

The "Astana" International  
Financial Centre



State Revenue Committee of  
Ministry of Finance of the  
Republic of Kazakhstan

as of "22" 12 2017  
No. 48  
Astana city

as of "29" 12 2017  
No. 596  
Astana city

**JOINT ORDER**

**On Approval of Rules concerning Tax  
Administration and Interaction of State  
Revenue Authorities with Authorities and  
Members of the "Astana" International  
Financial Centre on Taxation Matters**

Pursuant to article 6, item 9 of the Constitutional Law of the Republic of Kazakhstan of December 7, 2015 "on "Astana" International Financial Centre IT IS ORDERED AS FOLLOWS:

1. To approve the attached Rules of On Approval of the Rules of Tax Administration and Interaction of State Revenue Authorities with Authorities and Members of the "Astana" International Financial Centre on Taxation Matters.
2. Monitoring the implementation of this Joint Order shall be entrusted to the Manager of the "Astana" International Financial Centre.
3. This Joint Order shall come into force on the date of its signature by the Parties and posting on the "Astana" International Financial Centre website.

Governor of the "Astana"  
International Financial  
Centre

the Chairman of  
the State Revenue  
Committee of the Ministry  
of Finance of the Republic  
of Kazakhstan



  
K. Kelimbetov  
12 2017



  
A. Tengebayev  
« 29 » 12 2017

Approved by  
the Joint Order No. 48 of  
the Manager of the "Astana"  
International Financial Centre  
dated "22" 12 2017  
and No. 596 of  
the Chairman of the State Revenue Committee of  
the Ministry of Finance of  
the Republic of Kazakhstan  
dated "29" 12 2017

**Rules**  
**concerning Tax Administration and Interaction**  
**of State Revenue Authorities with Authorities and Members of the "Astana"**  
**International Financial Centre**  
**on Taxation Matters**

**Chapter 1. General provisions**

These Rules concerning Tax Administration and Interaction of State Revenue Authorities with Authorities and Members of the "Astana" International Financial Centre on Taxation Matters are developed in accordance with article 6, item 9 of the Constitutional Law of the Republic of Kazakhstan dated December 7, 2015 "On "Astana" International Financial Centre (hereinafter – the Constitutional Law) and defines for the Authorities and Members of the Centre as follows:

- peculiarities of procedure for maintaining tax records;
- peculiarities of in-house audit and application of risk management system;
- participation in horizontal monitoring;
- peculiarities of tax audits;
- peculiarities of appealing the tax audit results;
- peculiarities of termination of activities.

For the Authorities and Members of the Centre, the tax legislation of the Republic of Kazakhstan is applied except for special aspects provided for by the Constitutional Law and these Rules.

The following fundamental concepts and abbreviations are used in the framework of these Rules:

Expat-centre – a structural unit/organization on the Centre territory assisting in the delivery of public and other services to the Centre's members and foreign employees on "one-stop shop" principle;

Special provisions – joint acts of the Centre and State Revenue Authorities, developed in compliance with these Rules and regulating certain matters of tax administration and (or) interaction of State Revenue Authorities with the Centre's Authorities and Members;

Centre's taxpayer – a publicly registered authority and member of the Centre who carries out activities in the Republic of Kazakhstan only in the territory of the Centre.

Other special concepts and terms defined in the Code of the Republic of Kazakhstan of December 25, 2017 "On taxes and other mandatory payments to the budget" (the Tax Code) used in these Rules are applied in the sense which they are used in the Tax Code unless otherwise stipulated by the Constitutional Law and (or) these Rules.

The concepts of civil and other branches of the legislation of the Republic of Kazakhstan used in these Rules are applied in the sense which they are used in these branches of the legislation of the Republic of Kazakhstan unless otherwise stipulated by the Constitutional Law and (or) these Rules.

The documents of the State Revenue Authorities sent to the address of the Centre's taxpayers shall additionally be drawn up in English.

The Centre's Taxpayer shall have the right to:

personally participate in tax legal relations and (or) through a legal or authorized representative;

execute tax obligation upon tax forms submission provided for by the Tax Code or these Rules in one of the following ways:

1) paper-based:

in walk-in presentation through the Expat Centre;

by registered mail with notification;

2) in electronic form.

## **Chapter 2. Peculiarities of procedure for maintaining tax records;**

The Centre's Taxpayer shall have the right to:

manage records including tax forms and submit necessary documents in English to the State Revenue Authorities;

maintain tax records in functional currency specified in accounting records, in case of its invariability during the tax period;

determine items of taxation and those related to taxation and calculate taxes and other mandatory payments to the budget in the functional currency in case of its invariability during the tax period except for tax liabilities upon which, in accordance with the Tax Code, fixed rates in tenge, including in the amount of multiple of the minimum calculated index. The last tax liabilities are calculated in the absolute amount in tenge.

If the functional currency changes since the first day of the tax period, the tax records of the previous tax period used upon determination of items of taxation and items related to taxation, calculation of taxes and other mandatory payments to the budget and absence in the accounting for the current tax period are recalculated in the functional currency of the current tax period at the market exchange rate determined on the last business day preceding the last calendar day preceding the tax period.

The Centre's Taxpayer pays taxes and other mandatory payments to the budget in tenge.

If the Centre's Taxpayer, pursuant to item 7 of these Rules calculates taxes and other mandatory payments to the budget in a functional currency other than tenge, the amount of taxes and other mandatory payments to the budget payable is defined at the market exchange rate determined in the last business day preceding the date of transfer of taxes to the budget.

The Centre's Member applies tax accounting policy approved in one of the following ways (at the option of the Centre's Member):

1) independently by the Centre's Member based upon requirements of the Tax Code;

2) by the Special Provision No.1 which provides for a tax accounting policy for the Centre's Members generating revenues indicated in Article 6, item 3 of the Constitutional Law, and for Centre's Member generating revenues indicated in Article 6, item 3 of the Constitutional Law.

The Centre's Member prepares tax registers for corporate tax and value added tax in the forms approved by Special Provision No.2.

The Centre's Member generates tax reports on corporate tax and value added tax in the forms and in the order approved by the Special Provision No.3.

### **Chapter 3. Peculiarities of in-house audit and application of risk management system;**

In case of detection of high-risk violations according to the in-house audit results, the Centre's Taxpayer shall be notified on violations elimination identified by the State Revenue Authorities on the results of in-house audit, with Application of the description of violations detected.

If the ground for notification is a judicial act, the Taxpayer may apply to the State Revenue Authority, referring such notice, with a request for the provision of this judicial act. The State Revenue Authority shall fulfill requirement of the Centre's Taxpayer and submit judicial act resulting the basis for sending notice within five business days from the date of request receipt.

The State Revenue Authorities inform the Centre's Taxpayer about results of categorization by degree of risk within fifteen business days from the date of appropriation and (or) change of the risk category by sending a paper-based notice by registered letter with notification or electronically.

#### **Chapter 4. Participation in horizontal monitoring**

The Centre's Taxpayer may participate in horizontal monitoring. The Centre's Taxpayer independently determines the necessity of participation in horizontal monitoring.

The State Revenue Authority does not apply to the Centre's Taxpayer the category of taxpayers established by the legislation of the Republic of Kazakhstan whom the agreement on horizontal monitoring is concluded with.

The Tax Code applies to the Centre's Taxpayer a form of horizontal monitoring agreement, procedure for horizontal monitoring agreement conclusion and termination and procedure for horizontal monitoring.

The Centre's Taxpayer is recognized to be a subject of horizontal monitoring for the tax periods within of which it was a party under the current horizontal monitoring agreement.

#### **Chapter 5. Peculiarities of tax audits;**

The tax inspection is not carried out for tax periods within of which the Centre's Taxpayer was recognized to be a subject of horizontal monitoring pursuant to item 19 of these Rules,

except:

counter inspections;

tax audits conducted at the request of the Centre's Taxpayer itself;

tax audits conducted on the grounds provided for by the Criminal Procedure Code of the Republic of Kazakhstan dated July 4, 2014, the Law of the Republic of Kazakhstan dated June 30, 2017 "On Prosecutor's Office";

tax audits conducted due to the Centre's Taxpayer complaint on notification of inspection results.

Provisions of item 20, paragraph 1 of these Rules do not apply to the Centre's Taxpayer, which has a high-risk level according to risk management system.

In addition to the cases provided for by the Tax Code, the Centre's Taxpayer may deny access to the territory and (or) premises of the Centre's Taxpayer for officials of State Revenue Authorities and other State authorities involved in tax inspection during the tax audit suspension period.

Before tax audit act preparation by the official of the State Revenue Authority, the Centre's Taxpayer is given a preliminary tax audit act.

At the same time, the Centre's Taxpayer may submit a written objection to the preliminary tax audit act.

Presentation to the Centre's Taxpayer of the preliminary tax audit act, submission of written objection to preliminary tax audit act and consideration of such objection shall be made in the manner and terms provided for by the Tax Code.

Provisions of this item shall apply to tax audits causing accrual of taxes and other mandatory payments to the budget, calculation liabilities, retention, transfer of mandatory pension contributions, mandatory professional pension contributions, calculation and payment of social deductions, deductions and (or) contributions for compulsory social health insurance and penalties, reduction of losses.

#### **Chapter 6. Peculiarities of appealing the tax audit results;**

In case of appeal of notification on tax audit results by the Centre's Taxpayer, the State Revenue Authority shall not restrict disposition of property by the Centre's Taxpayer.

Provisions of item 24 of these Rules do not apply to the Centre's Taxpayer having a high-risk level according to risk management system at the moment of appeal of notification on tax audit results.

#### **Chapter 7. Peculiarities of termination of activities**

The Centre's Taxpayer being a subject of horizontal monitoring for the last five years, in the event of decision on voluntary liquidation may apply provisions of article 60, items 2, 3, 4, 5, 6, 7, 8, 9, 10 of the Tax Code.

Provisions of this chapter shall not apply to the Centre's Taxpayer:

- 1) taken decision on completion of the procedure for termination of activity in the manner stipulated by the Tax Code;
- 2) having a high level of risk according to the risk management system at the time of decision on liquidation.

#### **Chapter 8. Transitional provisions**

To establish that provisions of these Rules requiring application of the Tax Code rules shall be applied after the entry into force of them.