

## Annex III

### Law of the Republic of Kazakhstan "On Amendments and Addendato Legislative Acts of the Republic of Kazakhstan on Taxation" No. 11-III ZRK of 13 December, 2004,

Article 1. To amend and add the following legislative acts of the Republic of Kazakhstan:

1. Civil Procedural Code of the Republic of Kazakhstan of 13 July 1999 (Gazette of the Parliament of the Republic of Kazakhstan, 1999, No. 18, p. 644; 2000, No. 3-4, p. 66; No. 10, p. 244; 2001, No. 8, p. 52; No. 15-16, p. 239; No. 21-22, p. 281; No. 24, p. 338; 2002, No. 17, p. 155; 2003, No. 10, p. 49; No. 14, p. 109; No. 15, p. 138; 2004, No. 5, p. 25; No. 17, p. 97):

1) to eliminate part two of article 104;

2) to eliminate article 105.

2. Administrative Violations Code of the Republic of Kazakhstan of 30 January 2001 (Gazette of the Parliament of the Republic of Kazakhstan, 2001, No. 5-6, p. 24; No. 17-18, p. 241; No. 21-22, p. 281; 2002, No. 4, p. 33; No. 17, p. 55; 2003, No. 1-2, p. 3; No. 4, p. 25; No. 5, p. 30; No. 11, p. 56, 64, 68; No. 14, p. 110; 15, p. 122, 139; No. 8, p. 142; No. 21-22, p. 160; No. 23, p. 171; 2004, No. 6, p. 42; No. 10, p. 55; No. 15, p. 86; No. 17, p. 97):

1) replace words "amounts of penalties specified in part three of the present article" with words "or less than fixed amounts of penalties specified in part three of the present article" in part four of article 48;

2) part two of article 69 to reword as follows:

"2. A natural person shall not be held administratively responsible for an administrative corruption violation as well as for violation of law in taxation for one year since the date of it's commission; a juridical person (including private entrepreneurs) shall not be held administratively responsible for an administrative corruption violation after three years since the date of commission and for a violation of law in taxation, after five years since the date of it's commission.";

3) article 88 to reword as follows:

"Article 88. Violation of pension law of the Republic of Kazakhstan

1. Failure to implement duties on timely pension payments, transactions and withdrawals by pension accumulation funds as stipulated in the pension legislation of the Republic of Kazakhstan -

shall entail a penalty in the amount of up to twenty monthly calculation indices for officials and in the amount of up to fifty monthly calculation indices for juridical persons.

2. Failure to implement duties on payment of pensions in full amount and in fixed time by Pension Payment Center's officials, as stipulated in the pension laws of the Republic of Kazakhstan -

shall entail a penalty in the amount of up to twenty monthly calculation indices

3. Failure to implement or improper execution by a natural person, individual entrepreneur, private notary, lawyer, juridical person or officials, of the duties stipulated in the pension



6) article 207:

to replace words "fifty percent of the cost of concealed asset" with words "one hundred and fifty percent of the amount of taxes and other compulsory payments to be paid for the concealed asset" in the second paragraph of part one;

to replace words "one hundred percent of the cost of concealed assets" with words "two hundred percent of the amount of taxes and other compulsory payments to be paid for the concealed assets" in the second paragraph of part two;

7) to replace "of charged" with "of calculated" in part four of article 209;

8) article 358 to reword as follows:

"Article 358. Failure to implement duties determined in the tax legislation, by local executive authorities and other authorized bodies.

1. Failure to transfer, untimely or incomplete transfer of the due tax amounts and other compulsory payments to the budget, according to the tax legislation, by specified herein local executive authorities or authorized bodies, -

shall entail penalties in the amount from twenty to forty monthly calculation indices for officials.

2. Failure to submit, untimely, unreliable or incomplete submission, by local executive authorities and other authorized bodies, of the information determined by the tax legislation for the submission to tax authorities, -

shall entail a penalty in the amount from twenty to forty monthly calculation indices for officials.

3. Failure to issue and (or) issue of one-time certificates on the cost below the one, fixed by the local executive authorities or authorized bodies, as well as violation of the tax legislation requirements for organization of the work on issuing one-time tax certificates, -

shall entail a penalty in the amount from twenty to forty monthly calculation indices for officials.

4. If the actions, specified in parts one, two and three of this article, were repeated within one year since the previous administrative penalty, -

they shall entail a penalty in the amount from fifty to seventy monthly calculation indices for officials.";

9) to replace words "part three" with words "parts three, four" in part one of article 570;

10) to insert words ", and on cases related to the execution of a tax liability, for the period of appeal" in part two of article 647;

11) to insert words ", and upon resolution on imposition of administrative penalty for a tax violation, within five years since it entered into force" in part one of article 703;

12) to insert the second paragraph in part two of article 709 as follows:

"The resolution on enforced recovery of penalty for tax administrative violation shall be

1) replace words "by the participants, founders of the participants, founders" with the



provisions of such a contract (extension of the contract duration, subleasing and (or) mortgage again) since the moment when the tax body makes resolution on this property and until the cancellation of the resolution.";

to insert part three paragraph 4 as follows:

"When making the inventory of property, the taxpayer must provide copies of documents,

to insert words "or a tax inspection report supporting the amount of debts receivable" after the words "mutual settlements" in paragraph 3;

20) to insert words "or insufficiency" after the word "absence" in paragraph 1 of article 53;

21) to replace words "Law of the Republic of Kazakhstan "On Budget System" with words "Budget Code of the Republic of Kazakhstan" in paragraph 3 of article 59;

22) to insert paragraph 4-1 to article 60 as follows:

"4-1. Rent tax for exported crude oil, condensed gas.";

23) to insert paragraph 3-1 to article 61 as follows:

"3-1. Commission for the state registration of the pledge of movable property.";

24) article 67:

paragraph 2 to reword forth as follows:

"2. Taxpayers shall keep separate accounting based on the book-keeping data, taking into account the peculiarities specified in this Code. Separate accounting shall be kept for each type of activity, until otherwise stipulated in this article.";

to insert paragraph 2-1 as follows:

"2-1. Subsurface user must keep separate accounting for the calculation of tax liabilities on contract activity, until otherwise stipulated in the contract on subsurface use.";

25) in article 68:

to insert words "taking into account the provisions of article 67 of the present Code" to paragraph 1;

in paragraph 2:

to eliminate the third paragraph;

to replace words "for obtaining accounting registration cards" with the words "on registration and re-registration" in the fifth paragraph;

26) in article 69:

to insert parts two and three to paragraph 1 as follows:

"Taxpayers carrying out the types of activities, for which the present Code provides different taxation schemes, shall make tax reporting separately for each type of activity.

Subsurface users subject for necessity to keep separate taxation accounting, shall make tax reporting separately for the contract activity and for the activity made beyond the contract framework, until otherwise is stipulated in the contract on subsurface use.";

To replace words "of tax authorities" with the words "the authorized state body" in paragraph 2;

to insert words "(juridical person)" after the word "Taxpayer" in part one of paragraph 7;

to insert paragraph 7-1 as follows:

"7-1. An individual entrepreneur, within three days since the day of making the decision on the discontinuance of entrepreneurial activity, shall notify in writing the tax authority.

During one month from the day of making a decision on discontinuance of the entrepreneurial activity an individual entrepreneur shall submit to the tax authority the tax reporting, made for the time since the beginning of the tax period and to the date of discontinuance of the entrepreneurial activity.

Along with the tax reporting specified in this paragraph, an individual entrepreneur shall submit an application on making a document examination in connection with the discontinuance of the entrepreneurial activity.";

To insert paragraph 11 as follows:

"11. Taxpayers with separate taxation scheme shall submit tax reporting separately for each type of activity, and the subsurface users, for each contract on subsurface use, until otherwise is

stipulated in this Code and in the contract on subsurface use.";

27) paragraph 1 of article 74 to be reworded as follows:

"1. Transfer of a property by a leasing contract made in accordance with the legislation of the Republic of Kazakhstan for a period over three years shall be qualified as financial leasing, if it meets one of the following criteria:

- 1) the leasing contract determines the transfer of the property to the ownership of the lessee and (or) the transfer of the right to purchase the property at a fixed price;
- 2) the financial leasing term exceeds seventy percent of the period of the useful service life of the property transferred on financial leasing;
- 3) the current (discounted) value of leasing payments for the entire period of the financial leasing exceeds ninety percent of the value of the property transferred on financial leasing.

The value of the property transferred (received) on financial leasing (on leasing) shall be determined at the moment of leasing agreement conclusion.

The property, transferred on financial leasing, includes the objects of leasing to be received by the lessee as a fixed assets in case of international leasing, as well as by the lessee or sub-lessee in case of international leasing.";

28) to insert words ", except for the ownership of unit investment trust shares" to article 75;

29) in article 76:

to eliminate words "which were the result of force-major circumstances" from paragraph 1; to insert words "in accordance with the procedure determined by the authorized state body upon coordination with the authorized state body of the Republic of Kazakhstan, carrying out elaboration and implementation of the state tax budget policy";

to replace words "with offset" with words "without offset" in paragraph 4;

30) to insert subparagraph 15-1) to paragraph 2 of article 80 as follows:

"15-1) income generated from distribution of the net income and directed to the increase of the charter capital of a resident juridical person with keeping the share of each founder, participant;"

31) in article 82:

to replace words "paragraphs 3 and 4" with words "paragraphs 3-5" in part one of the paragraph 2;

in paragraph 4:

to insert words "and contribution" after the word "securities" in the first paragraph;

to insert words "and contribution" after the word "securities" in the second paragraph;

to insert word "(deposit)" after "acquisition cost";

to insert paragraph 5 as follows:

"5. Upon selling assets specified in subparagraphs 7) and 8) of paragraph 1 of this article, the capital gains shall be defined in the amount of the cost of disposal.";

32) to insert words ", including the liabilities not demanded by the creditor at the moment of approving the liquidation balance during the taxpayer liquidation" to subparagraph 1) of paragraph 1 of article 83;

33) to insert article 87-1 as follows:

"Article 87-1. Incomes from the adjustment of the expenses on geological exploration and preparation for extraction of mineral resources shall be as other expenses of subsurface users.

If the level of income, adjusted in accordance with the article 101 of this Code expenses which form a separate group, exceeds the amount thereof as of the beginning of the tax



period with taking into account the expenses incurred during the tax period, the exceeding value shall be included into the aggregate annual income. The amount of such a group will be zero by the end of the tax year.";

34) to insert subparagraph 3) - 5) paragraph 2 of article 90 as follows:

"3) the sum of compulsory, additional and emergency payments by banks to the organization ensuring the compulsory collective guaranteeing (insurance) of natural persons' contributions (deposits);

4) the sum of compulsory and emergency payments by insurance organizations to the Insurance Payments Guaranteeing Fund;

5) amounts of money received by the organization ensuring the compulsory collective guaranteeing (insurance) of natural persons' contributions (deposits) and by the Insurance Payments Guaranteeing Fund to meet the requirements on compensated contributions (deposits) and paid guaranteed compensation payments.";

35) to insert subparagraph 9) and 10) to paragraph of article 91 as follows:

"9) investment returns, obtained by unit trusts and joint stock investment funds, in accordance with the legislation of the Republic of Kazakhstan on investment funds, on accounts in the custody and being on these accounts;

10) income obtained on distribution of net income and allocated to increase the charter capital of a resident juridical person with keeping the shares of each founder and participant.";

36) in article 93:

to replace word "two" with word "three" subparagraph 3) of paragraph 1;

to replace "refreshment (buffet) service during negotiations" with words "food expenses during negotiations as well as expenses" in part one of paragraph 2;

37) article 98 to reword as follows:

"Article 98. Deductions of expenses on scientific research and scientific technical works.

Expenses on scientific research and scientific technical works, except for the expenses on purchase of capital assets, their installation and other capital e

deposits by the authorized body in the field of subsurface geological exploration, protection and use.

Such expenses made after creation of a separate group, shall be allocated on its increase.

These expenses shall be adjusted by deducting the amount of income obtained by the subsurface user from the activity carried out in the framework of the contract concluded, in the period of geological exploration and preparation work for the industrial extraction of natural resources, including income from transferring a part of the right for the subsurface utilization, except for:

1) income obtained from lease of mineral resources;

2) income to be deducted from the aggregate annual income in accordance with the article 91 of this Code.

2. The procedure established in paragraph 1 of this article shall also be applied to expenses on purchase of intangible assets incurred by the taxpayer in connection with the acquisition of the subsurface use right.";

40) in article 104:

subparagraph 2) to reword as follows:

"2) expenses on construction and purchase of fixed assets, intangible assets, and other

evaluated for each depreciation group.

Cost balance of the group I includes subgroups' cost balances by each object of capital assets.

Groups II, III, IV and V cost balances include subgroups' cost balances separate for each tax period.

2. A subgroup cost balance at the end of a tax period shall be evaluated as follows:

1) by the cost balances of subgroups created in previous tax periods:

cost balance of a subgroup at the beginning of tax period defined as the cost balance of a subgroup at the end of the previous tax period minus the amount of depreciation payments calculated in the previous tax period, as well as taking into account the corrections made according to paragraphs 1 and 2 of article 111 and paragraphs 2 and 4 of article 113 of this Code,

minus

fixed assets withdrawn during the tax period in accordance with the procedure determined in the article 109 of this Code;

2) by the cost balances of subgroups created during the tax period:

fixed assets incoming during the tax period in accordance with the procedure determined in accordance with the article 109 of this Code,

minus

fixed assets withdrawn in the tax period in accordance with the procedure determined in accordance with the article 109 of this Code.

3. The cost balances of subgroups as of 1 January 2006 (determined as cost balances subgroups at the end of the previous tax period) minus the amount of depreciation payments

depreciation rates:

Group No.	Fixed asset name	Depreciation rate (%)
I	Buildings, constructions, except for transfer utilities, oil and gas wells	8
II	Oil and gas wells, machinery and equipment except for mining industry machinery and equipment as well as vehicles and transport equipment	20
III	Mining industry machinery and equipment, including mine dump trucks with the capacity 40 tons and more	25
IV	Office equipment and computers	50
V	Fixed assets, not included in other groups	15

47) paragraph 2 of article 113 to reword as follows:

"2. The value of the cost balance of the group I subgroup shall be deducted and becomes equal to zero if the cost balance of this subgroup at the end of tax period makes less than 10 percent of the initial cost.

Group II, III, IV and V subgroup cost balance shall be deducted if the cost balance of this subgroup at the end of tax period makes less than 10 percent of the cost balance of such a subgroup at the end of the tax period, which it was created, taking into account corrections made in the said tax period in accordance with paragraphs 2 and 4 of article 113 of this Code, but not earlier than the following term expires since the moment of creation:

Group  
No.

follows:

cost balance at the beginning of a tax period defined as the subgroup cost balance at the end of the previous tax period minus the deductible amount calculated in the previous tax period in accordance with the paragraph 1 of this article,

minus

fixed assets disposed in the tax period at the cost defined in accordance with the article 109 of this Code.";

49) article 113 to reword as follows:

"Article 113. Deductions on Repair Expenses

1. Deduction is admitted for each group on actual expenses, made by the taxpayer for the repair of capital assets, included into this group and (or) registered in the taxpayer's accounting balance sheet in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, as well as with the accounting standards, provided that they are used for earning the aggregate annual income.

2. The sum of actual expenses for the repair of fixed assets deducted within the following limits, defined based on the group cost

50) in article 115:  
to insert words "returned upon cancellation of th

"3) dividends for the shares of unit investment trusts and joint stock investment funds.";

58) in article 138:

to insert words "either exemption from the corporate income tax or" for the words "this is" in part two;

to eliminate words "purchased and";

to insert part three as follows:

"For the purpose of application of investment tax preferences, the fixed assets commissioned for the first time in the framework of an investment project, including reconstructed objects the amount of actually incurred expenses on reconstruction, shall be qualified as newly commissioned/acquired assets.";

59) article 139 to reword as follows:

"Article 139. Procedure on Application of Tax Preferences

1. Investment tax preferences (hereinafter referred to as the preferences) shall be granted to taxpayers - juridical persons carrying out implementation of an investment project.

2. Preferences shall be granted to taxpayers in accordance with the contract (a copy of which, attested by a notary, is submitted to the tax authority on place of the taxpayer registration) providing the date of beginning of preferences application within the following terms:

- since 1 January of the year next to the year of commissioning of fixed assets - for the taxpayers already operating at the date of a contract conclusion;
- since the day of commissioning of production units by state acceptance commissions for newly created taxpayers.

3. Corporate income tax preferences for newly created taxpayers carrying out activity exclusively in the framework of investment project(s) establishing new productions, entitle them with the right to reduce by one hundred per cent the corporate income tax calculated in accordance with article 25 of this Code.

4. Corporate income tax preferences for taxpayers implementing an investment project on enlargement and upgrading existing production units, and which do not comply with the conditions of paragraph 3 of this article, entitle them with the right to refer to deductions from the aggregate annual income the cost of fixed assets commissioned in the framework of the investment project, except for the fixed assets not subject to depreciation, specified in subparagraphs 1)- 8) of paragraph 1 of article 107 of this Code, by equal parts depending on the period of preferences validity.

5. The legislation of the Republic of Kazakhstan on investments shall determine the procedure and conditions for granting preferences.

6. For the purpose of this article the newly created taxpayers shall be recognized as taxpayers that were officially registered within the calendar year of contract conclusion.

7. To apply the corporate income tax preferences specified in paragraph 4 herein, a taxpayer shall keep a separate account of newly commissioned fixed assets and shall not include their cost into the cost balance of the subgroup.

8. Upon the expiration of the property tax and land tax preferences, a taxpayer shall pay the property tax in accordance with the procedure defined in articles 351-360, and the land tax, in accordance with the procedure defined in articles 323-344 of this Code.

9. Until otherwise provided by this paragraph, the corporate income tax preferences validity period shall not exceed five calendar years since the date specified in paragraph 2 of this article, and shall be defined individually for each case depending on the type of activity and level of investments into fixed assets.

Depending on the type of activity and level of investments into fixed assets, the Government of the Republic of Kazakhstan may set the validity periods for corporate income tax preferences, but not exceeding ten calendar years since the date specified in paragraph 2 of this article.





Article 140-9. Corporate income tax calculation, procedure and terms of payment.

1. Until otherwise provided by paragraph 2 of this article, the amount of the corporate income tax, calculated in accordance with article 25 of this Code, shall be reduced by 30 percent of the amount of the corporate income tax related to the goods of own production specified in subparagraph (f) of paragraph 1 of article 140 of the present Code.

The amount of the corporate income tax related to the goods of own production shall be defined based on the specific weight of incomes received (or received) from sale of own products determined in subparagraph (a) of paragraph 1 of article 140-7 of the present Code in the aggregate annual income.

63) to replace figure "5" with "15<sup>th</sup> paragraph 2" of article 147;

64) in paragraph 1 of article 152:

to eliminate subparagraph 5);

to eliminate words "life and health, with the amount of 5-multiple monthly calculation indices determined by the law on the national budget for the corresponding financial year" from subparagraph 6);

to insert subparagraph 7) as follows:

"7) sums, allocated for repayment of interest on housing loans obtained by a resident natural person from housing construction savings banks for repair, construction or purchase of housing in the territory of the Republic of Kazakhstan.";

65) in article 155:

to eliminate words ", reduced on the amount of compulsory pension payments to the accumulation pension funds in the amount and cases determined by the legislation of the Republic of Kazakhstan" Tw i

to insert subparagraph 9) as follows:

"9) incomes from carrying-out works, providing of services beyond the territory of the Republic of Kazakhstan not specified in subparagraph 2) of article 178 of the present Code.";

to insert paragraph 4-1 as follows:

"4-1. If the contracts made with a non-residents include provisions stipulating execution of different types of works (services) in the territory of the Republic of Kazakhstan and abroad, the procedure of calculation and deduction of the income tax from the source of payment, established by this article, shall be applied for each type of works (services) separately. Every phase of works (services) carried out by a non-resident in the framework of the single production-technological cycle, shall be considered a separate type of works (services) for the purposes of calculation and deduction of the income tax from non-resident's income at the source of payment.

At that the total amount of non-resident's income on the above mentioned contracts shall be reasonably distributed into incomes obtained from the execution of works (services) in the territory of the Republic of

75) in article 190:

to replace figure "5" with the figure "7" in paragraph 3;

to replace figure "2" with the figure "1" in paragraph 4;

76) article 191 to reword as follows:

"Article 191. Procedure and terms of payment of advance payments and individual income tax

1. The following non-resident natural persons shall pay individual income tax by advance payments:

1) non-resident natural persons obtaining income from individual entrepreneurial activity in the Republic of Kazakhstan through permanent establishment, except for persons working under special tax regimes in accordance with this Code;

2) non-resident natural persons obtaining income determined in subparagraphs 14), 16) and 17) of the article 178 of the present Code, including other incomes determined in articles 149-151 of the present Code, except for the incomes subject to income tax at the source of payment.

2. Non-resident natural persons specified in subparagraph 2) of paragraph 1 of this article shall calculate the individual income tax by application of the rate defined in paragraph 1 of article 145 of this Code, to the amount of calculated income without deductions.

3. A non-resident natural person shall calculate advance payments on the individual income tax in the first tax period in the following order:

1) by a non-resident natural person specified in subparagraph 1) of paragraph 1 of this article, taking into account the provisions of article 189 of this Code, based on the amount of income expected to be obtained during the tax period;

2) by a non-resident natural person specified in subparagraph 2) of paragraph 1 of this article, taking into account the provisions of paragraph 2 of this article, based on the amount of income stated in the individual service contract (agreement);

In the subsequent tax periods the calculation of advance payments on individual income tax is made by the non-resident natural person based on the amount of actual tax liability of the non-resident natural person, stated in the individual income tax declaration for the previous tax period. At that, the calculation of the individual income tax advance payments for the period before the submission of the individual income tax declaration for the previous tax period is made by the non-resident natural person based on the expected amount of individual income tax for the reporting tax period, but not less than the charged average



property is not used for entrepreneurial activity shall not be taken into account

For the purposes of paragraph 1 of this article taxpayer making payments with the budget

utilized for subsurface use operations and which shall be transferred to the Republic of Kazakhstan in accordance with the provisions of the subsurface use contract, by a subsurface user to the ownership of the Republic of Kazakhstan.";

85) in paragraph 2 of article 216:

to insert word "herein" after "article 211" in part two;

to insert word "herein" after "article 210" in part three;

86) to insert words "or a document issued by the tax authority in accordance with the form approved by the authorized state body" after the word "document" in paragraph 5 of article 221;

87) part one of paragraph 1 of article 22 to reword as follows:

"1. Zero rate shall be applied to export sales turnover of goods.";

88) to eliminate paragraph 2 of article 223;

89) in article 225:

to eliminate subparagraph 16);

to insert subparagraph 17) as follows:

"17) Kazakhstani goods, determined in accordance with the customs legislation of the Republic of Kazakhstan, made on the territory of the "Free Warehouse" customs regime and sold in the other part of the customs territory";

leasing under financial leasing contracts.

The Government of the Republic of Kazakhstan shall approve the list of goods specified in this subparagraph and the procedure of forming a list. This list shall include goods which are not manufactured in Kazakhstan or production of which does not cover the demand in the Republic of Kazakhstan.";

94) in article 235:

to replace words "value added tax has been paid to the budget" with words "value added tax liability has been discharged" in subparagraph 4) of paragraph 1;

in paragraph 2:

to insert words "or a document issued by the authority" after the word "document" in subparagraph 3);

subparagraph 4) to reword as follows:

"4) the tax amount stated in a separate line a railway or air transport ticket with the carriers' tax identification number specified;"

to replace words "the tax has actually been paid to the budget" with words "value added tax liability has been discharged" in part two of paragraph 4;

95) article 246 to reword as follows:

"Article 246. Tax Period

1. Until otherwise provided by this article, the tax period for the value added tax shall be one calendar month.

2. If the average monthly amount of value added tax to be paid to the budget in the previous quarter makes less than 1,000 monthly calculation bases, then the tax period shall be one quarter.

3. If the offset value added tax for a calendar month exceeds the amount of charged tax, the tax period shall be either one calendar month or a quarter, as defined by the VAT payer himself.

4. For the VAT payers working under the special tax regime for juridical persons manufacturers of agricultural products, the tax period on the value added tax, to be paid into the budget from the activity, subject for the special tax regime, shall be a tax year.

Tax period for the value added tax to be paid into the budget from the other types of activities, shall be determined in accordance with paragraphs 1-3 of this article.";

96) to insert words ", in accordance with the procedure established by the authorized customs body upon coordination with the authorized state body" to paragraph 2 of article 248;

97) in paragraph 1 of article 250:

to replace words "shall be determined" with words "and the forming procedure shall be determined" in part two;

to insert part three as follows:

"At that, such a list shall include goods which are not manufactured in Kazakhstan or production of which does not cover the demand in the Republic of Kazakhstan.";

to insert subparagraph 5) as follows:

"5) pesticides (chemical weedicides and/or pest-killers).";

98) to replace word "taxpayer" with "VAT payer" in paragraph 4 of article 251;

to insert words ", or the goods supplied at VAT payer by a buyer 07 Tc .100 TD -.00sdantil



to such a value added taxpayers shall only be within the sums, on which no violations have been found out or the violations have been eliminated.

A fine in the amount of 2.5-multiple official financing rate determined by the National Bank of the Republic of Kazakhstan shall be applied to the amount of the value added tax confirmed in accordance with this article but not reimbursed in a fixed period of time, for every day of delay.

A resolution on inspection of a value added taxpayer's supplier for confirmation of reliability of the VAT amounts to be reimbursed, shall be made in accordance with the procedure established by the authorized state body, taking into account the following provisions:

1) no cross-inspections shall be made:

- of suppliers who sold goods (works, services) to the specified taxpayer at least once in a month during a twelve months period preceding the date of the submission by the taxpayer the application for the value added tax reimbursement;
- of suppliers of electrical and heat power, water, gas and communication services;
- upon the confirmation of the reliability of the declared amounts of value added tax for reimbursement in accordance with subparagraph 3) of this paragraph;

2) suppliers (except for the ones specified in subparagraph 1) of this paragraph) who billed invoices with the value added tax exceeding KZT 1 million, are subject for a compulsory inspection;

3) if a supplier of the VAT payer is subject to the taxpayers monitoring, the tax service authorities may confirm the reliability of the declared for reimbursement amounts of VAT on the basis of tax reporting submitted by these suppliers in accordance with the present Code.;

100) to insert words "competitive mass," after the word "sale" in subparagraph 4) of paragraph 1 of article 256;

101) in paragraph 1 of article 257:

to eliminate subparagraphs 5) and 9);

to eliminate word "including" from subparagraph 10);

102) to eliminate subparagraph 6) from paragraph 2 of article 259;

103) to replace words "and oil, including condensed gas" with words "crude oil, condensed gas" in part one of paragraph 2 of article 270;

104) to replace words "including condensed gas, extracted" with words "condensed gas extracted" in paragraph 3 of article 271;

105) to insert words ", in accordance with the procedure established by the authorized

Article 278-3. Calculation procedure

1. The basis for calculation of differential tax for exported crude oil and condensed gas shall

107) in paragraph 1 of article 279:

to insert words "and works on construction and operation of subsurface structures not related to the extraction" after the word "operations" into the first paragraph;

to eliminate subparagraph 2);

to insert subparagraph d) to subparagraph 3) as follows:

"d) additional payment of subsurface user, carrying out activity under the production sharing agreement.";

108) in article 282:

to replace the word "Calculation" with word "Calculation by the first model of the tax regime" in paragraph 1;

to replace words "Taxation conditions, defined" with words "Tax regime, defined" in paragraph 2;

to insert words "and concluded before July 2004" after the word "passed compulsory tax examination";

in paragraph 3:

to replace words "Taxation conditions" with words "Tax regime" in part one;

to replace words "Taxation conditions, determined" with words "Tax regime, determined" in part two;

109) in subparagraph 2) of article 283:

to insert " , condensed gas" the second paragraph;

to eliminate "including" from the third paragraph;

to insert the third paragraph as follows:

"royalty";

110) paragraph 1 of article 286 reword as follows:

"1. A tax examination is a compulsory expert including analysis and evaluation of the draft subsurface utilization contract made by competent body, as well as amendments and addenda to the draft contract carried out in order to confirm the tax regime, including establishment of special payments and taxes for subsurface users in accordance with the legislation of the Republic of Kazakhstan.";

111) to insert words "according to the information sources approved by the Government of the Republic of Kazakhstan" after "exchange" in the second sentence of subparagraph 2) of part two of article 292;

112) to insert paragraph 1-1 to article 295 as follows:

"1-1. If subsurface utilization is carried out by means of construction and (or) operation of subsurface structures not related to the exploration and (or) extraction, the subsurface user shall pay the royalty for the volume of mineral resources extracted from the subsurface during construction of the subsurface structures as well as for the space taken by such structures in the subsurface.";

113) to insert words " , as well as persons having right for subsurface utilization for construction and (or) operation of subsurface structures not related to the exploration and (or) extraction" in article 296 ;

114) in article 297:

to insert paragraph 2-1 as follows:

"2-1. If subsurface utilization is carried out by means of construction and (or) operation of

subsurface structures not related to the exploration and (or) extraction, the taxation object shall be the amount of mineral resources extracted from the subsurface during construction of the subsurface structures as well as the space taken by such structures in the subsurface.";

to insert paragraph 3-1 as follows:

"3-1. Besides the taxable basis specified in paragraph 3 of this article, the taxable basis for calculation of royalty at the construction and (or) operation of subsurface structures not related to the exploration and (or) extraction, shall be the space taken by such structures in the subsurface.";

in paragraph 4:

subparagraph 1) to reword as follows:

"1) for the oil, including condensed gas: at a sliding scale the percent defined depending on the level of accumulated tonnage of extraction of oil including condensed gas for each calendar year of activity at the following rates:

less than 500,000 tons	- 2 percent;
from 500,000 to 1,000,000 tons	- 2.5 percent;
from 1,000,000 to 1,500,000 tons	- 3 percent;
from 1,500,000 to 2,000,000 tons	- 3.5 percent;
from 2,000,000 to 2,500,000 tons	- 4 percent;
from 2,500,000 to 3,500,000 tons	- 4.5 percent;
from 3,500,000 to 4,500,000 tons	- 5 percent;
from 4,500,000 to 5,000,000 tons	- 5.5 percent;
over 5,000,000 tons	- 6 percent.

In case if it is planned to extract gaseous hydrocarbons along with liquid hydrocarbons, to compute the royalty the gaseous hydrocarbons shall be converted to oil at the following ratio: 1,000 cubic meter (m<sup>3</sup>) of gaseous hydrocarbons shall be equal to 0.857 ton of oil;"

to insert the second paragraph subparagraph 2) as follows:

"The royalty rates defined by this Code shall be applied to all kinds of mineral resources regardless of the type of extraction.";

to insert paragraph 4-1 as follows:

"4-1. The Government of the Republic of Kazakhstan shall approve the royalty rates to the taxable basis defined in paragraph 3-1 of this article.";

to insert paragraph 6 as follows:

"6. No royalty shall be paid for the liquid hydrocarbons pumped back to the subsurface.";

115) to eliminate article 47-1;

116) to insert words "in which the ratio of accumulated proceeds to accumulated expenses exceeds 1.2" to article 306;

117) article 306-1 to reword as follows:

"Article 306-1. Taxable basis

The taxable basis shall be the total net income of a subsurface user by each separate contract for the tax period exceeding 20 percent of the amount of deductions stipulated in articles 92-103, 105-114 of this Code at the end of the taxable period.

In this section the net income shall be determined as a difference between the taxable income and the corporate income tax as well as the tax for the net income of a non-resident's permanent establishment.

The taxable basis is adjusted to the amount of actually incurred expenses on training of

"Article 307. Calculation procedure

1. The tax for excess profit for a tax period shall be calculated by means of application of the rate defined in article 308 herein, to the taxable basis defined in article 306-1 herein, taking into account the adjustments.

2. Accumulated proceeds shall be defined as the aggregate annual income obtained by a subsurface user since the date of contract conclusion.

3. Accumulated expenses shall be defined as the amount of deductible expenses incurred by a subsurface user since the contract conclusion, except for the expenses adjusting the taxable basis in accordance with article 306-1 herein.

Article 308. Excess profit tax rates

The excess profit tax rates shall be set as follows:

Ratio of the accumulated proceeds to accumulated expenses	Rate
less than 1.2	0 percent
from 1.2 to 1.3	10 percent
from 1.3 to 1.4	20 percent
from 1.4 to 1.5	30 percent
from 1.5 to 1.6	40 percent
from 1.6 to 1.7	50 percent
over 1.7	60 percent

119) in paragraph 2 of article 312:

to eliminate words "after payment of the royalty" from subparagraph 2);

to set subparagraph 3) as follows:

"3) defining the part of extracted production to be shared after the deduction of the compensatory production (profitable production);";

120) in article 312-1:

paragraph 2 to reword as follows:

"2. Value of extracted production is established in accordance with article 313-4 of this Code.";

in paragraph 4:

to insert part four as follows:

"For purposes of the this article reimbursable expenses mean reimbursable expenses determined in accordance with article 313 of Code, and other expenses not included into reimbursable expenses authorized to the deduction from the aggregate annual income and indicated in articles 920B, 105-114 of this Code.";

in the second paragraph of part five replace figures "2,068" with figure "2";

in paragraph 5 to replace words "SDN is the real cost of taxes paid during accounting

123) to insert articles 313-3 and 313-4 as follows:  
“Article 313-3. Accounting of compensatory a

subsurface user into the budget referring to share of the Republic of Kazakhstan on terms stipulated by paragraph 4 of article 127 of this Code.

#### Article 314-6. Tax period.

The calendar year is the tax period on the additional payment of the subsurface user carrying out activity under the contract on production sharing.

Article 314-7. Due date of the additional payment of the subsurface resources user fulfilling activity under the contract on production sharing

Additional payment of the subsurface user fulfilling activity under the contract on production sharing, is paid not later than fifteen days after the filing date of declaration's presentation.

#### Article 314-8. Tax declaration

Declaration on the additional payment of the subsurface user carrying out activity under the contract on production sharing, is presented by the subsurface user to the tax authority at the place of registration in the period of time determined by article 137 of this Code.”;

125) in article 315:

paragraph 1 to reword as follows:

“1. Payers of social tax are:

1) individual entrepreneurs with the exception of entrepreneurs fulfilling settlements with the budget on the basis of one-time certificate;

2) private notaries, lawyers;

3) juridical persons – residents of the Republic of Kazakhstan, unless otherwise stipulated by paragraph 2 of this article;

4) non-residents fulfilling activity in the Republic of Kazakhstan through the permanent establishment, branches and representations.”;

to replace the word “person” with word “person-resident” in paragraph 2;

126) in paragraph 1 of article 316:

to insert figures “,39)” to the first paragraph for figures “(31)-34)”;

to eliminate subparagraph 7);

127) to eliminate word “of foreign juridical persons” from the first paragraph of paragraphs 1 and 2 of article 317;

128) in article 318:

paragraph 1 to reword as follows:

“1. Unless otherwise is stipulated by this article calculation of social tax is made by means of rates application, determined in paragraphs 1, 2 and 4 of article 317 of this Code, reduced by the rate of social allocations into the State Fund of Social Insurance, calculated in accordance with the legislative act of the Republic of Kazakhstan on the compulsory social insurance to the object of social taxation determined in accordance with article 316 of this Code, for the fiscal year.

Calculation of the social tax is made monthly with progressive total in accordance with the procedure determined by the authorized state body.”;

to insert paragraph 1-1 as follows:

“1-1. Individual entrepreneurs with the exception of entrepreneurs applying special tax treatments, except special tax treatment for certain types of activity, private notaries, lawyers, reduce amounts of the social tax calculated by means of rates application determined by paragraph 3 of article 317 of this Code, to the amount of social allocations into the State Fund of

the Social Insurance calculated in accordance with the legislative act of the Republic of Kazakhstan on the compulsory social insurance.”;

129) in article 325:

in paragraph 1:

to insert words “with exception of land plots being the part of the assets of the unit investment trust” after words “some persons”;

to insert part two as follows:

“Management company of this unit investment trust is the payer of the land tax on this land plot being the part of the assets.”



136) to insert words “and farms” to subparagraph 6) of paragraph 2 of article 355;

137) article 357 to reword as follows:

“Article 357. Calculation and payment of tax in individual cases

Upon premises used in entrepreneurial activity the individual entrepreneur computes and pays tax at the rates and in the order determined by this chapter.”;

138) in paragraph 2 of article 361:

to eliminate words “participants of Great Patriotic War and persons equated with them” from subparagraph 2);

to eliminate words “invalids of I and II groups”;

to insert subparagraph 3) as follows:

“3) participants of Great Patriotic War and persons equated with them, invalids of I and II groups within one thousand five hundred monthly calculated indices determined by the law on the national budget for corresponding financial year from the total value of all taxation objects being on the right of property.”;

139) to replace the word “levying” with “taxation” in paragraphs 3 and 4 of article 370;

140) in article 372:

to insert words “, and persons determined in paragraph 2 of article 369 of this Code” to paragraph 1;

to replace the word “year” with words “calendar year with exception of the activity carried out on the basis of agreements concluded with fiscal agents” in paragraph 2;

141) in article 374:

to insert part two to paragraph 4 as follows:

“For obtaining of regular patent the application for obtaining of the patent is presented prior to the termination of the previous patent.”;

to insert paragraph 8 as follows:

“8. Calculations on social assessments into the State Fund of the Social Insurance and compulsory pension contributions to accumulation pension funds are not submitted to tax authorities by the tax payer applying special treatment on the basis of the patent.”;

142) paragraph 2 of article 375 reword as follows:

“2. The cost of the patent is subject to payment into the budget in the form of:

1) individual income tax – at the rate of ½ part of the patent cost;

2) social tax – at the rate of ½ part of the total cost minus the amount of social allocations into the State Fund of the Social Insurance calculated in accordance with the legislative act of the Republic of Kazakhstan on compulsory social insurance.”;

143) to insert parts 2 and 3 to paragraph 1 of article 376 as follows:

“Newly created juridical persons submit the application for use of special tax regime on the basis of the simplified declaration to tax authority within ten working days after the state registration of the juridical person.

Newly created individual entrepreneurs submit application for use of special tax regime on the basis of the simplified declaration at the application for use of special tax regime on the basis of the simplified declaration determined in article 376 of the previous patent.”;

“8. Payment of taxes into the budget charged on the simplified declaration, is fulfilled in the form of the individual (corporate) income tax and social tax not later than the 15<sup>th</sup> of the month following the reporting tax period.

At that the individual (corporate) income tax is subject to the payment at the rate of 1/2 of calculated amount of taxes under simplified declaration, social tax – the rate of 1/2 of calculated amount of taxes under simplified declaration, minus amount of social allocations into the State Fund of the Social Insurance calculated in accordance with the legislative act of the Republic of Kazakhstan on compulsory social insurance.”;

145) to insert fourth and fifth parts paragraph 4 of article 378 as follows:

“Upon the beginning of right to the land after the 20<sup>th</sup> of February on the territory of another administrative-territorial unit, the farm submits application to the tax authority for the right to use special tax regime during thirty calendar days since the registration date at the location of this land plot.

In case of the right's accrual to the land after the 20<sup>th</sup> of February the application for right to use special tax regime is submitted to tax authority by tax payers carrying out types of activity not covered by this special tax regime, also during thirty calendar days since the registration date at the location of this land plot.”;

146) to replace the word “levying” with “taxation” in subparagraphs 4) and 5) of paragraph 1 of article 379;

147) in article 380:

to replace the word “Basis” with word “Taxation object” in paragraph 1;  
to replace the word “levying” with “taxation” in paragraph 4;

148) to eliminate paragraph 2 of article 381;

149) to replace the word “tax” with words “and social taxes” in paragraph 1 of article 382;

150) in article 383:

in paragraph 1:

to replace the word “including” with words “as well as” in part 1;

to insert parts two and three as follows:

“Calculated amount of the social tax is subject to reduction to the amount of social allocations into the State Fund of the Social Insurance calculated in accordance with the legislative act of the Republic of Kazakhstan on compulsory social insurance.

Upon the amount excess of social allocations to the State Fund of the Social Insurance over the amount of the social tax, the sum of the social tax is equal to zero.”;

to insert paragraph 3 as follows:

“3. Payment of the social tax and individual income tax deducted from the payment source, is made at the location of land plots.”;

151) in article 384:

to replace the word “tax” with words “and social taxes” in the first paragraph;  
to eliminate subparagraph 1);

152) in article 387:

to eliminate subparagraphs 3) and 4) of paragraph 2;

in paragraph 4:

to replace words “registration” with “state registration of juridical persons”;

to insert parts two and three as follows:

“Upon the right’s accrual to the land plot after the 20<sup>th</sup> of February on the territory of another administrative-territorial unit the application for right to use special tax regime is submitted to tax authority by the tax payer during thirty calendar days since the registration date at the location of this land plot.

In case of the right’s accrual to the land after the 20<sup>th</sup> of February the application for right to use special tax regime is submitted to tax authority by tax payers carrying out types of activity not covered by this special tax regime, also during thirty calendar days since the registration date at the location of this land plot.”;

153) in article 388:

to insert words “(reduced to the amount of ~~ab~~ allocations into the State Fund of the Social Insurance calculated in accordance with the legislative act of the Republic of Kazakhstan on compulsory social insurance)” after words “social tax” to paragraph 1;

to replace the word “levying” with “taxation” in paragraph 5;

to insert words “submit the modified calculation of the patent cost to the tax authority not later than the 1<sup>st</sup> of March of taxable period following the accounting period”;

154) to insert words “at the location of land plot” after the word “is carried out” to article 389;

155) to insert paragraph 2-1 to article 390 as follows:

“2-1. Payment of the individual income tax deducted from the payment source, is made at the location of land plots.”;

156) to replace the word “levying” with “taxation” in subparagraph 11) of article 391, in paragraph 7 of article 39 articles 395 and 396;

157) in article 397:

to replace the word “levying” with “taxation” in paragraph 1;

in paragraph 3:

to insert words “during ten working days since the rise of these alterations” to part one;

to insert part three as follows:

“Upon the termination of the implementation of activity’s types determined in paragraph 1 of article 392 of this Code, and upon the withdrawal of the total number of the taxation objects (stationary point), the objects registration card is subject for the submission to tax authority during ten working days since the moment of termination of the activity, withdrawal of taxation objects (stationary point).”;

158) to insert chapter 70-1 as follows:

“Chapter 70-1. Commission for the state registration of chattel mortgage.

Article 406-1. General provisions

1. Commission for the state registration of chattel mortgage (hereinafter referred to as the “commission”) is collected upon the state registration of chattel mortgage and upon the obtaining of the document duplicate certifying the state registration (hereinafter referred to as the “registration”).

2. The registration is fulfilled by the authorized body (hereinafter referred to as the “registering body”) according to the procedure and in cases determined by legislative act of the Republic of Kazakhstan.

Article 406-2. Commission payers

1. Commission payers are natural and juridical persons fulfilling the registration of chattel mortgage subject to the registration in accordance with the legislative act of the Republic of Kazakhstan.

2. The following persons are not the commission payers:

- 1) participants of the Great Patriotic War and persons equated with them;
- 2) invalids of I and II groups;

3) repatriates (oralmans) before the acquisition of the nationality of the Republic of Kazakhstan.

Article 406-3. Procedure on computing, commission payment and refund of paid amounts

1. Commission amount is calculated at rates determined by the Government of the Republic of Kazakhstan and paid prior to the submission of corresponding documents to the registering body.

2. Commission amount is deposited into the budget at the place of registration.

3. Refund of paid commission amounts is not made with the exception of cases of refusal of persons paid the commission, from the registration making before the submission of corresponding documents to the registering body.

At that the refund is made after presenting by payer the document issued by the corresponding registering body certifying that said person has not submitted documents for the fulfillment of registration actions.”;

159) subparagraph 1) of paragraph 2 of article 428 to reword as follows:

“1) from auctions carried out by authorized state body fulfilling rights of possession, accommodation and disposition of state property objects, its territorial bodies;”;

160) paragraph 4 of article 430 to reword as follows:

“4. The amount of paid commission is not subject to the refund with the exception of cases when the court invalidates sales transaction of auction’s articles.”;

161) to eliminate the word “declaration” in paragraph 5 of article 450;

to insert words “amounts calculation of current payments” after the word “is submitted”;

to insert the word “calendar” after the word “ten”;

162) to replace the word “permission” with words “of the permissive document” in paragraph 2 of article 451 and paragraph 3 of article 454;

163) paragraph 2 of article 466 to reword as follows:

“2. Payment is not collected if animals are caught for marking, ringing, relocation, acclimatization and interbreeding for research and economic purposes with their subsequent release to the natural environment.”;

164) to insert words “, indicated in the permissive document” to paragraph 6 of article 488;

165) in paragraph 1 of article 495:

to insert subparagraph 8-1) as follows:

“8-1) for issue of licenses for import and export of rare specimens of animals and sturgeons, and animals being under the threat of extinction, their parts and derivatives;”;

subparagraph 11) to reword; 04 Tc .skissivef4omic purpo. the permo;04 Tc .a-1.15r T\*ent i25 0

166) to eliminate words “and penalties” from the second and the third paragraphs of subparagraph 4) of paragraph 1 of article 496.

167) in article 500:

to insert subparagraph 2-1) as follows:

“2-1) for issue of licenses for import and export of rare specimens of animals and sturgeons, and animals being under the threat of dying – their parts and derivatives – 200 percent;”;

subparagraph 4) to reword as follows:

“4) for issue:

of the license for import of civil, official arms and its cartridges – 200 percent;  
of the license for export of civil, official arms and its cartridges – 200 percent;  
of the license for storage of civil, official arms and its cartridges – 100 percent;  
of the license for storage and bearing of official arms and its cartridges – 100 percent;  
of the license for the transportation of civil, official arms and its cartridges – 200 percent;  
of the order to the commission sale of official arms and its cartridges – 100 percent;  
to juridical persons;

of the license for import of civil arms and its cartridges – 50 percent;  
of the license for export of civil arms and its cartridges – 50 percent;  
of the license for acquisition of civil arms and its cartridges – 50 percent;  
of the license for storage of civil arms and its cartridges – 50 percent;  
of the license for storage and bearing of civil arms and its cartridges – 50 percent;  
of the license for the transportation of civil arms and its cartridges – 10 percent;  
of the order to the commission sale of civil arms and its cartridges – 50 percent;  
to natural persons;”;

subparagraph 5) to reword as follows:

“5) for registration and re-registration of each unit of civil, official arms of natural and juridical persons (with the exception of cold, hunting, signal, fire-arms without barrel, mechanical sprayers, aerosol and other devices equipped with lachrymatory or irritating substances, pneumatic arms with muzzle energy more than 7,5 joule and with caliber to 4,5 mm inclusive) – 10 percent;”;

to insert subparagraph 9) as follows:

“9) for issue:

of the certificate of tractor-driver and male-

to insert subparagraph 22) as follows:

175) in article 534:

to insert words “, on issues of the state regulation of manufacture and turnover of certain types of excisable goods” after the word “the budget” to sub-paragraph 2) of paragraph 1; sub-paragraph 4) of paragraph 1 to reword as follows:

“4) on carrying out subject examinations:

conducted on the basis of the tax payer’s application, with the object of reliability of value added tax amounts submitted for the refund, as well as for elimination of violations, in which connection the licensor has suspended the validity of the license;

on issues of determination of mutual settlements between the tax payer and its debtors in accordance with article 52 of this Code;”;

176) in article 536:

paragraph 3 to reword as follows:

“3. The following shall be indicated in the instructions upon the assignment of subject, cross examinations:

examined types of tax and other compulsory payment into the budget;

issues of the completeness and promptitude of the deduction and (or) transferring of compulsory pension contributions into accumulated pension funds, social allocations into the State Fund of the Social Insurance;

issues of execution of obligations determined by this Code, by banks and organizations carrying out certain types of banking operations;

issue of state control on the application of transfer prices;

issues of state regulation of manufacture and turnover of certain types of excisable goods;

issues of determination of mutual settlements between the tax payer and its debtors.”;

to insert words “and (or) alterations of extended tax period” after the word “examination” to paragraph 5;

177) to replace words “, fines and penalties” with words “and fines” in paragraphs 1-4 of article 541;

178) to replace the word “, approved” with words “and periods of time that have been approved” in paragraph 3 of article 545;

179) to insert words “and by local executive authority” after the word “authorized” to the heading of article 99;

180) paragraphs 1 and 2 of article 549 to reword as follows”

“1. Goods determined in subparagraph 2) of article 257 of this Code, with the exception of wine products and beer, are subject to marking with excise marks and registration-control marks, as well as goods determined in subparagraphs 3) and 4) of article 257 of this Code, are subject to marking with excise marks and registration-control marks in the order and on terms determined by the Government of the Republic of Kazakhstan.

2. Manufacturers and importers of excisable goods as well as competitive managers selling the property (assets) of the bankrupt, make marking with excise marks and registration-control marks of excisable goods indicated in paragraph 1 of this article.

Manufacturers and importers of excisable goods as well as competitive managers selling the property (assets) of the bankrupt are responsible for the correctness of marking with excise marks and registration-control marks of excisable goods indicated in paragraph 1 of this article.”;

181) in article 551:

to insert the words “and by local executive authority” after the word “authorized” to the heading and the text;

to insert words “taxes and” after the word “transfer of”;

182) to replace words “, fines and penalties” with words “and fines” in paragraph 2 of article 552;

183) in paragraph 1 of article 555:  
to eliminate words “in tax authority”;  
to insert part 2 as follows:

“On tax payers complaints subject to monitoring, the tax service body considering such complaint, has the right to prolong the said period not longer than for fifteen working days.”.

184) to insert part two to paragraph 1 of article 557-4 as follows:

“On tax payers complaints subject to monitoring, authorized state body has the right to prolong the said period, but not longer than for fifteen working days.”.

4. To the Budget Code of the Republic of Kazakhstan of 24 April 2004 (Gazette of Parliament of the Republic of Kazakhstan No. 49, article 53 of 2004, No. 20, article 116):

1) in paragraph 1 of article 46:  
to eliminate the word “including” in subparagraph 4);  
subparagraphs 5) and 6) to reword as follows:

“5) rental tax to exported crude oil, condensed gas;

6) excess profit tax;”;

to insert subparagraph 9-1) as follows:

“9-1) the additional payment of subscriber user carrying out the activity under the production sharing agreement;”;

2) in paragraph 1 of article 48:  
to eliminate the sixth and the seventh paragraphs of subparagraph 7);  
to insert subparagraph 19-1) as follows:

“19-1) fee for the state registration of chattel mortgage;”;

3) in paragraph 1 of article 49:  
to eliminate the sixth and the seventh paragraphs of subparagraph 7);  
to insert subparagraph 14-1) as follows:

“14-1) fee for the state registration of chattel mortgage;”;

5. To the Law of the Republic of Kazakhstan “On Banks and Ba



No.17-18, article 245 of 2001; No.20, article 257; No.1, article 1 of 2002; No.23-24, article 198; No.1-2, article 9 of 2003, No.11, article 56; No.1, article 139; No.21-22, article 160; No.11-12, article 66 of 2004):

to insert paragraph 7 to article 22 as follows:

“7. Compulsory pension contributions, deducted from incomes of former employees (left for permanent residence outside the Republic of Kazakhstan, considered as missing or died in accordance with the procedure determined by legislation of the Republic of Kazakhstan), not having, as of 1 January 2005, the social individual and (or) tax identification number, and (or) pension agreement with accumulation pension funds, are transferred in accordance with the procedure determined by the Government of the Republic of Kazakhstan.”;

2) article 22-4 to reword as follows:

“Article 22-4. Responsibility for untimely deduction and transfer of compulsory pension contributions

1. Amounts of compulsory pension contributions not deducted (not charged) in time and (or) not transferred by the agent on the assumption of actual payment and income's acquisition by the depositor, are collected by authorities or subject to transfer by agents in favor of depositors of compulsory pension contributions. A fine is imposed at the rate of 2,5-multiple official rate of refinancing, determined by the National Bank of the Republic of Kazakhstan, for each day of delay (including payment date to the Center).

2. In case of incomplete and (or) untimely transfer of compulsory pension contributions, tax authorities have the right to collect funds from banking accounts of agents within arisen debts of compulsory pension contributions.

Collection of debts of compulsory pension contributions is made on the basis of notification sent to the agent in accordance with the procedure determined by the Government of the Republic of Kazakhstan.

3. The agent shall submit the following documents to the tax authority during five working days from the day of notification's receipt:

1) lists of depositors of accumulation pension funds in which favor debts of compulsory pension contributions are collected;

2) lists of accumulation pension funds with indication of total amount of debts of each accumulation pension fund.

Collection of debts of compulsory pension contributions from banking accounts of agents is made on the basis of the collection order of tax authority.

In case of absence or insufficiency of funds on banking account (accounts) for satisfaction of all requirements made to the agent, the bank withdraws funds of the client in the priority order determined by the Civil Code of the Republic of Kazakhstan.

4. Upon the decision of tax authorities in case the agent has not submitted lists of depositors of accumulation pension funds in which favor debts of compulsory pension contributions are collected and in the presence of debts of compulsory pension contributions, banks and organizations carrying out certain types of banking operations, shall suspend all expenses operations on banking account (accounts) and execute instructions relating to the transfer of compulsory pension contributions and tax income in accordance with the procedure determined by the legislation of the Republic of Kazakhstan.

Decision of tax authority on the suspension of expenses operations on banking account (accounts) is reversed by tax authority made decision on the suspension of expenses operations, not later than one working day following the day of reasons elimination of the suspension of expenses operations on banking account (accounts).

5. If the agent has no banking account, tax authority forecloses on cash money of the agent in accordance with the procedure determined by the Government of the Republic of Kazakhstan.

6. Banks and organizations carrying out certain types of banking operations, shall transfer amounts of compulsory pension contributions through the Center the day of withdrawal of the amounts from banking accounts of agents.”;



“2. In case of incompleteness (or) untimely transfer of social allocations, tax authorities have the right to collect funds from banking accounts of the payer in arisen debts.

Collection of debts on social allocations is done on the basis of the collection order of tax authority with sending a notification to the payer in the order determined by the Government of the Republic of Kazakhstan.

The payer shall submit to the tax authority list of compulsory social insurance system members for whom social allocations are made in terms determined by the Government of the Republic of Kazakhstan.

In case of absence or insufficiency of funds in banking account (accounts) for satisfaction of all requirements made to the payer, bank withdraws the funds of the payer in the priority order determined by the Civil Code of the Republic of Kazakhstan.”;

to insert paragraph 4 as follows:

“4. If the payer has no banking accounts, the tax authority forecloses on cash of the payer in accordance with the procedure determined by the Government of the Republic of Kazakhstan.”;

4) in article 18:

to replace the word “calculations” with “calculation”;

to insert the second part as follows:

“Form of payment and order of its submission are established by authorized body providing the tax control for the execution of tax liabilities before the state upon the agreement with the central executive body in the sphere of social protection of population.”.

13. To the Law of the Republic of Kazakhstan “On Joint-Stock Companies” of 13 May 2003 (Gazette of the Parliament of the Republic