

**INFORMATION ON FILLING TAX REPORTING FORMS
"DECLARATION ON CORPORATE INCOME TAX (FORM 100.00)";
FORMS 101.01-101.02.**

In accordance with the letter of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan dated 25.01.2018 No. КГД -07-1-ЮЛ-А-152-КГД-2000.

Table of Contents

<i>Filling the form 100.00</i>	3
<i>Filling the form 101.01-101.02</i>	4

Disclaimer:

This document is designed to assist AIFC Participants ('Participants') to be familiar with filling of tax declaration on corporate income tax (Forms 100.00 and 101.01-101.02). Neither this document nor any of the recommendations on filling and failing a tax declaration in this document constitutes legal advice and should not be acted upon as if advice had been given. If there is any inconsistency between any statement in this document and the relevant AIFC Regulations and Rules or associated Guidance, the AIFC Regulations, AIFC Rules and Guidance prevail.

Participants should, where they consider it necessary, obtain their own legal advice in relation to their specific situations.

This document does not cover each and every aspect of the AIFC Regulations and Rules. It selectively addresses frequently asked questions in relation to filling and failing tax declaration.

In accordance with the letter of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan dated 25.01.2018 No. КГД -07-1-ЮЛ-А-152-КГД-2000.

Subparagraph 3) of paragraph 1 of article 4 of Constitutional Statute of the Republic of Kazakhstan *On the Astana International Finance Centre* dated 7 December 2015 (hereafter- the Constitutional Statute) states the Acting Law of the Republic of Kazakhstan applies in part to matters not governed the Constitutional Statute and AIFC Acts.

In accordance with paragraph 1 of article 6 of the Constitutional Statute, subject to the exemptions provided by this article, the Code of the Republic of Kazakhstan *On Taxes and Other Obligatory Payments to the Budget* (the Tax Code) applies in the AIFC

Exemptions considered by paragraph 1 of article 6 of the Constitutional Statute described in paragraph 3 of article 6 of the Constitutional Statute. Under paragraph 3 of article 6 of the Constitutional Statute, AIFC Participants are exempt from corporate income tax, until 1 January 2066, on income received from providing the following financial services in the AIFC:

- 1) Islamic banking services;
- 2) reinsurance and insurance brokerage services;
- 3) investment management services for assets of investment funds, accounting and safekeeping services for investment funds, as well as services related to issuing, offering, trading, purchase and redemption of securities of investment funds;
- 4) brokerage, dealer or underwriting services;
- 5) any other financial services prescribed by AIFC Acts.

In addition, paragraph 4 of article 6 of the Constitutional Statute states that until 1 January 2066, AIFC Participants are exempt from corporate income tax on income received from legal, audit, accounting and consulting services provided to AIFC Bodies as well as to AIFC Participants that provide financial services mentioned in paragraph 3 of article 6 of the Constitutional Statute.

Filling the form 100.00

In accordance with rule 1 of Chapter 1 of *Rules of Tax Report Preparation*, approved by the Order of the Minister of Finance of the Republic of Kazakhstan dated 12 February 2018 № 166 *On approving forms of tax reporting and rules of its preparation* (hereinafter – Rules). The Rules were developed in accordance with the Code of Republic of Kazakhstan *On Taxes and Other Obligatory Payment Into The Budget* (hereafter- the Tax Code) and determines the order of completion of tax reporting form “*Declaration on corporate income tax (form 100.00)*” (hereafter- the Declaration), designated for calculation of corporate income tax by legal entities-residents, legal entities-non-residents operating in the Republic of Kazakhstan through a permanent establishment.

Under subparagraph 4) of paragraph 20 of *Rules on Completion of the Form 100.00*, the amount of calculated corporate income tax (hereafter – CIT) for the taxable period, considering the reduction, is indicated in line 100.00.040. Defined as 100.00.039-100.00.040 I:

the amount of reduction of CIT for the taxable period is specified in the line 100.00.040 I in accordance with the tax legislation of the Republic of Kazakhstan.

Consequently, in accordance with subparagraph 7) of paragraph 2 of *Rules on completion of the form 100.00*, the total amount of the estimated CIT is specified in the line 100.00.043. Defined as $100.00.040 + 100.00.042 \text{ I} + 100.00.042 \text{ II}$.

The form 100.00 and Rules do not provide lines for specifying the amount of the calculated CIT in accordance with the Constitutional Statute.

In this regard, the calculated corporate income tax on the income of AIFC Participants specified in paragraph 3 of article 6 of the Constitutional Statute, as well as on income of AIFC Participants providing legal, auditing, accounting, consulting services to AIFC Bodies is reflected in the line 100.00.040 I at drafting the form 100.00, during which the line is transferred to the line 100.00.040.

Filling the form 101.01-101.02

In accordance with paragraph 1 of article 305 of the Code of Republic of Kazakhstan *On Taxes and Other Obligatory Payment Into The Budget* (hereafter- the Tax Code), taxpayers, except for those indicated in paragraph 2 of article 305 of the Tax Code:

1) calculate and pay within the time frames established by paragraph 2 of Article 306 of the Tax Code:

advance payments for corporate income tax payable in equal installments for each month of the first quarter of the reporting taxable period (hereafter, for the purposes of this article, referred to as advance payments prior to the declaration);

advance payments for corporate income tax payable in equal installments for each month of the second, third, fourth quarters of the reporting taxable period (hereinafter, for the purposes of this article, referred to as advance payments after the declaration);

2) draw up and submit to the tax authority at the location of the taxpayer:

the calculation of the amount of advance payments for corporate income tax payable for the period prior to the declaration on the corporate income tax for the previous taxable period (hereinafter, for the purposes of this article, referred to as the calculation of advance payments prior to the declaration);

the calculation of the amount of advance payments for corporate income tax payable for the period after the declaration on the corporate income tax for the previous taxable period (hereinafter, for the purposes of this article, referred to as the calculation of advance payments after the declaration).

In accordance with subparagraph 1 of paragraph 1 of article 305 of the Tax Code, taxpayers whose total annual income, with account of adjustments for the taxable period preceding the previous taxable period, does not exceed the amount equal to 325 000 times the monthly calculated index established by the law on the national budget and effective as of January 1 of a financial year preceding the previous financial year, unless otherwise provided for by this paragraph;

Thus, in accordance paragraph 5 of article 305 of the Tax Code, the amount of advance payments:

1) prior to the declaration is calculated (assessed) for the first quarter of the reporting taxable period equal to one-fourth of the total amount of advance payments, calculated in the amounts of advance payments for the previous taxable period, except for cases specified in subparagraph 2) of this paragraph. If a taxpayer understates the amount of advance payments in the calculation of advance payments prior to the declaration, a tax authority is entitled to assess the amount of advance payments for the specified period equal to the positive difference between the amount of advance payments determined in accordance with

this subparagraph and the amount of advance payments specified in such calculation, for the periods of payment established by paragraph 2 of article 306 of the Tax Code;

2) prior to the declaration is calculated on the basis of the estimated amount of corporate income tax for the current taxable period by taxpayers who:

did not calculate advance payments for corporate income tax in the previous taxable period;

are specified in paragraph 3 of article 306 of the Tax Code - in the taxable period of reorganization through division or separation, and also during two subsequent taxable periods;

3) after the declaration is calculated in the amount of three-fourths of the corporate income tax amount calculated for the previous taxable period in accordance with paragraph 1 of article 302 and article 652 of the Tax Code, except for cases provided for in subparagraph 4) of this paragraph;

4) after the declaration is calculated on the basis of the estimated amount of corporate income tax for the current taxable period in the case:

of the amount of corporate income tax calculated for the previous taxable period in accordance with paragraph 1 of article 302 and article 652 of the Tax Code being equal to zero;

specified in paragraph 3 of this article - in the taxable period of reorganization through division or separation, and also during two subsequent taxable periods;

extension of the period for submitting a corporate income tax declaration for the previous taxable period.

Therefore, if an AIFC Participant and an entity exempt from corporate income tax on income received from the provision of services to AIFC Participants in accordance with paragraph 4 of article 6 of the Constitutional Statute, the total annual income, taking into account adjustments for the taxable period preceding the previous taxable period, exceeds the amount equal to 325,000 times the monthly calculated index, then such AIFC Participants have obligations to calculate, pay and provide advance payments on corporate income tax before and after the submission of the Declaration. In this case, if these AIFC Participants did not calculate advance payments on corporate income tax in the previous taxable period, then in order to calculate the amount of advance payments on corporate income tax before and after the filing of the Declaration, such payments are determined on the basis of the estimated amounts of corporate income tax.

In accordance with subparagraph 6) of article 14 of the Law of the Republic of Kazakhstan *On Order of Consideration of References of Individuals and Legal Entities* dated 12 January 2007, individual or legal entity that filed a reference shall have the right to appeal the actions (omission) of civil servants or decision adopted upon reference.