



Dear Readers,

**The Ministry of Finance once again extended the terms of the pilot project on consignment notes and postponed the obligatory issuance of consignment notes on transactions with certain goods. The amendments also simplified the consignment notes procedure for retailers. We offer you a brief overview of the amendments.**

### Extension of the Pilot Project on Consignment Notes

The amendments extended the terms of the pilot project on consignment notes. The extended periods of the pilot project on consignment notes:

- For goods subject for labeling and goods from the List of Exemptions of the WTO is from 1 October 2021 to 1 August 2022;
- For goods for which electronic invoices are issued via a virtual warehouse is from 31 December 2020 to 1 January 2022;
- For excisable products, import and export of goods to/ from Kazakhstan is from 31 December 2020 to 1 October 2021.

### Deferral of Obligatory Consignment Notes

The amendments postponed the obligatory issuance of consignment notes:

- For goods subject to labeling and goods from the List of Exemptions of the WTO (except for those for which electronic invoices are issued via a virtual warehouse) – to 1 August 2022;
- For goods for which electronic invoices are issued via a virtual warehouse – to 1 January 2022;

- For the remaining goods from the list of goods subject to the obligatory issuance of consignment notes – to 1 October 2021.

### Definitions

The amendments introduced the term of an ultimate consumer. It is defined as an individual purchasing goods for personal, family, household and other purposes not related to business activity.

The amended definition of retail trade is a type of trading activities related to the sale of goods to ultimate consumers.

Goods are defined as any movable property, including foreign currencies, securities, road checks, electric power, as well as other movable items regarded as immovable property under the customs legislation of Kazakhstan.

<sup>1</sup> Order No. 531 of the Minister of Finance of the Republic of Kazakhstan *On Amendments and Addenda to Certain Orders of the Ministry of Finance of the Republic of Kazakhstan*, dated 4 June 2021

## Consignment Notes for Small Shops

The amendments eliminate the clauses regulating the consignment notes procedures for retail trade, including an obligation for retailers to maintain a virtual warehouse.

In addition, the amendments exclude an obligation for a retailer to confirm consignment notes (except for excisable goods), provided that the retailer:

- applies a special tax regime under on a simplified tax declaration;
- is not registered as a VAT payer;
- qualifies for retail trade activities under the general classifier of economic activity;
- uses a cash register equipped with the data registration and (or) transfer function.

When a taxpayer issues a consignment note to a retailer qualifying for the abovementioned criteria, the recipient is automatically marked as a *Small Shop*.

This exception does not apply to sale of goods in a special economic zone which borders fully or partially coincide with the customs border of the Eurasian Economic Union.

## Other Amendments

Certain requirements on the maintenance of a virtual warehouse and on the preparation of consignment notes for transactions with gold-bearing products were cancelled.

The amendments also clarified the procedure for writing goods off from a virtual warehouse without a consignment note issuance.

The amendments come into force on 20 June 2021.

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