

**“Astana” International
Financial Centre**

from “29” 06 2018
No. 60
Astana



**State Revenue Committee
of the Ministry of Finance
of the Republic of Kazakhstan**

from “02”07 2018
No. 288
Astana

JOINT ORDER

On the approval of Special Provision No. 1

We, Kairat Kelimbetov, the Governor of the “Astana” International Financial Centre (hereinafter, AIFC), and Ardak Tengebayev, the Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan, in accordance with paragraph 9 of article 6 of the Constitutional Statute of the Republic of Kazakhstan dated December 7, 2015 On the Astana International Financial Centre and subparagraph 2) of paragraph 10 of Rules of Tax Administration and Interaction of State Revenue Bodies with bodies and participants of the AIFC on taxation issues approved by the Joint Order of the AIFC Governor dated December 22, 2017 No. 48, and Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan dated December 29, 2017 No. 596, **do hereby order as follows:**

1. To approve attached Special Provision No. 1 (Special Provision on Tax Accounting Policy for the AIFC Participants) in accordance with Appendix to this Joint Order.

2. This Joint Order comes into force from the day it is signed by both parties and posted on the website of the “Astana” International Financial Centre and extends to legal relations that have arisen since January 1, 2018.

Annex
to the Joint Order
of the Governor of the «Astana» International
Financial Centre
from «29» 06 2018 No. 60
and the Chairman of the State
Revenue Committee
of the Ministry of Finance
of the Republic of Kazakhstan
from «02» 07 2018 No. 288

Special provision No. 1
(Special provision on tax accounting policy
for Participants of the «Astana» International Financial Centre)

1. This Special Provision No. 1 (Special Provision on Tax Accounting Policies for Participants of the «Astana» International Financial Centre) was developed in accordance with paragraph 9 of article 6 of the Constitutional Statute of the Republic of Kazakhstan dated December 7, 2015 On the Astana International Financial Centre (hereinafter, Constitutional Statute), subparagraph 2) of paragraph 10 of Rules concerning Tax Administration and Interaction of State Revenue Authorities with Authorities and Members of the "Astana" International Financial Centre (hereinafter, AIFC) on Taxation Matters approved by the Joint Order of the AIFC Governor dated December 22, 2017 No. 48 and the Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan dated December 29, 2017 No. 596, (hereinafter, Tax Administration Rules) and approves the form of tax accounting policy for the AIFC Participants.

2. Concepts and terms used in this Special Provision No. 1 apply in the sense in which they are used in the Code of the Republic of Kazakhstan «On taxes and other mandatory payments to the budget» (the Tax Code), Tax Administration Rules and Regulations on Keeping Separate Accounting of Income Subject to Exemption of Corporate Income Tax and Subject to Taxation, and Expenses Subject to Allocation to Deductions by the Participants of AIFC, approved by the Joint Order of the AIFC Governor dated December 8, 2017 No. 33, the Minister of Finance of the Republic of Kazakhstan dated December 11, 2017 No. 711 and the Minister of National Economy of the Republic of Kazakhstan dated December 12, 2017 No. 405.

3. The AIFC Participants, who are not taxpayers of the AIFC, independently develop and approve tax accounting policy in accordance with the procedure provided by tax legislation of the Republic of Kazakhstan.

4. The AIFC participants, who are taxpayers of the AIFC, have the right to develop and approve tax accounting policy:

1) independently in the manner prescribed by tax legislation of the Republic of Kazakhstan;

2) on the basis of the form of tax accounting policy in accordance with Annex to this Special Provision No. 1.

5. Additional provisions may be included in the form of tax accounting policy specified in subparagraph 2) of paragraph 4 of this Special Provision No. 1 by the AIFC Participants, who are the AIFC taxpayers.

6. In the absence of the necessary provisions required by Tax Code in the form of tax accounting policy specified in subparagraph 2) of paragraph 4 of this Special Provision No. 1, the AIFC Participant who is the AIFC taxpayer is obliged to independently supplement and approve the relevant provisions of tax accounting policy.

TAX ACCOUNTING POLICY

(indicate the name of the taxpayer)

Section 1. General Provisions

1. This tax accounting policy establishes the procedure for maintaining tax accounting _____ (indicate the name of the taxpayer) (hereinafter – Company) in accordance with the Constitutional Statute of the Republic of Kazakhstan dated December 7, 2015 On the Astana International Financial Centre (hereinafter, Constitutional Statute) and the Code of the Republic of Kazakhstan «On taxes and other mandatory payments to the budget» (the Tax Code).

2. The concepts used in this tax accounting policy are applied in the sense in which they are used in the relevant branches of the legislation of the Republic of Kazakhstan.

3. General information about the Company

1) legal address: _____ (indicate the address of the Company's registration);

2) BIN: _____ (indicate the business identification number of the Company);

3) data on registration for VAT: _____ (indicate the number and date of the certificate of registration for the value-added tax of the Company, as well as the date of setting the Company to record for the value-added tax);

4) data on the Company's participants:

_____ (indicate the founders/participants of the Company).

4. The present edition of the tax accounting policy is put into effect from _____ (specify the effective date of the tax accounting policy).

Section 2. Mandatory Provisions

5. This section establishes the mandatory provisions defined by paragraph 1 of Article 191 of the Tax Code, excepting the forms and procedure for compiling tax registers.

6. The name of the persons responsible for compliance with the tax accounting policy:

(indicate positions).

7. The procedure of conducting separate accounting for income that is subject to exemption from corporate income tax in accordance with the Constitutional Statute and subject to taxation, as well as costs to be charged to deductions, is defined by Rules for the Conducting of Separate Accounting for Income by the AIFC Participants, that are subject to Exemption from Corporate Income Tax and subject to taxation, approved by the Joint Order of the AIFC Governor dated December 8, 2017 No. 33, the Minister of Finance of the Republic of Kazakhstan dated December 11, 2017 No. 711 and the Minister of National Economy of the Republic of Kazakhstan dated December 12, 2017 No. 405.

8. The procedure of conducting separate accounting in cases when the duty to maintain such accounting is provided by the Tax Code is approved by the Company separately, taking into account the provisions established by Articles 194 and 195 of the Tax Code.

9. When applying investment tax preferences, the Company applies the method _____ (indicate the method of deduction chosen by the Company when applying investment tax preferences: "deduction method after commissioning of the facility" / "deduction method before commissioning the facility").

10. The method chosen by the Company for inclusion in set-off VAT: _____ (indicate the method chosen by the Company to include in set-off VAT: "proportional method" / "through conducting separate accounting").

11. The policy for determining hedged risks, hedged items and hedging instruments used in them, the methodology for assessing the degree of hedge effectiveness in the case of hedging transactions, as well as the policy of recording income on Islamic securities in the case of transactions with Islamic securities, is approved separately by the Company.

12. The maximum number of digits used in the numbering of invoices when they are issued is _____ (specify the number of characters used in the numbering of invoices, in words) signs.

13. The company applies the following depreciation rates when calculating depreciation for fixed assets (specify the asset (inventory, cadastral or other similar number) of the asset (for group I), the name of the asset (for group I), the depreciation rate used):

1) for group I «Buildings, structures, except for oil, gas wells and transmission devices»:

Asset identifier	Asset name	Applicable norm

2) by groups II, III, IV:

Group number	Name of group	Applicable norm
II	Machinery and equipment, with the exception of machinery and equipment for oil and gas production, as well as computers and information processing equipment	
III	Computers, software and equipment for information processing	
IV	Fixed assets not included in other groups, including oil, gas wells,	

	transmission devices, machinery and equipment for oil and gas production	
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Section 3. Separate provisions

14. This section establishes certain provisions to be determined in the tax accounting policy in accordance with the Special Part of the Tax Code.

15. In the absence of documents confirming travel, the number of days of business trips for the purposes of subparagraph 2) of paragraph 2 of Article 244 of the Tax Code is determined on the basis of _____ (specify the document chosen by the Company, which is the basis for determining the number of days of travel: "travel authorization" or other similar document) if there is an order for a business trip.

16. The company, in the presence of an agreement on joint activities and in the absence of the procedure for the allocation of assets, liabilities, income and expenses for joint activities in it, determines the objects of taxation and (or) objects associated with taxation for joint activities on the basis of a separate tax accounting policy developed and approved by the parties of the joint activity agreement.

Section 4. The procedure for compiling of tax registers

17. The Company prepares tax registers for corporate income tax in the following forms:

- 1) in accordance with Appendices 1-34 to Special Provision No. 2;
- 2) approved in accordance with subparagraph 2) of paragraph 2 of Article 215 of the Tax Code.

18. The Company prepares tax registers for types of taxes and payments to the budget not specified in paragraph 17 of this tax accounting policy, according to the forms approved by the Company in accordance with subparagraph 1) of paragraph 2 of Article 215 of the Tax Code, and the authorized body in accordance with subparagraph 2) of clause 2 of Article 215 of the Tax Code.