

**Government Resolution No. 556 "On Procedure for Offsetting Due Value Added Tax to Importers of Goods to Kazakhstan Under the International Agreement on Different Taxation of Export and Import of Goods" as of 22 May 2002**

In accordance with the Article 235 of the Code "On Taxes and Other Compulsory Payments to the Budget" (Tax Code) of 12 June 2001 and the Agreement "On Principles of Indirect Taxation in Mutual Trade" signed between the Government of Kazakhstan and Government of Russia on 9 October 2000,

Hereby the Government resolves:

1. The value added tax, which is subject to payment by suppliers of natural gas, oil, and condensed gas imported to the territory of the Republic of Kazakhstan from Russia shall be set off to VAT payers. The VAT is set off in the amount of the tax rate applied in the Russian Federation on the date of shipment of the mentioned goods from Russia upon presenting an invoice with a specified VAT amount issued by an exporter from Russia.

If a VAT payer has both taxable and non-taxable proceeds including the proceeds exempted from the value added tax, the VAT due by suppliers from Russia shall be set off in accordance with the procedure provided in the Article 239 of the Code "On Taxes and Other Compulsory Payments to the Budget" (Tax Code) of 12 June 2001.

2. This resolution becomes effective on 1 January 2002.

Prime Minister  
Of the Republic of Kazakhstan  
I. Tasmagambetov