



Value Added Tax (VAT) on services and goods supplied electronically by foreign companies in Kazakhstan



General provisions



According to the amendments to the Tax Code, entered into force from 1 January 2022, foreign companies have VAT obligations when conducting electronic trade in goods and providing electronic services to individuals in Kazakhstan

A foreign company is recognized as a payer of VAT if:



Electronic trade in goods is carried out through the Internet platform of the company to Kazakhstani individual customer



Services provided in electronic form by non-resident entities to Kazakhstani individual customer



Foreign Company

Goods and E-services

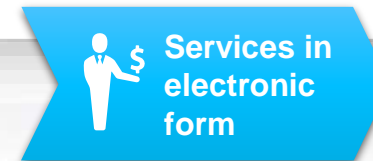


Kazakhstani Individuals

List of services in electronic form

There is no limited list of electronic services in the Tax Code. Consequently, all electronic services are subject to taxation, some of them:

- Providing software usage rights
- Offering services for listing goods (and services) and property rights in information networks
- Maintaining an online presence for personal or commercial activities, including support for users' electronic resources
- Storing and processing information
- Providing computing power for information placement in information systems
- Offering domain names and hosting services
- Providing services for data search automation, selection, and sorting according to requests, and delivering this data to users via information networks
- Granting remote access to electronic books, publications, educational materials, graphic images, musical works, and audiovisual content through information networks
- Providing various types of games and entertainment programs
- Assisting customers in finding and obtaining information about potential buyers
- Providing access to search engines on information networks
- Offering services for maintaining website statistics in information networks



Examples of sales of services and goods



Registration requirements



Conditional registration of a foreign company in Kazakhstan is a simplified process for registering a foreign entity engaged in electronic trade of goods or digital services as a VAT taxpayer.



Registration is obligatory and involves the non-resident company mailing a confirmation letter to the State Revenue Committee.



A foreign company is required to make timely conditional registration for VAT purposes in Kazakhstan



In the event that the Company provided services electronically or sold goods electronically without registration, the Kazakhstan tax authorities may take measures to block the Company's website in Kazakhstan



In the event of late registration for VAT purposes in Kazakhstan, the Company will be required to pay VAT retrospectively

VAT payment and reporting rules



VAT is charged at 12% on payments received



Foreign companies supplying goods and services electronically will be liable to pay VAT in Kazakhstan in foreign currency by the 25th day of the second month following the reporting period (quarter) to Kazakh tax authorities (May 25th, August 25th, November 25th, February 25th)



Foreign currency payments should be converted to tenge at exchange rate of Kazakhstan National Bank applicable on the day of payment



There are no VAT reporting obligations for non-residents supplying goods and services electronically



There are no requirements to issue VAT invoices for goods and services supplied electronically



VAT is not due on goods and services supplied electronically, if the value of the goods and services is included in the official import value and import VAT has been paid on that amount



Our services

1. Tax consulting services that will include analysis of outlined questions as well as:

- Consultations on the procedure for calculating and paying VAT on the sale of digital services and goods in Kazakhstan
- Consultations on other potential tax consequences that might arise due to the company's activities in Kazakhstan

2. Assistance with registration of the company with the Tax authority:

- Assistance with registration of the company with the Tax authority in Kazakhstan for the purposes of payment of the company's outstanding and ongoing VAT liabilities in Kazakhstan and consulting services related to the process

3. Tax compliance services:

- Preparation of calculations of the VAT liabilities to be paid by the company based on the data on e-services provided to Kazakhstani individuals
- Assistance with the VAT payment procedure to the state budget
- Communications with the local Tax authorities regarding confirmation of the company's VAT payments

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