goods are imported into Kazakhstan, waybills can be completed in tenge or the invoice currency.

7. Administrative liability

The Administrative Violations Code stipulates liability for failing to complete or provide a waybill for goods.

Article 283-1. Failure to submit or the late submission of waybills; incorrect name and quantity (volume) of goods in waybills, and incorrect reference in waybills to personal identification numbers-codes for petroleum products, tobacco items, ethyl alcohol and alcoholic products, and biofuels.

1. A failure to submit or a late submission of waybills:

entails a fine on individuals of 5, small businesses or non-profit organisations of 10, on medium-sized businesses of 20, and on large businesses of 30 times the monthly calculation index.

2. The action stipulated in part one of this article committed repeatedly within a year after the imposition of an administrative penalty:

entails a fine on individuals of 10, on small businesses or non-profit organisations of 20, on medium-sized businesses of 40, and on large businesses of 60 times the monthly calculation index.

3. An incorrect name and quantity (volume) of goods in waybills, and incorrect personal identification number-code for petroleum products, tobacco items, ethyl alcohol and alcoholic products, biofuels:

entail a fine on individuals of 10, on small businesses or non-profit organisations of 20, on medium-sized businesses of 40, and on large businesses of 50 times the monthly calculation index.

4. The actions stipulated in part three of this article committed repeatedly within a year of the imposition of an administrative fine:

entail a fine on individuals of 20, on small businesses or non-profit organisations of 40, on medium-sized businesses of 60, and on large businesses of 100 times the monthly calculation index.

5. A failure to complete a waybill, and the turnover of certain types of petroleum products, tobacco items, biofuels; the

turnover and movement of ethyl alcohol and/or alcoholic products without waybills:

entail a fine on individuals of 20, on small businesses of 50, on medium-sized enterprises of 100, and on large businesses of 200 times the monthly calculation index with the confiscation of the ethyl alcohol and/or alcohol products, certain petroleum products, tobacco items, biofuels that are the direct object of an administrative offence and/or income or money received as a result of the administrative violation.

6. The actions stipulated in part five of this article committed repeatedly within a year of the imposition of an administrative fine:

entail a fine on individuals of 40, on small businesses of 100, on medium-sized businesses of 200, and on large businesses of 400 times the monthly calculation index, with the confiscation of the ethyl alcohol and/or alcohol products, certain petroleum products, tobacco items, biofuels that are the direct object of an administrative offence and/or income or money received as a result of the administrative violation.

How Deloitte can help:

The Deloitte team can provide you with consulting services and project assistance in connection with changes related to changes in accounting systems caused by legislative updates around the implementation of waybills for goods.

We will be pleased to discuss any questions you may have related to the issues highlighted in this alert. The contact details of our key tax and legal team members are provided below.

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