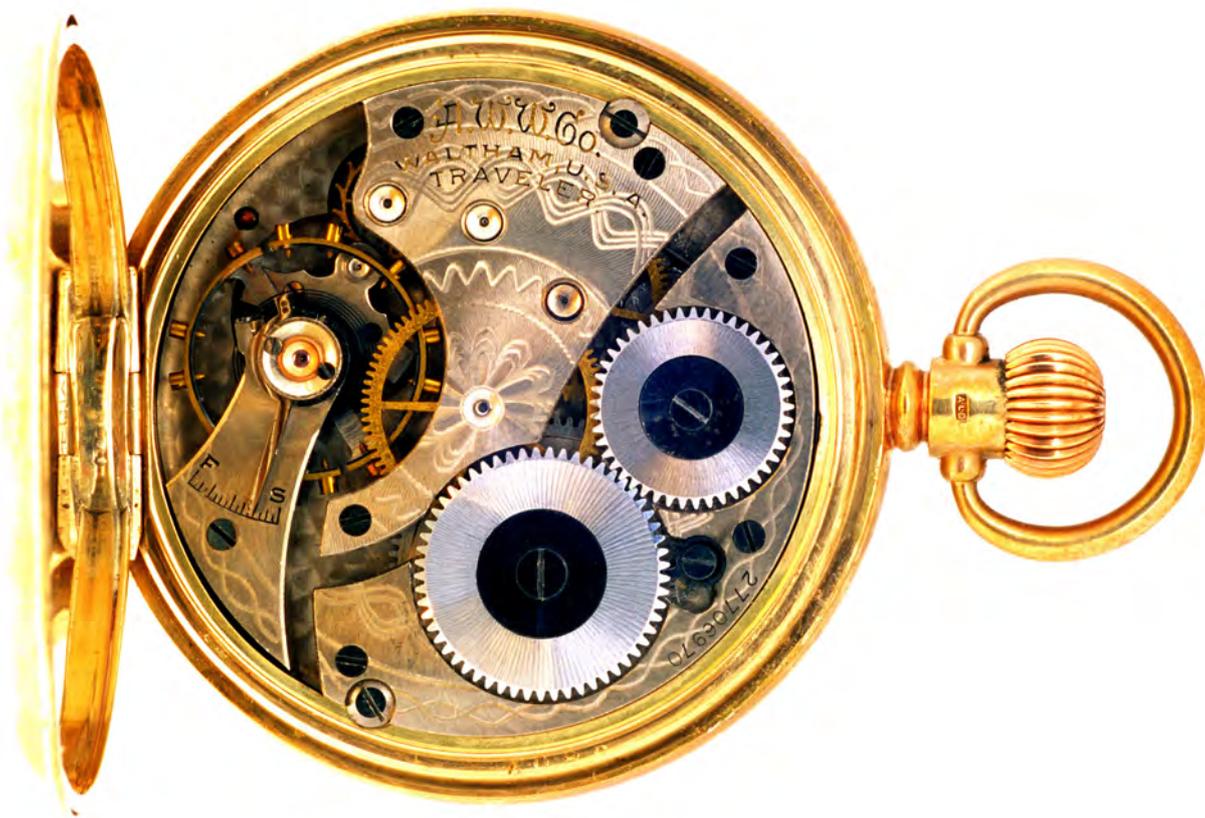


Deloitte.

Legal and tax compliance
services

Bound by excellence





Why will you need our legal corporate and tax compliance services?

Kazakhstani economy is open to investors, but establishes some restrictions in certain areas (having strategic significance for the economy of the country, i.e. in the oil and gas, telecommunication sector). Foreign investors may invest in any sector, with equity limits in only a handful of sectors.

While entering to the business market of Kazakhstan, foreign investors faces with difficulties of local regulations requirements and therefore generally need legal and tax support to commence its activity in Kazakhstan and to comply with legislative provisions.

Responsibility, a customised approach, a determination to best serve client interests, mutual respect and support are the cornerstones of the Deloitte legal and tax groups' corporate policy. We welcome opportunities to turn our experience and expertise into value for our clients.

The following is a short list of services provided by our legal and tax compliance teams in order to assist foreign investors to start its business in Kazakhstan, and is intended only to highlight some of the main areas of professional expertise in which our legal and tax compliance groups may be of assistance to you.

Entry to the Kazakhstani market

Pre-registration legal consulting

- Consulting on various issues related to the form of a legal presence, including the set-up of legal entities and branches & representative offices of foreign companies in Kazakhstan
- Advice on the structure of management and supervisory bodies
- Consulting on antimonopoly legislation and assistance in obtaining of antimonopoly consent prior to establishing of a legal presence in Kazakhstan, if necessary

Corporate registration

- Full legal support in the registration process for commercial and non-commercial companies, branches and representative offices
- Drafting and filing documents required for the state registration of legal entities (charters, foundation agreements, foundation resolutions, etc.)
- Filing documents with the state authorities for registration purposes
- Assistance with opening of local bank accounts
- Assistance in preparing of corporate stamp of the newly registered company, obtaining of VAT certificate

Doing business in Kazakhstan

Post-registration legal compliance and support

- Consulting on corporate/holding structures, restructuring and reorganization or liquidation/bankruptcy of legal entities;
- Assistance in reorganization or liquidation of legal entities
- Consulting/legal support for increasing/decreasing charter capital, introduction of changes in the corporate documentation
- Consulting/legal support for the protection of shareholders' rights and interests
- On-going consulting/legal support for a company's business activities
- HR administration and HR outsourcing services
- Immigration support, assistance in obtaining of work permits and Kazakh visas (business, working)
- Assistance in obtaining of licenses, approvals and permits of the Kazakh regulatory authorities

Business expansion

M&A/reorganization legal support

- Due diligence and potential risk mitigation
- Deal/reorganization structuring
- Full M&A implementation support, including drafting of the required corporate documents
- Assistance in notifying/obtaining approvals from antimonopoly bodies
- Post-M&A/reorganization integration

Corporate governance for the companies, operating in Kazakhstan

- Analysis/evaluation of a company's corporate governance structure and assessment of its corporate strategy
- Consulting on efficient ways of interaction and exchange of information between a company's owners/shareholders
- Evaluation of a company's corporate governance structure in terms of compliance with the effective Kazakhstani legislation
- Development and implementation of a dividend policy and management/employee motivation programs
- Development and implementation of corporate policies and corporate governance codes



Tax and accounting compliance services

Tax Accounting

This service may be provided either in conjunction with record keeping and reporting or as a separate service. It includes the following types of work required for accurate tax calculation:

- Development of a tax policy for tax purposes based
 - on the company's industry-specific features;
- Maintaining tax registers.
- Calculating the CIT tax base:
 - Assistance in organizing the company's tax accounting system;
 - Maintaining tax accounting registers;
 - Preparation of development spreadsheets, accounting memos and other documents;
 - Recognition of loss carry-forward benefits;
 - Recognition of settlements with the budget.
- Calculating the value added tax (VAT) base:
 - Preparation of VAT invoices (invoice-facturas) and maintenance of purchase and sales books;
- Calculating payroll related taxes:
 - Monthly payroll calculations;
- Calculating of income tax withholding due from non-resident legal entities and non-resident individuals ;
- Calculating the property and land tax base (if applicable);
- Transport tax for companies which have vehicles registered to the company;

Tax reporting

Pursuant to Kazakh legislation, Kazakh legal entities must file tax returns with the tax authorities. This service also includes preparing the following reports and filing them with the tax authorities:

- Corporate income tax (CIT) (annually);
- VAT (quarterly)
- Individual income tax and social tax for local employees (quarterly);

- Individual income tax and social tax for foreign employees (quarterly);
- Income tax withholding due from non-resident legal entities (quarterly);
- Statistical reporting (quarterly/annually);
- Other reports which should be submitted by the Company to the Kazakh tax authorities if applicable.

We prepare the above mentioned tax reports for both Kazakh legal entities and foreign legal entities.

All prepared reports are reviewed and filed on time with the tax authorities within the terms established by the Kazakh legislation.

The abovementioned services are amongst the most important due to the fact that tax accounting and the "transparency" of the tax data are mandatory for taxpayers. Tax implications resulting from any errors in this area may be significant for the company.

The company's level of responsibility may also be affected by the fact that the tax accounting system is developed by the taxpayers independently.

The company's tax calculations in the long-term greatly depend on the proper organization of its accounts.

The tax authorities' requirements regarding the preparation of tax returns become more sophisticated every year, and new legislation is constantly being introduced.

At times it is difficult for a company's accounting staff to track these changes.

The engagement of professional specialists in this field will allow the company to increase its control over the preparation of tax returns and will reduce the company's management, tax and financial risks.

Accounting and reporting in accordance with the Kazakh legislation

- Development of an accounting policy for record keeping purposes, with a custom working chart of accounts based on the specific aspects of each company;



- Preparation of primary documents in accordance with the requirements of Kazakh legislation:
 - invoices,
 - acts of acceptance of goods, works and services,
 - and documents related to the movement of goods and property.
 - Accounting for fixed assets, intangible assets and materials:
 - Keeping record cards of each item, preparation of acts of disposals and additions;
 - Depreciation calculations;
 - Amortization charges for accounting purposes;
 - Carrying out and documenting a stock-count of fixed assets, intangible assets, payables and receivables;
 - Accounting for bank transactions;
 - Payroll accounting and administration of salary and tax payments;
 - Accounting for settlements with employees;
 - Accounting for settlements with non-resident legal entities and non-resident individuals ;
 - Accounting for settlements with the budget;
 - Keeping registers of income and expenses, and assets, and liabilities, based on the documents received;
 - General Ledger maintenance and preparation of trial balances, based on monthly results;
 - Closing monthly accounts and preparation for financial results;
- According to Kazakh legislation, Kazakh legal entities should file their financial statements with the statistic and other state authorities annually.
- Deliverables:
- Annual reports, prepared based on the General Ledger and accounting registers:
 - Balance sheet ;
 - Profit and loss account;
 - Statement of cash flows ;
 - Statement of changes in equity;
 - Explanatory notes
- All reports are prepared, reviewed and filed on time with the all state authorities, in accordance with the terms established under Kazakh legislation.

Herewith please find below the reference information on taxes and tax calendar.

	Tax type	Tax rate
1	Corporate income tax*	20%
2	Withholding tax	5%-20%
3	Value added tax	12%
4	Personal income tax	10%
5	Social tax	11%
6	Obligatory pension contributions	10%
7	Social security contributions	5%
8	Property tax	1,5%
9	Vehicle tax	Varied
10	Land tax	Varied

Indices for 2014 year*	
Monthly calculated index (MCI)	KZT 1 852
Minimum wage salary	KZT 19 966
Subsistence level	KZT 19 966

**Established by the Law of RK dated 3 December 2013 # 148-V "On Republican Budget for 2014 – 2016"*

**Please note that the branches of non-residents are subject to the 15% branch profit tax on the after-tax income*

	Tax return	Payment
Corporate Income Tax	No later than 31 March of the year following the reporting tax period	No later than 10 working days after the deadline established for the submission of a declaration
Withholding Tax	The 15th of the second month following the reporting quarter in which the obligation to withhold income tax at source arose	No later than 25 calendar days after the end of the month in which income was paid
	The 15th February of the year following the reporting period in which the non-resident's income was included in deductions	No later than 10 calendar days after the deadline established for the submission of the CIT declaration
Valued Added Tax	No later than 15th of the second month following the tax period	No later than 25th of the second month following the tax period
Personal Income Tax	No later than the 15th of the second month following the reporting quarter	No later than the 25th of the month following the reporting month
Social Tax	No later than the 15th of the second month following the reporting quarter	No later than the 25th of the month following the reporting month
Pension contributions	No later than the 15th of the second month following the reporting quarter	No later than the 25th of the month following the reporting month
Social contributions	No later than the 15th of the second month following the reporting quarter	No later than the 25th of the month following the reporting month
Property Tax	No later than 31 March of the year following the reporting tax period	No later than 10 working days after the deadline established for the submission of a declaration
Vehicle Tax	No later than 31 March of the year following the reporting tax period	No later than 5 July of the tax period
Land tax	No later than 31 March of the year following the reporting tax period	No later than 10 working days after the deadline established for the submission of a declaration



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Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

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