



DOING BUSINESS IN KAZAKHSTAN AND WITH KAZAKHSTAN

General rules:

- ◆ Transactions between residents and non-residents - any currency
- ◆ Transactions between residents – KZT
- ◆ Foreign currency payments via local banks

- ◆ **Transaction registration**
- ◆ **Transaction notification**
- ◆ **Reporting of transactions**

FOREIGN CURRENCY REGULATION

Transaction Registration:

- ◆ Purchase **10%** or more shares
- ◆ Financial Loans
- ◆ Commercial Loans: Export and import of goods contracts with prepayment over **180** days or payment delay for over **180** days
- ◆ Acquisition of IP objects; Consortium Agreements

Monetary Threshold: **Out \$500,000** or **In \$100,000**

Transaction Notification:

- ◆ Acquisition of foreign securities by residents and Kazakhstan securities by non-residents
- ◆ Acquisition of immovable property by residents and non-residents
- ◆ Commercial loans on services
- ◆ Trust management agreements with a foreign trustee
- ◆ Other transactions

Repatriation of Funds

Residents are to repatriate funds into Kazakhstan within a period set out in a contract under pain of a large monetary fine

TAXATION OF NON-RESIDENTS – KEY POINTS

Withholding Tax

General Rule: Income of non-residents from Kazakhstan source is subject to income tax payable by resident or permanent establishment
WHT - Management, finance, consulting, audit and legal services rendered abroad

Income tax is not payable (some examples):

- ◆ Dividends of a non-subsoil company if shares are held longer than 3 years
- ◆ Capital gain on sale of shares via Kazakhstan stock exchange
- ◆ Transfer of fixed assets under international finance leasing contracts

Import of goods into Kazakhstan **is not** subject to withholding tax

TAXATION OF NON-RESIDENTS – KEY POINTS

Income Tax - Withholding Tax

Income Description	Withholding Tax Rate
Income of non-resident	20%
Income from international transportation services	5%
Capital gains, dividends, remunerations, royalties	15%

Double tax treaties reduce WHT

Corporate Income Tax

- ◆ Income tax of PE is **20%**
- ◆ **15%** Net Profit Tax

TAXATION OF NON-RESIDENTS – KEY POINTS

Value Added Tax

- ◆ VAT is **12%**. Imposed on value added at each stage of distribution and on import of goods
- ◆ Services of non-residents in Kazakhstan - VAT
- ◆ Certain foreign services of a non-resident to resident - VAT

- ◆ **Customs Duty, Excise Duty**
- ◆ **Licenses and Permissions**
- ◆ **Certification and Labelling**

FINANCE, INVESTMENT AND ASSETS PROTECTION SERVICES TO KAZAKHSTAN RESIDENTS

- ◆ **Asset Management and Protection**
- ◆ **Funds and Investments**
- ◆ **Banking and Advisory Services**

Key Residency Risk Assessment Factors

Are there any obstacles or special permission or registration is required for:

- ◆ Making Investments (Cash and In-kind)
- ◆ Assets Ownership and Disposal
- ◆ Bank Account Operation

- Is money clean?
- What are taxation risks?



E-Commerce Regulation, Digital Advertising, Privacy Policy

ESTABLISHMENT A BUSINESS PRESENCE IN KAZAKHSTAN

- ◆ **Kazakhstan Legal Entities:
Partnerships and Joint Stock Companies**
- ◆ **Representative Office and Branch of a Foreign Legal Entity**
- ◆ **Registration Procedure**

Sayat Zholshy & Partners
welcomes you in Kazakhstan and wish you a great
success in all your endeavors!