



On approval of the Rules and terms for the implementation of a pilot project on the application of certain norms of tax administration for business entities

Unofficial translation

Order of the Minister of Finance of the Republic of Kazakhstan dated June 18, 2021, No. 588. Registered with the Ministry of Justice of the Republic of Kazakhstan on June 22, 2021, No. 23152

Unofficial translation

In accordance with paragraph 1-1 of Article 68 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code), **I HEREBY ORDER:**

1. To approve the attached Rules and terms for the implementation of the pilot project on the application of certain tax administration rules for business entities.

2. The State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, shall ensure:

1) state registration of this order with the Ministry of Justice of the Republic of Kazakhstan;

2) placement of this order on the Internet resource of the Ministry of Finance of the Republic of Kazakhstan;

3) within ten working days after the state registration of this order with the Ministry of Justice of the Republic of Kazakhstan, submission to the Legal Service Department of the Ministry of Finance of the Republic of Kazakhstan of information on the implementation of the measures provided for in subparagraphs 1) and 2) of this paragraph.

3. This order shall come into effect ten calendar days after the day of its first official publication.

*Minister of Finance
of the Republic of Kazakhstan*

Ye. Zhamaubayev

Approved
by Order of the
Minister of Finance
of the Republic of Kazakhstan
dated June 18, 2021, No. 588

The Rules and terms for the implementation of a pilot project on the application of certain norms of tax administration for business entities

Chapter 1. General Provisions

1. These Rules and terms for the implementation of a pilot project on the application of certain norms of tax administration for business entities (hereinafter referred to as the Rules) have been developed in accordance with paragraph 1-1 of Article 68 of the Code of the Republic of Kazakhstan “On taxes and other obligatory payments to the budget” (Tax Code) (hereinafter referred to as the Tax Code) and shall determine the procedure and terms for the implementation of a pilot project on the application of certain tax administration rules for business entities (hereinafter referred to as the Pilot project).

2. The pilot project shall be implemented on the territory of the Republic of Kazakhstan during the period:

1) from January 1, 2021, to December 31, 2021:

for taxpayers in cases stipulated by the regulatory legal acts of the Republic of Kazakhstan adopted to implement international treaties ratified by the Republic of Kazakhstan;

for taxpayers in case of sale of imported goods;

for taxpayers who are not payers of value added tax (hereinafter referred to as the VAT), in the case of the sale of goods that have arrived in the "Virtual Warehouse" module of the information system of electronic invoices to such taxpayers;

for resident legal entities (except for state institutions and state organizations of secondary education), non-residents operating in the Republic of Kazakhstan through a branch, representative office, individual entrepreneurs, persons engaged in private practice, not registered as a VAT payer in the Republic of Kazakhstan, for civil - a legal transaction, the value of which exceeds 1000 times the monthly calculation index established by the law on the republican budget and in force on the date of such a transaction;

2) from February 8, 2021, to December 31, 2021:

for taxpayers who have submitted notifications on the transition to a special retail tax regime.

3. Participants of the pilot project shall be:

1) business entities;

2) state revenue bodies.

Chapter 2. The procedure for the implementation of the pilot project, in terms of issuing invoices in electronic form in certain cases

4. For taxpayers who are business entities in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, specified in paragraph five of subparagraph 1) of paragraph 2 of these Rules, an invoice shall not be required.

In the cases provided for in paragraphs two, three and four of subparagraph 1) of paragraph 2 of these Rules, an invoice shall not be required when selling goods to:

1) individuals who use the purchased goods for personal, family, household or other use not related to the entrepreneurial activity (final consumption);

2) individuals and legal entities as taxpayers that are micro-entrepreneurship entities in accordance with the Entrepreneurial Code of the Republic of Kazakhstan and are not VAT payers.

If goods, works, or services are purchased from the taxpayer specified in this paragraph, and the recipient of goods, works, or services applies to the supplier of these goods, works, and services no later than December 31, 2021, with a request to issue an invoice, the supplier shall fulfil the requirement in within 15 (fifteen) calendar days from the date of application.

To determine the tax liability for corporate income tax for 2021, it shall not be required to have an invoice in electronic form for purchased goods, works, or services from the persons specified in paragraph five of subparagraph 1) of paragraph 2 of these Rules.

Chapter 3. The procedure for the implementation of the pilot project, in terms of the application of a special tax regime for retail tax

5. Taxpayers who are small and medium-sized businesses in accordance with the Entrepreneurial the Code of the Republic of Kazakhstan and carrying out one or more types of activities defined by the Decree of the Government of the Republic of Kazakhstan dated February 2, 2021 No. 30 “On determining the types of activities to apply the special tax regime of retail tax”, to switch to the application of the special tax regime of retail tax, shall submit a notification on the applicable tax regime to the state revenue authority at the location on paper or in electronic form, including through the web portal "Electronic Government".

6. For taxpayers who submitted notifications on the applicable tax regime before March 31, 2021, and meet the conditions for applying the regime as of March 1, 2021, the start date for applying the special retail tax regime shall be March 1, 2021.

7. The state revenue authorities shall keep records of small and medium-sized businesses recognized as participants in the pilot project, based on the relevant notifications submitted on the applicable taxation regime.