



NewsFlash

Tax and Legal

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Dear readers,

The Ministry of Finance introduced amendments¹ to the Rules for Conducting the Pilot Project on Horizontal Monitoring (hereinafter the “Rules”). We offer you a short overview of the amendments.

Pilot Project on Horizontal Monitoring

Changes to the List of Participants

The amendments expanded the list of taxpayers qualifying for participation in the pilot project on horizontal monitoring. Categories of taxpayers that are subject to the mandatory participants in the pilot project is complemented by taxpayers affiliated or owned for more than 50% by companies controlled by the national management holding. Companies implementing investment priority projects may participate in the pilot project on horizontal monitoring on a voluntary basis.

Participation Terms

The amendments postponed the start of the pilot project for some taxpayers. Updated timeframe for the horizontal monitoring pilot project:

- For taxpayers in the field of gas transportation - from 1 July 2021 to 31 December 2023;
- For taxpayers in the electric power industry - from 1 April 2021 to 31 December 2023;
- For taxpayers in the mining industry - from 1 April 2021 to 31 December 2023.

Other

The period of pre-project work on the study and preparation of an internal control and accounting information system of a taxpayer to enter into the horizontal monitoring may be extended up to 18 months upon the agreement between the taxpayer and the tax authorities.

The amendments also clarified procedures for the tax control measures during the pilot project on horizontal monitoring.

The amendments came into force on 12 March 2021.

¹ Order No. 138 of the Minister of Finance of the Republic of Kazakhstan On Amendments and Addenda to Order No. 648 of the Acting Minister of Finance of the Republic of Kazakhstan of 1 July 2020 On the Rules for Conducting a Pilot Project on Horizontal Monitoring, dated 23 February 2021

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